

My Rewards International Limited

ACN 095 009 742

For an offer of 25,000,000 Shares at an issue price of \$0.20 per Share to raise \$5,000,000.

Oversubscriptions of up to a further 10,000,000 Shares at an issue price of \$0.20 per Share to raise up to a further \$2,000,000 may be accepted.



Lead Manager to the Offer:



Legal Advisers:



IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus, you have questions about the Shares being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay. The Shares offered by this Prospectus should be considered as highly speculative.

Important Notice

This Prospectus is dated 2 November 2021 and was lodged with ASIC on that date. ASIC, the ASX and their officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares that are the subject of this Prospectus should be considered as highly speculative.

Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications for Shares under this Prospectus will not be accepted by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

No offering where offering would be illegal

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions, including those set out below. Failure to comply with these restrictions may violate securities laws.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. It is important that investors read this Prospectus in its entirety and seek professional advice where necessary.

No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia. This Prospectus has been prepared for publication in Australia and may not be distributed outside Australia.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.myrewardsinternational.com/investors. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy

of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on 1300 362 251 during office hours or by emailing the Company at info@myrewards.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No document or other information available on the Company's website is incorporated into this Prospectus by reference.

No cooling-off rights

Cooling-off rights do not apply to an investment in Shares issued under the Prospectus. This means that, in most circumstances, you cannot withdraw your application once it has been accepted.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Shares under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Risks

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for Shares. There are risks associated with an investment in the Company. The Shares offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Shares. Refer to Section F of the Investment Overview and Section 8 for details relating to some of the key risk factors that should be considered by prospective investors. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.



The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 8.

Financial Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Continuous disclosure obligations

Following admission of the Company to the Official List, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares.

Price sensitive information will be publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the ASX.

In addition, the Company post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary.

All references to time in this Prospectus are references to Australian Eastern Standard Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your Shares in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

Use of Trademarks

This Prospectus includes the Company's registered and unregistered trademarks.

All other trademarks, tradenames and service marks appearing in this Prospectus are the property of their respective owners.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offer or how to accept the Offer please contact the Company Secretary.



Corporate Directory

Directors

David Vinson

Executive Chairman

Maitreyee Khire

Managing Director

Daniel Goldman

Non-Executive Director

Company Secretary

Neill Whitehead

ASX Code

MRI

Registered Office

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ST KILDA VIC, 3182

Telephone: 1300 362 251

Email: info@myrewards.com.au

Website: www.myrewardsinternational.com

Legal advisers

Steinepreis Paganin

Level 4, 50 Market Street
MELBOURNE VIC, 3000

Investigating Accountant

RSM Corporate Australia Pty Ltd

Level 21, 55 Collins Street
MELBOURNE VIC, 3000

Auditor

RSM Australia Pty Ltd

Level 21, 55 Collins Street
MELBOURNE VIC, 3000

Industry Expert

Frost & Sullivan

Level 1, 54 Miller St,
NORTH SYDNEY NSW, 2060

Lead Manager

Barclay Pearce Capital Pty Ltd

Level 17, 115 Pitt Street
SYDNEY NSW, 2000

Telephone: + 61 2 8288 6900

Share Registry*

Boardroom Pty Ltd

Level 12, 225 George Street,
SYDNEY NSW, 2000

Telephone: +61 2 9290 9600

* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.





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Letter from the Chairman

Dear Investor,

On behalf of the directors of My Rewards International Limited (**Company** or **My Rewards**), it gives me great pleasure to invite you to become a shareholder of the Company.

My Rewards is a global provider of rewards, recognition and loyalty programs. Since its incorporation in 2000, My Rewards has steadily grown to now connect over 4.6 million Members with more than 4,500 global, national and local Suppliers.

My Rewards also provides more than 100 corporates with Employee Engagement and Customer Loyalty Programs to help them retain, engage and attract employees or customers.

These Programs are delivered through a robust, scalable, cloud-based, e-commerce enabled platform (**My Rewards Platform**) that delivers flexible, highly responsive services with the highest levels of service integrity and data security, where exclusive discounts and offers can be accessed.

The My Rewards Platform utilises proprietary artificial intelligence (**AI**) technology to deliver personalised offers and discounts to Members through an easy purchasing experience.

My Rewards recently won a global contract with one of the world's largest money transfer companies, Ria Money Transfer, for the roll-out of its own customer rewards program across an initial six countries, with gradual expansion into all of Ria's markets covering more than 30 million customers. Based in California, Ria has a large global network with operations in 435,000 locations in more than 160 countries.

In addition to Ria, My Rewards provides its Programs to some of the biggest household brands in retail, financial services, and telecommunications, including Telstra, MLC and AIG.

The technology of the My Rewards Platform enables each Employee Engagement and Customer Loyalty Program to be fully customised, delivering personalised products and services to each Member. The My Rewards Platform is highly scalable and will underpin My Rewards' growth strategies domestically and internationally.

My Rewards will be expanding its e-commerce Platform capabilities to include the My Rewards' Digital Wallet, as well as launching a direct-to-consumer program. This Digital Wallet will allow My Rewards to monetise instore transactions and contribute towards the growth of the business.

The Board and management of My Rewards have significant expertise and experience in the loyalty, rewards, e-commerce and marketing services industry and will aim to ensure that funds raised through the Offer will be utilised in a cost-effective manner to grow the Company's business.

The Company is seeking to raise a minimum of \$5,000,000 through the issue of 25,000,000 Shares at an issue price of \$0.20 per Share under the Offer. The Company may also accept oversubscriptions of up to 10,000,000 Shares at \$0.20 per Share to raise an additional \$2,000,000. The purpose of the Offer is to provide funds to implement the Company's business strategies (as explained in Section 6).



This Prospectus is issued for the purpose of supporting an application to list the Company on the ASX. This Prospectus contains detailed information about the Company and its business together with the risks of an investment in the Company.

Before you make your investment decision, we urge you to read this Prospectus in its entirety and seek professional advice if required. We look forward to you joining us as a Shareholder and sharing in what we believe are exciting and rewarding times ahead for the Company.

Yours sincerely,



David Vinson
Executive Chairman





section 2

Key Offer Information

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2. Key offer information

Indicative timetable¹

Important dates	
Lodgement of Prospectus with ASIC	2 November 2021
Exposure Period begins	2 November 2021
Opening Date	10 November 2021
Closing Date	29 November 2021
Issue of Shares under the Offer	13 December 2021
Despatch of holding statements	15 December 2021
Expected date for quotation of the Shares on ASX	17 December 2021

- 1. The above dates are indicative only and may change without notice. Unless otherwise indicated, all times given are AEST. The Exposure Period may be extended by ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act. The Company reserves the right to extend the Closing Date or close the Offer early without prior notice. The Company also reserves the right not to proceed with the Offer at any time before the issue of Shares to applicants.*
- 2. If the Offer is cancelled or withdrawn before completion of the Offer, then all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their applications as soon as possible after the Offers open.*



Key statistics of the offer

	Minimum Subscription (\$5 million) ¹	Full Subscription (\$7 million) ²
Offer Price per Share	\$0.20	\$0.20
Shares currently on issue	138,941,692	138,941,692
Shares to be issued under the Offer	25,000,000	35,000,000
Shares to be issued on conversion of Convertible Notes ³	22,265,887	22,265,887
Shares to be issued under the Perx Rewards Acquisition Agreement ⁴	1,000,000	1,000,000
Shares to be issued to Barclay Pearce under the Lead Manager Mandate ⁵	750,000	1,050,000
Maximum number of Shares able to be issued to Klyp under the Klyp Services Agreement ⁶	7,491,259	7,491,259
Gross Proceeds of the Offer	\$5,000,000	\$7,000,000
Shares on issue Post-Listing (undiluted) ⁷	195,448,838	205,748,838
Market Capitalisation Post-Listing (undiluted) ⁸	\$39,089,768	\$41,149,768
Options currently on issue ⁹	17,500,000	17,500,000
Shares on issue Post-Listing (fully diluted) ⁷	212,948,838	223,248,838
Market Capitalisation Post-Listing (fully diluted) ⁸	\$42,589,768	\$44,649,768



Notes:

1. Assuming the minimum subscription of \$5,000,000 is achieved under the Offer.
2. Assuming all the 10,000,000 Shares offered in oversubscriptions are subscribed for and a total amount of \$7,000,000 is raised under the Offer.
3. Refer to Section 10.1.2 for a summary of the terms of the Initial Convertible Note Agreements and Section 10.1.3 for a summary of the terms of the Investors Convertible Note Agreements.
4. These Shares will be issued to Perx Rewards at a deemed issue price of \$0.20 per Share in accordance with the Perx Rewards Acquisition Agreement. Refer to Section 10.2.1 for a summary of the key terms and conditions of the Perx Rewards Acquisition Agreement.
5. These Shares will be issued to the Lead Manager in accordance with the Lead Manager Mandate. Refer to Section 10.1.1 for a summary of the terms and conditions of the Lead Manager Mandate.
6. These Shares will be issued to Klyp Australia Pty Ltd, subject to Klyp Australia Pty Ltd meeting relevant milestones in accordance with the Klyp Services Agreement. Refer to Section 10.3.1 for a summary of the terms and conditions of the Klyp Services Agreement.
7. Certain Shares on issue post-listing will be subject to ASX-imposed escrow. Refer to Section 6.15 for a disclaimer with respect to the likely escrow position.
8. Assuming a share price of \$0.20, however the Company notes that the Shares may trade above or below this price.
9. Comprising:
 - a. 13,000,000 Options (at various exercise prices, expiry dates and vesting dates) issued under the Equity Incentive Plan. Refer to Section 11.3 for the terms of the Tranche 1 to Tranche 9 Employee Options; and
 - b. 4,500,000 Options (exercisable at \$0.30 each on or before the date that is 3 years from the date of issue of the Options) issued to Connected Energy Solutions Pty Ltd (CES) in consideration for facilitating the completion of the first-round convertible note seed capital raising of \$600,000 before 25 December 2020. Refer to Section 11.4 for the terms of the CES Options.





section 3

Investment Overview

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3. Investment overview

This Section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

Item	Summary	Further information
A. About My Rewards		
Who is the issuer of this Prospectus?	My Rewards International Limited (ACN 095 009 742) (Company or My Rewards)	Section 6.1
Who is the Company?	My Rewards is an Australian unlisted public company and has two wholly owned subsidiaries, My Rewards Pty Ltd (ACN 120 267 316) (My Rewards Aus) (formerly known as Pegasus Group Australia Pty Ltd) and My Rewards (USA) Inc. (My Rewards (USA)) (an entity incorporated in Delaware) (together, the Subsidiaries). My Rewards is one of Australia's leading providers of employee and consumer engagement, loyalty and rewards programs (Employee Engagement and Customer Loyalty Programs).	Section 6.1
What does the Company do?	<p>The Company, together with its wholly owned subsidiary, My Rewards Aus provides customised solutions to corporates and business of all sizes in the areas of employee benefits, rewards and recognition, employee engagement, member engagement and loyalty programs.</p> <p>My Rewards designs, builds, powers and manages systems and online marketplaces where Members of Employee Engagement and Customer Loyalty Programs can access rewards, discounts and special offers from the My Rewards' network of Suppliers (B2B).</p>	Section 6.1



<p>What are the Company's key objectives post listing?</p>	<p>The Company's main objectives on completion of the Offer and ASX listing are to:</p> <ol style="list-style-type: none"> a. implement its growth plan to significantly boost Member numbers, increase transactional revenue and profit margins; b. launch new products, enter into new and international markets; c. integrate the business of Perx Rewards Pty Ltd (Perx Rewards) and undertake potential strategic acquisitions; d. enhance its public profile in the loyalty and rewards industry as a result of becoming an ASX listed entity; e. provide Shareholders with access to a liquid market for Shares; f. provide the Company with access to equity capital markets for potential future capital raising; and g. provide working capital for the Company. 	<p>Section 6.7</p>
<p>What is the Company's corporate history?</p>	<p>My Rewards was incorporated in South Australia on 9 November 2000 as The Rewards Factory Limited as an unlisted public company limited by shares. The Company was listed on ASX on 26 June 2008 and was subsequently delisted 31 August 2009. The Company subsequently changed its name to My Rewards International Limited on 10 May 2011.</p>	
<p>B. Industry Overview</p>		
<p>What is the industry in which the Company will operate?</p>	<p>My Rewards operates in the loyalty and rewards industry.</p>	<p>Section 5</p>
<p>Where are the Company's key markets located?</p>	<p>My Rewards' key markets are located in Australia, USA and Southeast Asia.</p>	<p>Section 5.2</p>



<p>What is scale of the loyalty and rewards market and what trends are expected to drive growth in this market?</p>	<p>Globally, the loyalty management market is estimated at US\$7.6 billion (\$10.3 billion) in 2020 (refer to the Industry Overview Report in Section 5).</p> <p>The key trends in the operations of the loyalty and rewards industry and the loyalty and rewards programs include:</p> <ol style="list-style-type: none"> a. a rapid shift from schemes based on just earning points for future redemption to more holistic programs that engage more comprehensively with members; b. growing use of artificial intelligence (AI); c. automated online payment options improving security and ease of purchase; d. incorporation of digital wallets that combine loyalty with payment; and e. use of third-party aggregators. 	<p>Section 5.5</p>
<p>Who are the Company's key competitors?</p>	<p>The largest points-based loyalty and rewards programs are typically operated by airlines and non-discretionary retailers, such as supermarket and pharmacy chains. The Company's key competitors include Qantas Frequent Flyer, Virgin Velocity, Flybuys, Woolworths Rewards and Priceline Sister Club.</p> <p>Cashback programs exist in all main markets, typically operated by domestic companies and member benefit or discount programs, and they include Cash Rewards, Groupon, Catch and Amazon Prime.</p>	<p>Section 5.8</p>



<p>What are the key barriers to entry in the loyalty and rewards market?</p>	<p>The key barriers to entry in the loyalty and rewards market include:</p> <ul style="list-style-type: none"> a. Scale – Scale is a key determinant of success of a program, particularly for coalition programs, where network effects can come into play with a higher number of members driving a higher number of merchants to participate, and more merchants contributing to attracting more members. The time and investment required to build both member and merchant networks is likely to be a significant barrier to market entry. b. Investment in Technology – The investment in technology capability, such as AI, that is increasingly required to successfully operate loyalty and rewards programs is also a barrier to new entrants. c. Member Conversion - Given the large number of existing programs and the high average number of individual memberships, attracting members to a new program can be challenging given likely 'program fatigue' amongst many consumers. d. Costs to Launch New Programs - The costs to launch a new program, including in technology investment and marketing, can be substantial. 	<p>Section 5.11</p>
<p>What is the regulatory environment in which the Company operates?</p>	<p>The Company mainly operates in Australia, where there are no specific regulations pertaining to loyalty and rewards programs, but scheme operators do need to adhere to regulations in the areas of consumer law and data privacy. Relationships between stakeholders in loyalty and rewards programs are governed by the statutory protections offered to consumers by the Competition and Consumer Act (2010) (Cth) (CCA), including the Australian Consumer Law (ACL). The purpose of the CCA is to promote fair trading and competition, including through the provisions on consumer protection offered through the ACL.</p>	<p>Section 5.12</p>



<p>What is the regulatory environment in which the Company operates?</p>	<p>Additionally, loyalty and rewards programs operators may be included within the definition of Australian Privacy Principles (APP) ‘entities’, defined as any private and non-profit organisations with an annual turnover of more than \$3 million and data companies. APP entities must handle, use and manage personal information in accordance with the 13 APPs set out in the Privacy Act (1988). The Office of the Australian Information Commissioner (OAIC) has the responsibility to enforce the Privacy Act including powers of investigation of an APP entity after receiving a privacy complaint.</p> <p>In most jurisdictions, loyalty and rewards programs are similarly regulated to Australia under statutory protections under the general law, including competition, consumer protection and privacy regulations (such as the EU General Data Protection Regulation (GDPR)).</p>	<p>Section 5.12</p>
<p>C. Business Model</p>		
<p>How does the Company deliver its services?</p>	<p>My Rewards’ Employee Engagement and Customer Loyalty Programs are delivered through a robust, scalable, cloud-based, e-Commerce enabled platform (My Rewards Platform) that delivers flexible, highly responsive services with high levels of service integrity and data security, where Members can access exclusive discounts and offers, and businesses can reward their employees and customers for their loyalty and/or performance. The My Rewards Platform is highly scalable and will underpin My Rewards’ growth strategies domestically and internationally.</p> <p>The Company believes its technology is vital to the operations of the business. As such, the Company has invested heavily in the research, development and innovation of its technology platform in order to widen its competitive advantage. The Company’s investment in technology has enabled My Rewards to meet and exceed its members’ expectations through the launch of new products in response to customers’ requests and demands. In particular, My Rewards has commenced offering cashbacks and is introducing a ‘Buy Now Pay Later’ (BNPL) facility, branded “Pay My Way” to some of its Members. The next phase of My Rewards’ business development is its international expansion.</p>	<p>Section 6.1</p>



<p>How does the Company deliver its services?</p>	<p>The other major new avenue of growth is through the launch of a new Business to Customer (B2C) online marketplace called “My Rewards My Way”. The Company believes this product will provide its consumers with access to discounts, special offers and cashbacks and will create a major growth opportunity for the business.</p>	<p>Section 6.1</p>
<p>How does the Company generate revenue?</p>	<p>My Rewards operates a multi-pronged business model, where value and benefits are delivered to Program Sponsors, Members of those programs and Suppliers of products and services. The Company generally generates revenue from fees paid by Program Sponsors, and Members’ purchases of goods and services from Suppliers on the My Rewards Platform.</p> <p>Program Sponsors My Rewards currently generates revenue from Program Sponsors and the sale of gift cards, goods and services to Members.</p> <p>Corporate clients pay My Rewards a monthly or annual fee to enable their employees and/or customers to access a white-label Employee Engagement and/or Customer Loyalty Program online and via a customised mobile App. Client fees are primarily based on the size of the membership base. Fees will also be generated for set-up and customisation.</p> <p>Members My Rewards sells gift cards, entertainment tickets to theatre, cinema and sporting events, and general merchandise, such as electronics and fashion items to Members of the Employee Engagement and Customer Loyalty Programs. My Rewards earns a small margin on transactions made through the My Rewards Platform. Gift cards and tickets are particularly popular sale items on the My Rewards Platform.</p>	<p>Section 6.5</p>
<p>What is the Company’s technology?</p>	<p>The My Rewards Technology Platform powers and manages the My Rewards Employee Engagement and Customer Loyalty Programs that it designs and builds for its clients, as well as the marketplaces where Members and Suppliers can interact. The My Rewards Platform plays a critical role in delivering rapid, reliable performance of every Employee Engagement and Customer Loyalty Program with a focus on data security.</p>	<p>Section 6.6</p>



<p>What is the Company's technology?</p>	<p>The My Rewards Platform is also a fully-fledged e-Commerce platform with inventory management, content management, customer engagement, payment gateways and data analysis capabilities. The My Rewards Platform is cloud-based and hosted by AWS with servers in Australia, Singapore and the US with AWS certifications for data privacy and security compliance. My Rewards Platform provides inventory management, content management, customer engagement, payment gateways and data analysis capabilities. It delivers a customised, high-quality user experience to each Member, as well as serves as a robust and efficient trading platform to Suppliers.</p>	<p>Section 6.6</p>
<p>What is the Company's growth strategy?</p>	<p>My Rewards has a comprehensive growth plan with the key objectives of significantly boosting Member numbers, increasing transactional revenue and profit margins. It has in place a multi-pronged strategy, which will see the Company launch new products, enter into new markets, and undertake strategic acquisitions.</p> <ul style="list-style-type: none"> a. Driving Transactional Revenue – the launch of the new My Rewards App, which integrates the Digital Wallet feature establishes a pathway for the Company to generate revenue from Members' in-store transactions with Suppliers. b. Boosting Membership – boosting new and active memberships is a key growth tenant for My Rewards. Through the launch of My Rewards B2C platform, "My Rewards My Way", the Company will attract new Members outside of the existing B2B network. The Company will be employing various strategies to increase the proportion of Active Members on its platform and will undertake regular sales and marketing activities with a view to secure new Employee Engagement and Customer Loyalty Program clients. c. Launch of My Rewards My Way – My Rewards' consumer marketplace, My Rewards My Way will be open to the general public and will provide a rewards marketplace with fast Cashbacks and discounts on a wide range of products and services. 	<p>Section 6.7</p>



<p>What is the Company's growth strategy?</p>	<p>d. International Expansion - My Rewards has entered and will continue to expand into the international markets through its commercial relationships with its clients.</p> <p>e. Acquisitions - My Rewards will pursue acquisitions of complementary businesses and in connection with the Offer will acquire Perx Rewards Pty Ltd, which operates as Infinite Rewards.</p>	<p>Section 6.7</p>
<p>What are the significant dependencies of the Company post-listing?</p>	<p>The key factors that the Company will depend on to meet its objectives are:</p> <p>a. Technology – the My Rewards Business model depends on operational, growth and engagement efficiencies to be realised via the ability of its Platform to scale and adapt to new consumer demands and market requirements;</p> <p>b. Key personnel - the team of My Rewards have been instrumental in the growth, development and servicing of the My Rewards Platform; and</p> <p>c. Supplier relationship - My Rewards believes that the nurturing and growth of Supplier relationships in order to secure better offerings for its Members is key for My Rewards' growth.</p>	<p>Section 6.9</p>
<p>What is the Company's Dividend Policy?</p>	<p>The Company anticipates that significant expenditure will be incurred in the development and commercialisation of the My Rewards Platform and Member growth. These activities, together with the possible acquisition of interests in other companies in the loyalty and rewards industry or Supplier aggregators, are expected to utilise a large portion of available resources for at least the first two-year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.</p> <p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and the operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.</p>	<p>Section 6.16</p>



D. Financial Information

How has the Company performed historically?

The audited historical financial information of the Company (including its subsidiaries) and Perx Rewards Pty Ltd for the financial years ended 30 June 2019, 30 June 2020 and 30 June 2021 is set out in Section 7 and Annexure A.

Section 7 and Annexure A

What is the key financial information for the Company?

A summary of key financial information about the pro forma historical financial performance and financial position of My Rewards and Perx Rewards Pty Ltd is set out below.

The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles of the Australian Accounting Standards (**AAS**) other than it includes certain adjustments which have been prepared in a manner consistent with AAS, that reflect:

- a. the exclusion of certain transactions that occurred in the relevant periods and
- b. the impact of certain transactions as if they had occurred on or before 30 June 2021, including the acquisition of Perx Rewards.

Explanation of certain non-IFRS financial measures are set out in Section 7.2

Historical consolidated pro forma financial performance

(\$'000)	FY2019	FY2020	FY2021
Revenue	11,412	27,059	27,316
Gross Profit	578	252	935
EBIT	(1,362)	(1,521)	(1,195)
NPAT	(1,506)	(1,835)	(2,125)

Investors should note that past performance may not be an indicator of future performance.

My Rewards' pro forma revenues are generated from fees paid by Program Sponsors, sales of goods and services to Members via the MyRewards' Platform and commissions received from Advertisers and Suppliers.

Section 7 and Annexure A



Item	Summary	Further information
	Consolidated Pro Forma Statement of Financial Position	
	\$ thousands	Pro Forma Historical Balance Sheet 30 June 2021 (Min Subscription) Pro Forma Historical Balance Sheet 30 June 2021 (Full Subscription)
	Current assets	
	Cash and cash equivalents	3,596 5,446
	Trade and other receivables	265 265
	Inventories	7 7
	Other assets	91 91
	Total current assets	3,959 5,809
	Non-current assets	
	Plant and equipment	8 8
	Right-of-use assets	274 274
	Intangible assets	1,476 1,476
	Total non-current assets	1,758 1,758
	Total assets	5,717 7,567
	Current liabilities	
	Trade and other payables	(751) (751)
	Borrowings	(438) (438)
	Lease liabilities	(94) (94)
	Employee benefits	(229) (229)
	Deferred revenue	(836) (836)
	Total current liabilities	(2,348) (2,348)
	Non-current liabilities	
	Borrowings	(201) (201)
	Lease liabilities	(193) (193)
	Employee benefits	(34) (34)
	Total non-current liabilities	(428) (428)
	Total liabilities	(2,776) (2,776)
	Net assets	2,941 4,791



Item	Summary	Further information
What is the financial outlook for the Company?	<p>Given the current status and nature of the Company's business, the Directors do not consider it appropriate to forecast future earnings.</p> <p>Any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a liable best estimate forecast or projection on a reasonable basis.</p>	Section 7 and Annexure A
E. Key Investment Highlights		
My Rewards Ecosystem	<p>The growing multi-faceted value proposition of My Rewards ecosystem delivers real tangible benefits to all its participants.</p> <p>My Rewards provides customisable solutions to Program Sponsors to keep employees happy, reach new customers, win repeat business and achieve higher transaction/order value.</p> <p>The My Rewards' AI-driven platform with over 4,500 Suppliers offering products and services, and customised offers provide Members with a personalised shopping experience whilst receiving rewards, discounts, benefits and savings.</p> <p>My Rewards Suppliers get a captive audience to promote their products and services to increase sales, promote their brand and build loyalty.</p>	Section 6.10
My Rewards Technology Platform	<p>My Rewards' technology-driven business model and growth strategies support the My Rewards Platform to grow rapidly with minimal increase in operational costs.</p> <p>The proprietary My Rewards Platform is robust, scalable and adaptable as My Rewards expands into new markets. It supports and powers Program Sponsors, Member and Supplier onboarding, ongoing maintenance, inventory management and control, business processes automation, and data security and analysis.</p> <p>The My Rewards Platform has been architected to be modular, customisable and scalable to support growing Members, transactions and data elements.</p>	Section 6.10



Existing Blue-Chip Clients and established Member and Supplier base	<p>My Rewards provides customised Employee Engagement and Customer Loyalty Programs to over 100 corporates, connecting more than 4,600,000 Members with over 4,500 Suppliers. My Rewards' blue-chip client base includes some of the biggest household brands in retail, financial services, and telecommunications, including Telstra, MLC, RIA, Ramsay Health and AIG. My Rewards Suppliers range from global brands, such as Apple, Jeep and Pandora to Australian national suppliers like JB Hi-Fi and local and emerging Suppliers from the community that supply services in the hospitality, wellness and fashion industry.</p> <p>My Rewards provides its Members with benefits and rewards across a range of lifestyle categories – from purchasing a coffee to a car.</p>	Section 6.10
Global Growth	<p>My Rewards will be expanding into international markets over the next twelve months through its commercial relationships with clients such as RIA. The My Rewards Platform can securely scale in different markets and is adaptable to multiple currencies and languages.</p>	Section 6.10
Consumer Trends	<p>My Rewards believes that its value proposition for Program Sponsors, Members and Suppliers is in line with global trends. Loyalty and rewards programs have become increasingly important, with research indicating 85% of business growth comes from loyal customers. The My Rewards Platform's diverse capabilities and technology caters for shifts in trends like adoption of digital wallets, AI and holistic approach to rewards and loyalty.</p>	Section 6.10
Data	<p>My Rewards has access to large datasets of Member and Supplier activities via the Employee Engagement and Customer Loyalty Programs. The My Rewards Platform's AI capabilities has the ability to collect and analyse Member data, deliver meaningful insights and a highly personalised shopping experiences to Members. My Rewards' Suppliers can also benefit from custom audience segments, automated advertisement placements and communication via email, SMS or App notifications based on data insights.</p>	Section 6.10



Growing global addressable market and structural tailwinds	My Rewards is favourably exposed to structural tailwinds and a growing global market, including growth in online retail sales and ongoing growth in the global loyalty and rewards market. My Rewards believes the growing use of e-Commerce platforms, mobile phones and digital wallets has the potential to significantly grow the My Rewards' business and assist in new market penetration.	Section 6.10
Experienced and dedicated Management team	My Rewards is led by a management team with leading industry experience, which was built around the key pillars of My Rewards, being loyalty and rewards, technology and commercial relationships.	Section 6.10

F. Key Risks

Business strategy execution risk	<p>The Company's future growth and financial performance is dependent on the Company's ability to successfully execute its business strategy. This will be impacted by a number of factors, including the Company's ability to:</p> <ul style="list-style-type: none"> a. successfully integrate the Perx Rewards' business onto the My Rewards' platform and retain Perx Rewards' customers. There is no guarantee that the acquisition of Perx Rewards' will result in a positive contribution to My Rewards' future financial performance; b. successfully roll out the new My Rewards App, which integrates the Digital Wallet feature to establish a pathway for the Company to generate revenue from Members' in-store transactions with Suppliers; and c. successful growth of the My Rewards' B2C program, "My Rewards My Way" and its international expansions. <p>There can be no assurance that the Company can successfully achieve any or all of the above initiatives/strategies. The failure by the Company to successfully execute its business strategy could have a material adverse effect on the Company's business, financial condition and results of operations. There is no guarantee that the Company will generate positive earnings in the future.</p>	Section 8.2
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Contractual risk	<p>Completion of the Acquisition of Perx Rewards are subject to the fulfilment of certain conditions precedent. The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the Perx Rewards Acquisition Agreement.</p> <p>If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.</p> <p>If for any reason, the Perx Rewards Acquisition Agreement is breached by any party, the Acquisition of Perx Rewards may not proceed in which case the Company will need to evaluate its future strategy.</p>	Section 8.2
Privacy and data collection risk	<p>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.</p>	Section 8.2
Protection of intellectual property rights	<p>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 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</p>	Section 8.2



<p>Protection of intellectual property rights (cont)</p>	<p>Company commercially significant protection of technologies, or that any of the projects that may arise from technologies will have commercial applications.</p> <p>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.</p>	<p>Section 8.2</p>
<p>Rapid growth risk</p>	<p>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.</p>	<p>Section 8.2</p>
<p>Competition</p>	<p>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 competitors 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.</p>	<p>Section 8.2</p>
<p>Reliance on key personnel</p>	<p>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.</p>	<p>Section 8.2</p>



Reliance on key personnel (cont)	The Company may not be able to replace its senior management or key personnel with persons of equivalent 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.	Section 8.2
COVID-19 risk	<p>The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.</p> <p>The lockdowns that have been imposed by State Governments in Australia are likely to delay the rollout and adoption of the Digital Wallet feature as My Rewards will be hampered from having its Supplier acquisition teams visiting local businesses to onboard them to the My Rewards Platform.</p>	Section 8.2
Security	<p>As with all technology companies, 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.</p> <p>The Company has made an insurance claim for \$200,000 relating to a cyber breach and at the date of this Prospectus, is in discussions with its insurer. There is no certainty that the claim will be successfully recovered.</p>	Section 8.2
Data loss, theft or corruption	The Company stores data in its own systems and networks and also 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.	Section 8.2



Data loss, theft or corruption (cont)	<p>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.</p> <p>It is possible that the Company may experience negative publicity if their systems are able to be hacked at some point in the future.</p>	Section 8.2
Technology Risk	<p>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.</p>	Section 8.2
Quality Risk	<p>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.</p> <p>For those systems which the Company retains 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.</p>	Section 8.2
Regulatory Risk	<p>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</p>	Section 8.2



Regulatory Risk (cont)	operates may not change in the future which may impact on the Company's existing approvals and products.	Section 8.2
Reliance on 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.	Section 8.2
Other risks	For additional specific risks please refer to Section 8.2. For other risks with respect to the industry in which the Company operates and general investment risks, many of which are largely beyond the control of the Company and its Directors, please refer to Sections 8.3 and 8.4.	Sections 8.2, 8.3 and 8.4

G. Directors and Key Management Personnel

Who are the Directors of the Company?	<p>The Board currently consists of:</p> <ul style="list-style-type: none"> a. David Vinson – Executive Chairman; b. Maitreyee Khire – Managing Director; and c. Daniel Goldman – Non-Executive Director. <p>The Directors have significant corporate, management and business development experience.</p> <p>The biographies of each of the Directors are set out in Section 9.1.</p>	Section 9.1												
Who are the other key management personnel involved in the Company?	<p>The Company's other key management personnel are as follows:</p> <ul style="list-style-type: none"> a. Neill Whitehead – Chief Financial & Commercial Officer and Company Secretary; and b. Patrick Hamilton – Chief Technology Officer. 	Section 9.2												
What benefits are being paid to the Directors?	<p>The benefits being paid to the Directors are set out below:</p> <table border="1"> <thead> <tr> <th>Director</th> <th>Remuneration for the year ending 30 June 2021</th> <th>Remuneration for the year ending 30 June 2022⁴</th> </tr> </thead> <tbody> <tr> <td>David Vinson¹</td> <td>\$71,734</td> <td>\$168,808</td> </tr> <tr> <td>Maitreyee Khire²</td> <td>\$144,448</td> <td>\$318,365</td> </tr> <tr> <td>Daniel Goldman³</td> <td>\$36,000</td> <td>\$48,923</td> </tr> </tbody> </table>	Director	Remuneration for the year ending 30 June 2021	Remuneration for the year ending 30 June 2022 ⁴	David Vinson ¹	\$71,734	\$168,808	Maitreyee Khire ²	\$144,448	\$318,365	Daniel Goldman ³	\$36,000	\$48,923	
Director	Remuneration for the year ending 30 June 2021	Remuneration for the year ending 30 June 2022 ⁴												
David Vinson ¹	\$71,734	\$168,808												
Maitreyee Khire ²	\$144,448	\$318,365												
Daniel Goldman ³	\$36,000	\$48,923												



What benefits are being paid to the Directors?

Notes:

1. David Vinson was appointed to the Board on 24 April 2005.
2. Maitreyee Khire was appointed to the Board on 1 December 2017.
3. Daniel Goldman was appointed to the Board on 1 December 2017.
4. These comprises a salary increase upon successful listing of the Company. Refer to Section 10.4.

Refer to Section 9.4 for further details.

H. Interests of Key People and Related Party Transactions

What are the interests of Directors in the securities of the Company?

As at the date of this Prospectus, the Directors have relevant interests in Securities as follows:

Director	Shares	% Undiluted
David Vinson	3,081,300	2.22%
Maitreyee Khire ¹	20,244,134	14.57%
Daniel Goldman ²	1,187,500	0.85%

Notes:

1. Held jointly with Manas Patankar (spouse of Maitreyee Khire).
2. Held by the Goldman Family Company Pty Ltd as trustee for The Goldman Family Trust (an entity controlled by Daniel Goldman).

On completion of the Offers, assuming the Minimum Subscription is raised, it is anticipated that the Directors will have relevant interests in Securities as follows:

Director	Shares	% Undiluted	% Fully Diluted
David Vinson	3,081,300	1.58%	1.45%
Maitreyee Khire ¹	20,244,134	10.36%	9.51%
Daniel Goldman ²	1,187,500	0.61%	0.56%

Notes:

1. Held jointly with Manas Patankar (spouse of Maitreyee Khire).
2. Held by the Goldman Family Company Pty Ltd as trustee for The Goldman Family Trust (an entity controlled by Daniel Goldman).

Section 9.4



<p>What are the interests of Directors in the securities of the Company?</p>	<p>Post-completion of the Offers, assuming the Full Subscription is raised, it is anticipated that the Directors will have relevant interests in Securities as follows:</p> <table border="1" data-bbox="480 297 1145 600"> <thead> <tr> <th>Director</th> <th>Shares</th> <th>% Undiluted</th> <th>% Fully Diluted</th> </tr> </thead> <tbody> <tr> <td>David Vinson</td> <td>3,081,300</td> <td>1.50%</td> <td>1.38%</td> </tr> <tr> <td>Maitreyee Khire¹</td> <td>20,244,134</td> <td>9.84%</td> <td>9.07%</td> </tr> <tr> <td>Daniel Goldman²</td> <td>1,187,500</td> <td>0.58%</td> <td>0.53%</td> </tr> </tbody> </table> <p>Notes:</p> <ol style="list-style-type: none"> Held jointly with Manas Patankar (spouse of Maitreyee Khire). Held by the Goldman Family Company Pty Ltd as trustee for The Goldman Family Trust (an entity controlled by Daniel Goldman). 	Director	Shares	% Undiluted	% Fully Diluted	David Vinson	3,081,300	1.50%	1.38%	Maitreyee Khire ¹	20,244,134	9.84%	9.07%	Daniel Goldman ²	1,187,500	0.58%	0.53%	<p>Section 9.4</p>
Director	Shares	% Undiluted	% Fully Diluted															
David Vinson	3,081,300	1.50%	1.38%															
Maitreyee Khire ¹	20,244,134	9.84%	9.07%															
Daniel Goldman ²	1,187,500	0.58%	0.53%															
<p>What related party arrangements exist?</p>	<p>The Company has entered into employment agreements with Maitreyee Khire and David Vinson and a letter of appointment with Daniel Goldman. The Company has also entered into deeds of indemnity, insurance and access with each of its Directors.</p> <p>No other related party agreements have been entered into by the Company.</p>	<p>Section 9.5</p>																
<p>What are the significant interests of advisors to the Company?</p>	<p>Barclay Pearce has acted as the Lead Manager in relation to the Offer and will receive fees under the Lead Manager Mandate described in Section 4.5 and 10.1.1 as summarised under Part I of this Investment Overview Section below.</p>	<p>Section 4.5, 10.1.1 and 11.7</p>																
<p>Is there an employee incentive plan?</p>	<p>The Company has adopted an Equity Incentive Plan to allow eligible participants (being directors, officers and employees) to be granted Securities in the Company. The key terms of the Plan are set out in Section 11.5.</p>	<p>Section 11.5</p>																
<p>I. Offer</p>																		
<p>What is the Offer?</p>	<p>The Offer is an offer of 25,000,000 Shares at an issue price of \$0.20 per Share to raise \$5,000,000 before costs). Oversubscriptions of up to a further 10,000,000 Shares at an issue price of \$0.20 per Share to raise up to a further \$2,000,000 may be accepted.</p>	<p>Section 4.1</p>																



Is there a minimum subscription under the Offer?	The minimum amount to be raised under the Offer is \$5,000,000 (25,000,000 Shares).	Section 4.2
What are the purposes of the Offer?	<p>The purposes of the Offer are to facilitate an application by the Company for admission to the Official List and to position the Company to seek to achieve the objectives stated at Part A of this Investment Overview.</p> <p>The Board believes that on completion of the Offer, the Company will have sufficient working capital to achieve its objectives.</p>	Section 4.7
Is the Offer underwritten?	No, the Offer is not underwritten.	Section 4.4
Who is the lead manager to the Offer?	<p>The Company has engaged Barclay Pearce Capital Pty Ltd (Lead Manager) as lead manager to the Offer.</p> <p>The Lead Manager will receive the following fees (excluding GST) in connection with the Offer:</p> <ul style="list-style-type: none"> a. a capital raise fee of 10% of the gross proceeds raised by the Lead Manager and/or its network under the Offer payable as follows: <ul style="list-style-type: none"> (i) 7% of the capital raising fee to be paid in cash; and (ii) 3% of the capital raising fee to be paid in Shares at a deemed issue price of \$0.20; & b. a monthly retainer of \$10,000 per month for 12 months post ASX listing for the Lead Manager’s services as Sponsoring Broker. <p>Refer to Section 4.5 and 10.1.1 for further detail regarding the fees payable to the Lead Manager and the terms and conditions of the Lead Manager Mandate.</p>	Sections 4.5 and 10.1.1
Who is eligible to participate in the Offer?	This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in Jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.	Section 4.13



How do I apply for Shares under the Offer?	Applications for Shares under the Offer must be made by completing the Application Form attached to this Prospectus in accordance with the instructions set out in the Application Form.	Section 4.8
What is the allocation policy?	The Company retains an absolute discretion to allocate Shares under the Offer and will be influenced by the factors set out in Section 4.9. There is no assurance that any Applicant will be allocated any Shares, or the number of Shares for which it has applied.	Section 4.9
What is the Convertible Note Holder Offer?	The Prospectus includes an offer of 22,265,887 Shares to the Convertible Note Holders upon conversion under the Initial Convertible Note Agreements and Investors Convertible Note Agreements (the material terms of which are summarised at Section 10.1.2 and 10.1.3) (Convertible Note Holder Offer). Only the Convertible Note Holders may accept the Convertible Note Holder Offer.	Section 4.10
What will the Company's capital structure look like on completion of the Offer?	The Company's capital structure on a post-Offer basis is set out in Section 6.13.	Section 6.13
What are the terms of the Shares offered under the Offer?	A summary of the material rights and liabilities attaching to the Shares offered under the Offer are set out in Section 11.2.	Section 11.2
Will any Securities be subject to escrow?	None of the Shares issued under the Offer will be subject to escrow. However, subject to the Company complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Offer, it is anticipated that: a. 50,605,365 Shares; and b. 17,500,000 Options, will be subject to escrow. During the period in which restricted Shares are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner. The Company will announce to ASX full details (quantity and duration) of the Shares required to be held in escrow prior to the Shares commencing trading on ASX.	Section 6.15



Will any Securities be subject to escrow?	The Company's 'free float' (being the percentage of Shares not subject to escrow and held by Shareholders that are not related parties of the Company (or their associates) at the time of admission to the Official List) will be approximately 75% (based on the Minimum Subscription) and 76% (based on the Full Subscription) comprising all shares issued, other than Shares subject to ASX imposed escrow or held by Directors or promoters.	Section 6.15
Will the Shares be quoted on ASX?	Application for quotation of all Shares to be issued under the Offer will be made to ASX no later than 7 days after the date of this Prospectus.	Section 4.11
What are the key dates of the Offer?	The key dates of the Offer are set out in the indicative timetable in the Key Offer Information Section.	Key Offer Information
What is the minimum investment size under the Offer?	Applications under the Offer must be for a minimum of \$2,000 worth of Shares (10,000 Shares) and thereafter, in multiples of \$500 worth of Shares (2,500 Shares).	Section 4.8
Are there any conditions to the Offer?	No, other than raising the Minimum Subscription and ASX approval for quotation of the Shares, the Offer is unconditional.	Section 4.6
J. Use of funds		
How will the proceeds of the Offer be used?	The Offer proceeds and the Company's existing cash reserves will be used for: <ul style="list-style-type: none"> a. implementing the Company's business objectives as set out in Part A of Investment Overview; b. expenses of the Offer; c. financing of loans; d. administration costs; and e. working capital, further details of which are set out in Section 6.11.	Section 6.11
Will the Company be adequately funded after completion of the Offer?	The Directors are satisfied that on completion of the Offer, the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus.	Section 6.11
K. Additional information		
Is there any brokerage, commission or duty payable by applicants?	No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offer. However, the Company will pay to the Lead Manager 10% (ex GST) of the total amount raised under the Prospectus (a capital raising fee of 10%).	Section 10.1.1



<p>Can the Offer be withdrawn?</p>	<p>The Company reserves the right not to proceed with the Offer at any time before the issue or transfer of Shares to successful applicants.</p> <p>If the Offer does not proceed, application monies will be refunded (without interest).</p>	<p>Section 4.16</p>
<p>What are the tax implications of investing in Shares?</p>	<p>Holders of Shares may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Shares subscribed for under this Prospectus.</p> <p>The tax consequences of any investment in Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Shares offered under this Prospectus.</p>	<p>Section 4.15</p>
<p>What are the corporate governance principles and policies of the Company?</p>	<p>To the extent applicable, in light of the Company's size and nature, the Company has adopted The Corporate Governance Principles and Recommendations (4th Edition) as published by ASX Corporate Governance Council (Recommendations).</p> <p>Prior to listing on the ASX, the Company will announce its main corporate governance policies and practices and the Company's compliance and departures from the Recommendations.</p>	<p>Section 9.6</p>
<p>Where can I find more information?</p>	<ol style="list-style-type: none"> a. By speaking to your sharebroker, solicitor, accountant or other independent professional adviser; b. By contacting the Company Secretary, via email at info@myrewards.com.au; or c. By contacting the Share Registry on + 61 2 9290 9600. 	





section 4

Details of the Offer

myrewards

4. Details of the Offer

4.1 The Offer

The Offer is an initial public offering of a minimum of 25,000,000 Shares at an issue price of \$0.20 per Share to raise \$5,000,000.

The Shares issued under the Offer will be fully paid and will rank equally with all other existing Shares currently on issue. A summary of the material rights and liabilities attaching to the Shares is set out in Section 11.2.

4.2 Minimum subscription

The minimum subscription under the Offer is \$5,000,000 (25,000,000 Shares) (**Minimum Subscription**).

If the Minimum Subscription has not been raised within four (4) months after the date of this Prospectus, or such period as varied by ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

4.3 Oversubscriptions

Oversubscriptions of up to a further 10,000,000 Shares at an issue price of \$0.20 per Share to raise up to a further \$2,000,000 may be accepted.

4.4 Underwriter

The Offer is not underwritten.

4.5 Lead Manager

The Company has appointed Barclay Pearce as lead manager to the Offer. In consideration for its services, the Company has agreed to pay the following fees to the Lead Manager in respect of the Offer:

- a. a capital raise fee of 10% (plus GST) of the gross proceeds raised by the Lead Manager and/or its network under the Offer payable as follows:
 - i. 7% of the capital raising fee to be paid by cash; and
 - ii. 3% of the capital raising fees to be paid in issued capital in the Company at a deemed issue price of \$0.20.
- b. a monthly retainer of \$10,000 per month for 12 months post ASX listing for the Lead Manager's services as Sponsoring Broker.

The total value of Shares to be issued to the Lead Manager in connection with the Offer is \$150,000 (assuming the Minimum Subscription is raised) and \$210,000 (assuming the Full Subscription is raised) (based on a \$0.20 issue price).

4.6 Conditions of the Offer

The Offer is conditional upon the following events occurring:

- a. the Minimum Subscription under the Offer being reached; and
- b. ASX granting conditional approval for the Company to be admitted to the Official List, (together the **Conditions**).



If these Conditions are not satisfied then the Offer will not proceed and the Company will repay all application monies received under the Offer within the time prescribed under the Corporations Act without interest.

4.7 Purpose of the Offer

The primary purposes of the Offer are to:

- a. assist the Company to meet the admission requirements of ASX under Chapters 1 and 2 of the ASX Listing Rules;
- b. provide the Company with additional funding for:
 - i. acceleration of the commercialisation and growth of the Company's business to increase revenue;
 - ii. ongoing development and innovation of its technology platform and product offering;
 - iii. ongoing administration and governance functions;
 - iv. considering acquisition opportunities that may be presented to the Board from time to time; and
 - v. the Company's working capital requirements while it is implementing the above.
- c. remove the need for an additional disclosure document to be issued upon the sale of any Shares that are to be issued under the Offer.

The Company intends on applying the funds raised under the Offer together with its existing cash reserves in the manner detailed in Section 6.11.

4.8 Applications

Applications for Shares under the Offer must be made by using the relevant Application Form as follows:

- a. using an online Application Form at <https://www.myrewardsinternational.com/investors> and pay the application monies electronically; or
- b. completing a paper-based application using the relevant Application Form attached to, or accompanying, this Prospectus or a printed copy of the relevant Application Form attached to the electronic version of this Prospectus.

By completing an Application Form, each applicant under the Offer will be taken to have declared that all details and statements made by them are complete and accurate and that they have personally received the Application Form together with a complete and unaltered copy of the Prospectus.

Applications for Shares under the Offer must be for a minimum of \$2,000 worth of Shares (10,000) Shares and thereafter in multiples of 2,500 Shares and payment for the Shares must be made in full at the issue price of \$0.20 per Share.

Completed Application Forms and accompanying cheques, made payable to "**My Rewards International Limited**" and crossed "**Not Negotiable**", must be mailed or delivered to the address set out on the Application Form by no later than 5:00pm (AEDT) on the Closing Date, which is scheduled to occur on 29 November 2021.

If paying by BPAY®, please follow the instructions on the Application Form. A unique reference number will be quoted upon completion of the online application. Your BPAY reference number



will process your payment to your application electronically and you will be deemed to have applied for such Shares for which you have paid. Applicants using BPAY should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the Closing Date of the Offer. You do not need to return any documents if you have made payment via BPAY.

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

The Company reserves the right to close the Offer early.

4.9 **Allocation policy under the Offer**

The Company retains an absolute discretion to allocate Shares under the Offer and reserves the right, in its absolute discretion, to allot to an applicant a lesser number of Shares than the number for which the applicant applies or to reject an Application Form. If the number of Shares allotted is fewer than the number applied for, surplus application money will be refunded without interest as soon as practicable.

No applicant under the Offer has any assurance of being allocated all or any Shares applied for. The allocation of Shares by Directors (in conjunction with the Lead Manager) will be influenced by the following factors:

- a. the number of Shares applied for;
- b. the overall level of demand for the Offer;
- c. the desire for a spread of investors, including institutional investors; and
- d. the desire for an informed and active market for trading Shares following completion of the Offer.

The Company will not be liable to any person not allocated Shares or not allocated the full amount applied for.

4.10 **Convertible Note Holder Offer**

This Prospectus includes an offer of 22,265,887 Shares to the Convertible Note Holders upon conversion under the Initial Convertible Note Agreements and Investors Convertible Note Agreements (the material terms of which are summarised at Section 10.1.2 and 10.1.3) (**Convertible Note Holder Offer**).

The terms of the Shares offered under the Convertible Note Holder Offer are summarised in Section 11.2.

Only the Convertible Note Holders may accept the Convertible Note Holder Offer. A personalised Convertible Note Holder Conversion Notice and Application Form in relation to the Convertible Note Holder Offer will be issued to the Convertible Note Holders together with a copy of this Prospectus.

The Securities issued under the Convertible Note Holder Offer may be subject to escrow under the ASX Listing Rules. Please refer to Section 6.15 for a summary of the likely escrow position.



4.11 **ASX listing**

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. However, applicants should be aware that ASX will not commence Official Quotation of any Shares until the Company has complied with Chapters 1 and 2 of the ASX Listing Rules and has received the approval of ASX to be admitted to the Official List. As such, the Shares may not be able to be traded for some time after the close of the Offer.

If the Shares are not admitted to Official Quotation by ASX before the expiration of three (3) months after the date of this Prospectus, or such period as varied by ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

4.12 **Issue**

Subject to the to the Conditions set out in Section 4.6 being met, the issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each applicant waives the right to claim interest.

The Directors in conjunction with the Lead Manager will determine the recipients of the issued Shares in their sole discretion in accordance with the allocation policy detailed in Section 4.9. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date.

Holding statements for Shares issued to the issuer sponsored subregister and confirmation of issue for Clearing House Electronic Subregister System (CHES) holders will be mailed to applicants being issued Shares pursuant to the Offer as soon as practicable after their issue.

4.13 **Applicants outside Australia**

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions, including those outlined below. In particular, this Prospectus may not be distributed in the United States or elsewhere outside Australia. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that you have complied with these restrictions.

4.14 **Commissions payable**

The Company reserves the right to pay a commission of up to 10% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian



financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

The Lead Manager will be responsible for paying all commission that they and the Company agree with any other licensed securities dealers or Australian financial services licensees out of the fees paid by the Company to the Lead Manager under the Lead Manager Mandate.

4.15 **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor.

It is not possible to provide a comprehensive summary of the possible taxation positions of all potential applicants. As such, all potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus or the reliance of any applicant on any part of the summary contained in this Section.

No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offer.

4.16 **Withdrawal of Offer**

The Offer may be withdrawn at any time. In this event, the Company will return all application monies (without interest) in accordance with applicable laws.





section 5

Industry Report

myrewards

This report has been commissioned from Frost & Sullivan by My Rewards International Limited (hereafter known as My Rewards or the Company) to support its initial public offering (IPO) process. The report covers the loyalty and rewards market.

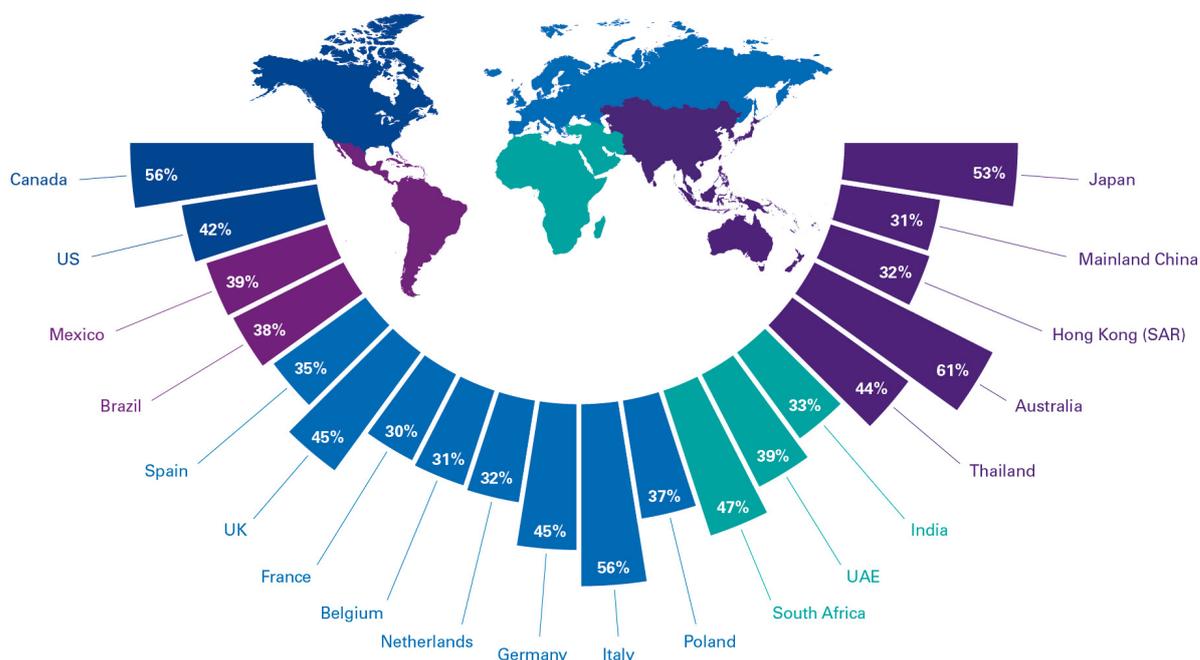
5.1 Executive Summary

My Rewards is a leading provider of loyalty and rewards solutions. Whilst currently focused on offering employee and member programs through a broad range of corporate clients, the Company is also expanding to directly offering a consumer rewards program.

Loyalty and rewards programs are being transformed through increased use of digital technology to manage schemes. Technology is also enabling new services, delivering a more personalised and responsive experience which encourages employee/member usage, loyalty and advocacy. Australia is a significant market for loyalty and rewards programs, with a survey indicating that 61% of Australian consumers (equivalent to approximately 12.2 million individuals) make purchases that earn rewards/benefits at least several times per week, the highest usage of loyalty and rewards programs out of over 20 countries surveyed.¹ The average number of individual program memberships held by Australians is variously reported at 4.4² to 6.1.³

5.2 Loyalty programs use by country or territory

Percentage of consumers who make purchases that earn rewards/benefits at least several times a week.



Source: The truth about customer loyalty, KPMG international, 2019

Loyalty and rewards programs offer a series of benefits for their operators. This includes the improvement of employee/member engagement with the employer or brand. For example, employees are seeking working relationships that recognise their value and purpose.

Over time, the ability to automate loyalty and rewards programs has stimulated growth in the number of programs across sectors such as travel & accommodation, grocery, utilities, telecommunications, financial services, retail and others. The introduction of a program by one participant in an industry sector often stimulates the launch of programs by competitors.

A key facet of loyalty and rewards programs is the data that is generated and used to better personalise and tailor engagement with members. Use of digital technology in activating programs is becoming increasingly important, with technologies such as artificial intelligence (AI) deployed to personalise the contact with scheme members, enhancing overall member engagement and advocacy. Most organisations seek to outsource the operation of the program to specialist providers such as My Rewards which provide specialist solutions to scheme operators. Globally, the loyalty management market is estimated to exceed US\$7 billion in revenue, with strong growth prospects.⁴

5.3 Attractive Opportunities in the Loyalty Management Market

The growth of the loyalty management market is attributed to the need to decrease customer churn rates and rising adoption of omni-channel customer loyalty strategy.

USD 7.6 Billion

2020 estimated



Growing importance of customer insights to predict the customer intentions is expected to offer growing opportunity for the market during the forecast period.



Agreements collaborations, and partnerships are expected to offer lucrative opportunities for market players in the next five years.



The high growth rate of the Asia Pacific loyalty management market can be attributed to the presence of technologically advanced countries in the region such as Australia, Japan and South Korea.

The opportunity for My Rewards in the loyalty and rewards market is likely to continue to grow, stimulated by factors such as:

- Global growth in the number of loyalty and rewards programs to keep up with employee, member and consumer expectations;
- The need for digital capabilities driving the outsourcing of loyalty and rewards platforms by large and mid-size companies;
- The growing role of AI in personalising and automating engagement;
- The need for merchants to address new channels of customer influence; and
- The benefits that platform providers such as My Rewards can offer through technology capability and existing member and merchant networks.

⁴ Markets and Markets, Loyalty Management Market (accessed from <https://www.marketsandmarkets.com/Market-Reports/loyalty-management-market-172873907.html>)



5.4 Background, Market Definitions and Methodology

5.4.1 Background

My Rewards is a provider of shopping, loyalty and rewards solutions for businesses and consumers. Through its employee rewards programs the Company serves over 100 leading corporate clients, with 4.6 million individual members able to access over 4,500 individual merchants.

My Rewards has recently launched its My Rewards – My Way rewards marketplace that directly connects consumers with discounts and cashback deals.



5.4.2 Market Definitions

Loyalty and rewards programs are schemes offered by organisations (generally private-sector businesses) to attract customers and to encourage repeat purchases and increase purchase amounts through the provision of benefits and rewards to members.

Loyalty and rewards programs fall into three categories: B2C (Business to Consumer) where a business provides benefits to its customers; B2E (Business to Employee) where a business provides benefits to its employees; and B2B (Business to Business) where a business provides benefits to other businesses, such as channel partners.





B2C loyalty & rewards programs

B2C loyalty and rewards programs are used by a broad range of organisations to influence consumer behaviour and increase purchases now and into the future. The features of programs are changing, with increased digital engagement and consumer interest in better information, deals and insights to their shopping decisions.



B2E loyalty and rewards programs

B2E loyalty and rewards programs are offered by employers as part of their employee benefits package aiming to enhance employee satisfaction and commitment, driving employee engagement with the employer.



B2B loyalty and rewards programs

B2B loyalty and rewards programs aim to add value and improve the relationship in business to business transactions.

Each category of loyalty and rewards programs is growing due to increased business competitiveness and the trend toward digital and online purchasing and influence. Digital channels are increasingly important in all aspects of consumer buying behaviour, and loyalty and rewards programs increasingly use digital technology to enhance the member experience.

5.4.3 Methodology

Data provided in this report is based on publicly available sources, including governmental statistics and reports, company reports and presentations, press articles and reports, and analyst reports.

All financial data in the report is given in Australian dollars (\$) except where otherwise stated.

5.5 Loyalty and Rewards Programs

5.5.1 Overview

This Section describes loyalty and rewards programs, including major market trends and growth drivers, types of programs, main programs in Australia and other major markets, member life cycle and management, barriers to entry and the regulation of loyalty and rewards programs.

5.5.2 Growth Drivers and Trends

Fundamentally, B2C loyalty and rewards programs have the main objective of influencing, attracting and retaining customers, and encouraging customers to select products and spend more with the scheme operator and affiliated merchants. This is a key driver for business success, with research indicating that 85% of business growth comes from loyal customers.⁵ Consumers increasingly have a wider range of choices and are better able to search for alternatives, driving businesses to improve the quality, timeliness and attraction of their offers. Digital technology is therefore driving the need to improve offers to maintain competitiveness against the background of a more informed and discerning consumer.

Loyalty and rewards programs are becoming increasingly widespread, and are common in multiple industry sectors, including travel and transportation (airlines, hotels, car hire), supermarkets, fuel retailing, quick service restaurants, cinemas, utilities, telecommunications and financial services.

⁵ KPMG, Is it time to rethink loyalty programs?



Employees, likewise, have higher expectations of employers and are looking for a point of difference in their relationships. This is driving growth in B2E loyalty and rewards programs as employers increasingly seek to maximise employee engagement.

85%

of **growth** comes from **loyal customers**



90%

of retail **CEOs** are concerned about **customer loyalty**



24%

of retail CEOs have **customer loyalty** as a **top ten priority**



Source: KPMG, Is it time to rethink loyalty programs?

5.5.3 Growth Drivers

Some of the key growth drivers for loyalty and rewards programs include:

- a. The strategic need for businesses to keep up with programs offered by a competitor. Hence, when a program is first introduced into an industry sector, competitors will often seek to launch similar programs;
- b. The benefits offered by a specific program are often a key determinant of customer buying behaviour, and hence loyalty and rewards programs are widely seen as meeting their objectives in terms of attracting and retaining customers. For example, research undertaken on merchants offering cashback through their online store indicated that it improves engagement with consumers, reduces site bounce rate and increases time-on-site, with an average 46% order uplift and 3.4x conversion uplift for merchants.⁶ Research conducted in 2020 found that 48% of Australians tend to stay loyal to the merchants whose loyalty programs they are a member of, with this percentage highest amount Gen Z and Gen Y consumers (63% and 49% respectively), and overall 62% of consumers believe that merchants need loyalty programs to keep their customers loyal.⁷ Similarly, research amongst US loyalty and rewards programs members identified that 78% of members say that a loyalty and rewards program is more likely to make them continue to do business with the merchant, and 64% modify the amount they spend to maximise points;⁸

⁶ RetailMeNot, the State of Cashback Offers, 2017

⁷ The Point of Loyalty, For Love or Money, 2021

⁸ Bond, the Loyalty Report, 2020, USA



48%

of **Australians** tend to stay **loyal** to the merchants whose loyalty programs they are a member of.



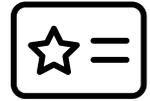
62%

of **consumers** believe that merchants need **loyalty programs** to keep their **customers loyal**



78%

of **members** say that a loyalty & rewards program is more likely to make them continue to do **business with the merchant**.



- c. Schemes provide operators with data about the characteristics and behaviour of their customers, which can be used to support personalised marketing and communications, improving a business's marketing effectiveness;
- d. Loyalty and rewards programs invoke psychological elements in consumer behaviour that the scheme intends to promote. These psychological elements include social identity theory (programs make members feel part of an exclusive group) and endowed progress effect (consumers who have started on the journey to claim a reward feel compelled to finish it).⁹ Schemes can also make members perceive that they are saving money, with recent research indicating that 94% of Australians are using shopping hacks to save money on everyday spending, with saving on food and fuel topping the list;¹⁰
- e. In many categories, loyalty and reward programs are a source of brand establishment, education, preference and advocacy;
- f. In some cases, loyalty and reward programs may provide an additional profitable revenue stream for the scheme operator; and
- g. Employee rewards programs assist in increasing employee engagement, creating tangible financial benefits and staff retention.

5.5.4 Trends

Key trends in the operation of loyalty and rewards programs include:¹¹

- a. A rapid shift from schemes based on just earning points for future redemption to more holistic programs that engage more comprehensively with members, for example through exclusive benefits, member events, member content, etc. with the general objective of making the member feel more valued by the scheme operator;
- b. Growing use of AI; major rewards programs are increasingly using AI to analyse member data from their programs and provide increasingly personalised offers and communications to consumers based on that data, while also respecting privacy and personal data rights. The costs and complexity of AI tends to favour larger platform operators that have the capability to invest in these solutions;
- c. Automated on-line payment options improving security and ease of purchase;

⁹ Australian Competition and Consumer Commission (ACCC), Customer loyalty schemes, final report, December 2019

¹⁰ Commonwealth Bank of Australia (CBA) research,

(accessed from <https://www.commbank.com.au/guidance/newsroom/cba-launches-commbank-rewards-201912.html>)

¹¹ Loyalty & Reward Co., Australian Loyalty Schemes, June 2019



- d. Incorporation of digital wallets that combine loyalty with payment; several schemes now include payment functionality via a digital wallet in the program App to which payment card(s) can be linked. This allows members to pay in either money or points from within the scheme, and allows further personalisation at the point-of-sale (for example, printing the member's name on the receipt). Since 2017, the percentage of consumers preferring to use a mobile App that combines rewards with payment as opposed to a separate loyalty card has increased from 5% to 20%;¹² and
- e. Use of third-party aggregators; third-party aggregators provide a platform and the business linkages between scheme operators and service providers, such as travel and experience companies. This is of value for both employee and consumer loyalty and rewards programs, wherein the scheme operator would otherwise need to invest in building these relationships.



5.6 Types of Programs

A variety of program types exist as described below:

5.6.1 Points-Based Programs

Points-based programs provide members with points (or some other form of currency) based on the spending of the customer with the program operator and any affiliate partners. Points may be redeemed for rewards such as travel, accommodation, merchandise or other services.

Additional features of these programs can include status tiers, exclusive invitations and services (such as lounge access) and other benefits to members. Points-based programs include coalition programs wherein members can earn and redeem points with a variety of merchants, and standalone programs wherein members can earn and redeem points only with a single merchant. Merchants who affiliate with coalition programs can obtain benefits including access to a much larger member base than they are likely to be able to attract through a standalone program.

5.6.2 Cashback Programs

Cashback programs enable consumers to shop with merchants participating in the program and receive a cashback payment based on the transaction value, which is credited to their cashback wallet, typically after the period within which the item(s) can be returned has expired.

¹² The Point of Loyalty, For Love or Money, 2021



5.6.3 Member Benefit/Discount Programs

Member benefit/discount programs offer members the ability to access discounted prices or other benefits from merchants affiliated with the program. These discounts or benefits can be ongoing or temporary in nature (such as from daily deals programs). These programs also include premium schemes whereby members pay an annual fee to access exclusive benefits and rewards (such as Amazon Prime and Hoyt's Rewards VIP). Employee rewards schemes are typically based on the member benefit/discount model.

5.7 Programs Monetisation

For most loyalty and rewards programs direct monetisation is not a key objective, with scheme benefits being derived from the competitive and business benefits that the program offers. However, for some schemes direct monetisation does occur through:

- a. Paid annual memberships;
- b. Sales of points to partner merchants participating in the program that are then awarded by the partner merchant to its customers;
- c. Margins taken on products and services sold through affiliated merchants when referred by the scheme operator;
- d. Direct sales of merchandise through the program; and
- e. Sale of data generated by the program.

5.8 Main Loyalty and Rewards Programs

Whilst manual/paper-based programs have a long heritage (such as Green Stamps in the US and Green Shield Stamps in the UK), modern digital loyalty and rewards programs have existed for approximately 40 years, initially being launched in the airline sector. The largest points-based programs are typically operated by airlines and non-discretionary retailers such as supermarket and pharmacy chains.

Cashback programs exist in all main markets, typically operated by domestic companies, and member benefit/discount programs include schemes such as Amazon Prime, which is reported as having 200 million members worldwide.¹³

¹³ DigitalCommerce360, (accessed from <https://www.digitalcommerce360.com/article/amazon-prime-membership/>)



5.8.1 Australia

Over the past 35 years a number of large points-based programs have been launched, including Qantas Frequent Flyer in 1987, Flybuys in 1994, Virgin Velocity in 2005 and Woolworths Everyday Rewards in 2007.

The most significant loyalty and rewards programs by type in Australia are listed below.

Table 1: Main Loyalty and Rewards Programs, Australia, 2021

Points-based programs		Cashback programs		Member benefit programs	
Program	Members (total or active)	Program	Members (total or active)	Program	Members (total or active)
Qantas Frequent Flyer	13.4 million (total)	Cash Rewards	1.1 million (total)	Groupon	3.3 million (total)
Virgin Velocity	9.8 million (total)	ShopBack	N/A	Catch	1.5 million (active)
Flybuys	8.6 million (active)			Amazon Prime	3 million (estimate)
Woolworths Rewards	12.5 million (total)				
Priceline Sister Club	Over 7 million (total)				

Source: company websites and announcements



5.8.2 United Kingdom

Loyalty and rewards programs in the UK largely emerged in the late 1980s, with Air Miles (now Avios) launched in 1988, and retailer programs such as Tesco Clubcard and Nectar launched in the late-1990s/early 2000s. The most significant loyalty and rewards programs in the UK by type are listed below.

Table 2: Main Loyalty and Rewards Programs, UK, 2021

Points-based programs		Cashback programs		Member benefit programs	
Program	Members (total or active)	Program	Members (total or active)	Program	Members (total or active)
Tesco Clubcard	19 million (total)	TopCashback	10.5 million (active)	Amazon Prime	15 million+ (active)
Nectar	~20 million (total)	Quidco	7 million (active)		
Boots Advantage	10.2 million (active)				
Avios	35 million (global)				
Sparks	8 million (total)				

Source: company websites and announcements

5.8.3 United States

Loyalty and rewards programs emerged in the US in the early 1980s in the airline sector, pioneered by American Airlines following industry deregulation in the late 1970s. The largest loyalty and rewards programs by type in the US are listed below.

Table 3: Main Loyalty and Rewards Programs, US, 2021

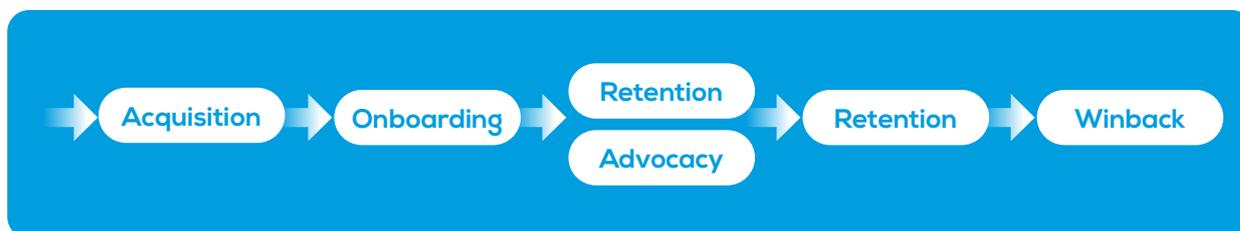
Points-based programs		Cashback programs		Member benefit programs	
Program	Members (total or active)	Program	Members (total or active)	Program	Members (total or active)
AAdvantage	115 million (total), 23 million (active) (global)	Swagbucks	20 million (active)	Amazon Prime	~140 million
myWalgreens	100 million (total)	Rakuten Rewards	12 million (active)		
MileagePlus	~90 million (total) (global)				
Starbucks	22 million (active)				

Source: company websites and announcements



5.9 Member Lifecycle and Management

Members of loyalty and rewards programs go through a lifecycle with the scheme operator, with evolving engagement occurring at each stage. The effectiveness with which the member lifecycle is managed directly influences the value of the program for the operator. The main stages within the member lifecycle are:¹⁴



- a. **Acquisition** – new members are attracted via scheme promotions/referrals and are requested to register with the program via providing certain details (such as name, age, gender and address) and being provided with a personalised ID;
- b. **On-boarding** – new members receive program collateral (such as a personalised card) and are guided towards claiming their first reward as this is likely to drive ongoing engagement with the scheme. Overall, the on-boarding process is important for ongoing member engagement with a scheme, with research indicating that 65% of members in Asia Pacific who reported an excellent on-boarding experience perceiving that the value of their preferred scheme had increased over the past two years, and more than half of these members now more loyal to the program operator as a result;¹⁵
- c. **Growth** – members are encouraged to transact with program merchants through tailored communications and personalised offers. Use of a program will generally be linked to the range and extent of rewards or benefits that a member is able to earn. Hence, for operators of coalition schemes, growth in the number of participating merchants is generally directly linked to growth in program use;
- d. **Retention** – programs may be able to identify when a member is in danger of lapsing (for example, through a significant reduction in purchases) and take action such as a personalised offer or a tailored communication; and
- e. **Winback** – whilst few members will actively cancel membership, more frequently they become inactive when their circumstances change or the program becomes less relevant or valuable to them. Program operators can actively identify recently inactive members and attempt to re-engage them in the scheme.

¹⁴ Loyalty & Reward Co., Australian Loyalty Schemes, June 2019

¹⁵ Mastercard Asia Pacific, Achieving Advocacy and Influence in a Changing Loyalty Landscape, 2018



5.10 Value Drivers for Program Operators

For loyalty and rewards program operators, a number of factors drive the value that the scheme provides. The main value drivers include:

- a. Number of affiliated merchants; loyalty and reward programs generally benefit from network effects, wherein a larger number of members attracts more merchant partners, and vice versa. For scheme members, active usage of a program is related to the range of opportunities to receive benefits or rewards which is linked to the number of participating merchants;
- b. Customer acquisition cost; the acquisition of new members generally requires time and investment in marketing and promotional activities. The lower the acquisition cost, the more value that the program will generate for its operator;
- c. Frequency of transacting and average basket size; higher transaction frequencies and larger average purchase amounts by members will also drive more value for the scheme operator and participating merchants; and
- d. The weighted average gross profit margin earned by the operator.

5.11 Barriers to Entry

There are a number of barriers to entry for loyalty and rewards programs:

- a. Scale is a key determinant of success of a program, particularly for coalition programs, where network effects can come into play with a higher number of members driving a higher number of merchants to participate, and more merchants contributing to attracting more members. The time and investment required to build both member and merchant networks is likely to be a significant barrier to market entry;
- b. The investment in technology capability such as AI that is increasingly required to successfully operate loyalty and rewards programs is also a barrier to new entrants;
- c. Given the large number of existing programs and the high average number of individual memberships, attracting members to a new program can be challenging given likely 'program fatigue' amongst many consumers; and
- d. The costs to launch a new program, including in technology investment and marketing, can be substantial.

5.12 Regulation of Programs

5.12.1 Australia

There are no specific regulations pertaining to loyalty and rewards programs in Australia, however scheme operators do need to adhere to regulations in the areas of consumer law and data privacy. Relationships between stakeholders in loyalty and rewards programs are governed by the statutory protections offered to consumers by the Competition and Consumer Act (2010) (CCA), including the Australian Consumer Law (ACL). The purpose of the CCA is to promote fair trading and competition, including through the provisions on consumer protection offered through the ACL. Specific provisions that may be relevant to loyalty and rewards programs include:

- a. Prohibitions on misleading or deceptive conduct;
- b. Prohibitions on unfair contract terms;



- c. Consumer guarantees;
- d. Prohibitions on unconscionable conduct;
- e. Prohibitions on anti-competitive conduct;
- f. Prohibitions on misuse of market power; and
- g. Restrictions on exclusive dealing.¹⁶

Additionally, loyalty and rewards programs operators may be included within the definition of Australian Privacy Principles (APP) 'entities', defined as any private and non-profit organisations with an annual turnover of more than \$3 million and data companies. APP entities must handle, use and manage personal information in accordance with the 13 APPs set out in the Privacy Act (1988). The Office of the Australian Information Commissioner (OAIC) has the responsibility to enforce the Privacy Act including powers of investigation of an APP entity after receiving a privacy complaint.

5.12.2 **Other Markets**

In most jurisdictions, loyalty and rewards programs are similarly regulated to Australia under statutory protections under the general law, including competition, consumer protection and privacy regulations (such as the EU General Data Protection Regulation (GDPR)). However, in a few isolated cases governments have more directly regulated the operations of schemes. For example, in Ontario the provincial consumer law was amended in 2016 with a prohibition on the expiry of rewards points due to the passage of time alone (with a subsequent exception if the member has not earned or redeemed points over a defined period of time). In Norway, between 2002 and 2013 loyalty programs were banned on domestic air routes to encourage competition (with the schemes regarded as acting to deter new entrants). The ban was lifted in 2013 when the sector was perceived as sufficiently competitive.¹⁷

5.13 **Size of the Loyalty and Rewards Market**

5.13.1 **Australia**

B2C Programs

There is little data on the number of individual loyalty and rewards programs, although as mentioned in Section 5.5.2 this is likely to be growing as an increasing number of operators launch schemes.

In terms of the number of members, varying data exists. One survey identified that in 2021, 88% of Australians aged 18 and over are members of at least one loyalty and rewards program, equating to approximately 18 million individuals. On average, each individual has 4.4 separate memberships, indicating a total number of memberships of approximately 80 million, although not all are necessarily active.¹⁸ Another survey conducted in 2018 identified that on average Australians are members of 6.1 individual programs, with retailer and airline programs the most commonly used. This would indicate over 100 million individual scheme memberships.

¹⁶ ACCC, Customer loyalty schemes, final report, December 2019

¹⁷ ACCC, Customer loyalty schemes, final report, December 2019

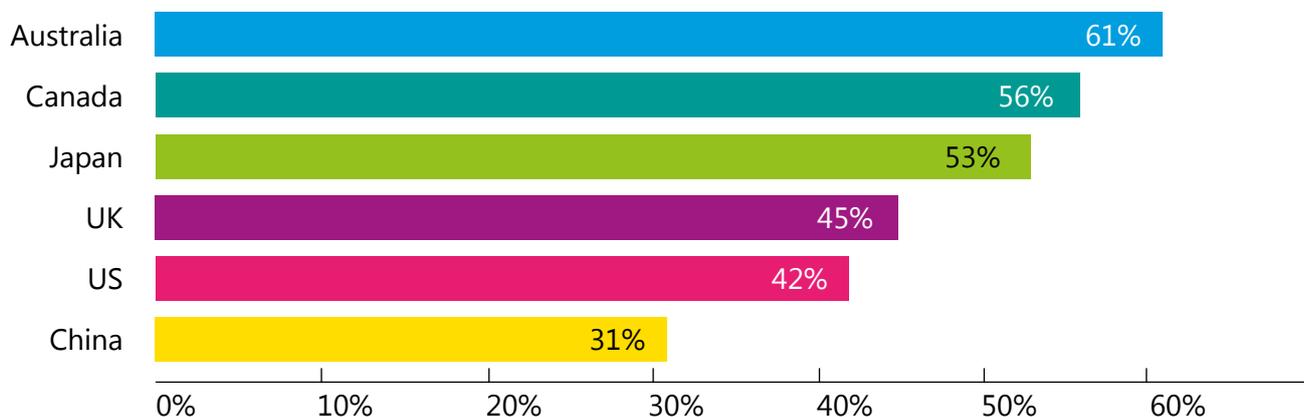
¹⁸The Point of Loyalty, For Love or Money, 2021. Percentage of population based on 20.04 million Australians aged 18 and over (ABS, National, state and territory population, 2021)



The top-5 programs in Australia cumulatively have over 50 million members (see Table 1) with significant duplication of membership between schemes.¹⁹

Based on a 2019 survey, Australia has the highest usage of loyalty and rewards programs out of over 20 countries surveyed, with 61% of Australian consumers (equivalent to approximately 12.2 million individuals) making purchases that earned rewards/benefits at least several times per week.²⁰

Figure 1: Proportion of Consumers that Make Purchases Earning Rewards/Benefits at least Several Times per Week, Global, 2019



Source: KPMG International, The truth about customer loyalty, 2019

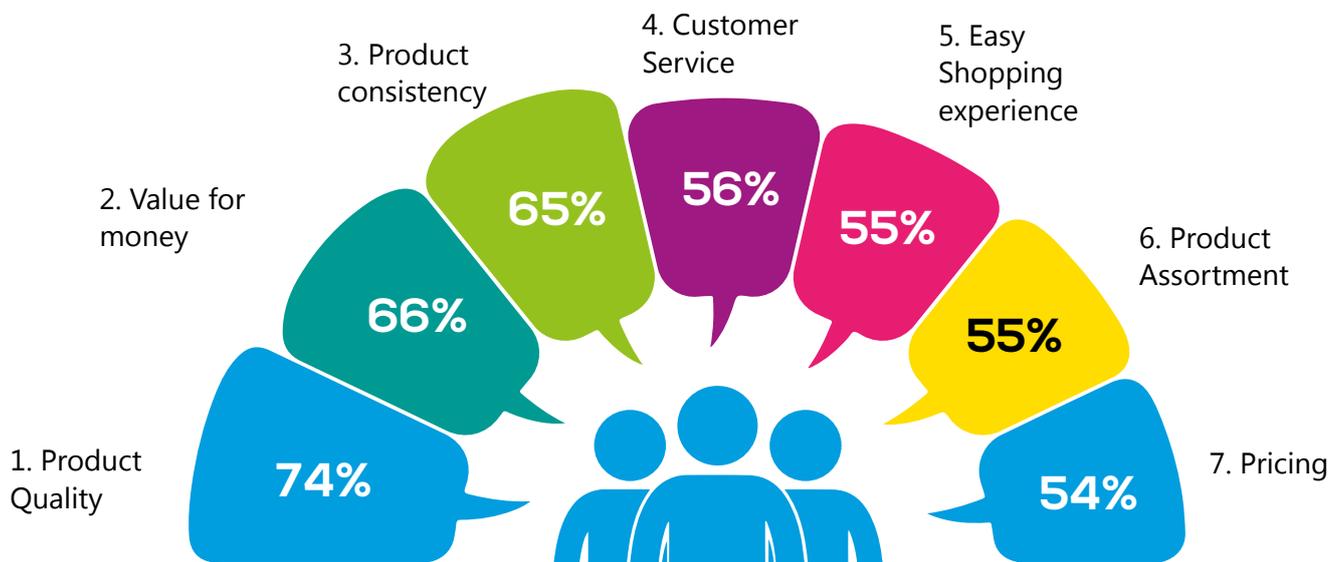
Most loyalty and rewards programs are not operated as standalone profit centres, however some data is available for major schemes that are, as indicated below in Table 4. Cumulatively these programs generate approximately \$1.92 billion in annual revenue, with revenue/member ranging from \$33 to \$91.²¹

¹⁹ Mastercard Asia Pacific, Achieving Advocacy and Influence in a Changing Loyalty Landscape, 2018

²⁰ KPMG International, The truth about customer loyalty, 2019

²¹ Calculated based on reported revenues and member numbers





Source: KPMG International, The truth about customer loyalty, 2019

Table 4: Financial Performance, Main Loyalty and Rewards Programs, Australia (latest available data)

Program	Members	Revenue	Revenue per member	EBIT
Qantas Frequent Flyer (Qantas Loyalty)	13.4 million	\$1,224 million (FY20)	\$91	\$341 million (FY20)
Virgin Velocity	9.8 million	\$411 million (FY19)	\$42	\$122 million (FY19)
Flybuys (Loyalty Pacific)*	8.6 million	\$285 million (FY20)	\$33	-\$7.3 million (FY20)

Sources: Company annual reports. Revenue per member calculated by Frost & Sullivan. Members is the total reported and not all are necessarily active

*Loyalty Pacific is the operator of Flybuys, and is 50/50 owned by Wesfarmers and Coles Group

Employee Programs

Employee programs do not generate revenue directly for the employer, with the benefits to the employer arising from enhanced employee engagement. In most cases, these programs utilise platforms provided by specialist service providers, such as My Rewards and Reward Gateway, which derive revenue from ongoing subscription fees paid by employers to use the platform, and from a sales margin on the resale of vouchers from merchants when these are redeemed through the platform. The two principal suppliers of employee engagement platforms are My Rewards and RG Engagement (trading as Reward Gateway). RG Engagement is a UK-based company which services over 1,900 corporate clients in 23 countries, with global revenue of £260 million (\$489 million) in 2020, of which £73 million (\$137 million) came from ANZ.²² In Australia, several hundred organisations offer this type of employee engagement program.



5.13.2 UK and US

As with Australia, there is varying data about loyalty and rewards program memberships in the UK and US. In the UK, 77% of the population are members of at least one program, with supermarket operator programs (65% of the population) and pharmacy operator programs (37%) the most popular.²³

A survey undertaken in 2020 identified that on average US consumers are members of 14 programs and active in seven programs, giving a total of 3.8 billion memberships and 1.9 billion active memberships.²⁴

5.13.3 Global Loyalty and Rewards Revenue

As mentioned in Section 5.5, revenue for loyalty and rewards program operators can be generated from a variety of sources and hence the loyalty and rewards 'market' can be defined as the total revenue earned by program operators. However, relatively few operators publish revenue data for their programs. Analysts have therefore made a series of estimates around the size of the global market, although market definitions may differ. Market analysts have estimated the global loyalty management market as exceeding US\$7 billion in 2020, with strong growth prospects.²⁵

5.14 Benefits and Challenges of Loyalty and Rewards Programs

This Section describes the key benefits and challenges of loyalty and rewards programs for each type of stakeholder.

5.14.1 B2C Programs

Benefits and Challenges for Merchants

The ongoing growth in the number of loyalty and rewards programs indicates that an increasing number of merchants recognise the benefits in offering a program. These benefits include attracting new customers, retaining existing customers and growing their share of customers' spending. There is also a strong competitive element, with schemes often launched in response to competitors, and competing businesses often seeking to compete on program features.

Additionally, loyalty and reward programs can support the merchant in:

- a. Building and enhancing a marketing database that allows increasingly personalised communications with consumers;
- b. Better understanding consumer behaviour;
- c. Supporting the merchant to access a wider network of consumers (particularly for merchants participating in coalition schemes);
- d. Building advocacy amongst consumers, with a program that is popular with members helping to drive consumer advocacy of the brand; and
- e. Providing a potential monetisation opportunity.

²² RG Engagement Group, financial report, 2020

²³ Mando-connect and You.gov, What the British think of loyalty programs

²⁴ Bond, the Loyalty Report, 2020

Source: Markets and Markets, Loyalty Management Market

²⁵ Markets and Markets, Loyalty Management Market

(accessed from <https://www.marketsandmarkets.com/Market-Reports/loyalty-management-market-172873907.html>)



However, merchants also have challenges in offering a program:

- a. A program will incur costs in areas such as operating costs, providing discounts or other benefits that need to be offered to members. The direct measurement of return on this investment (through incremental revenue or lower costs in other areas) can be difficult;
- b. Maintaining member engagement can be challenging, with programs generally having large numbers of inactive members. In 2021, less than half of loyalty program members were active in all the schemes that they are members of; and²⁶
- c. Lack of exclusivity can be issue for affiliates in large coalition programs as well as cashback and discount schemes which involve large numbers of individual merchants. In these cases, it can be difficult for individual merchants to capture consumers' attention.

Benefits and Challenges for Consumers

The benefits to consumers of program membership include saving money on purchases and receiving additional rewards and benefits through normal shopping activities. Program membership can also invoke psychological benefits as described in Section 5.5.3. Members may also benefit from receiving information and advice that is more personalised to their individual needs and circumstances.

There are also challenges for consumers in program membership:

- a. Consumers can become disengaged from a scheme and hence inactive if the program is not seen to offer value or is perceived as complex or too difficult to receive rewards or benefits;
- b. Members may feel that they are receiving excessive communications; and
- c. Members may be concerned about how their data is being stored and used.

Overall, member preference for an individual program is driven by 1) the fact that a program is free to use 2) the program offers rewards/benefits that are relevant to the member and 3) the program has benefits that are easy to earn.²⁷

5.14.2 B2E Programs

Benefits and Challenges for Employers

Employee rewards and recognition programs are primarily designed to increase the engagement of employees with the business. Employee engagement can be defined as the creation of positive work-related attitudes amongst employees characterised by high levels of energy, emotional commitment and satisfaction derived from work.²⁸ The implementation of formal employee engagement programs in particular has been found to increase employee engagement by 64% when compared to organisations that lack such a program. The use of formal employee engagement programs also drives other benefits for businesses, particularly higher customer satisfaction which creates financial benefits such as higher revenue from customer referrals and improvements in annual customer service costs.²⁹

²⁶ The Point of Loyalty, For Love or Money, 2021

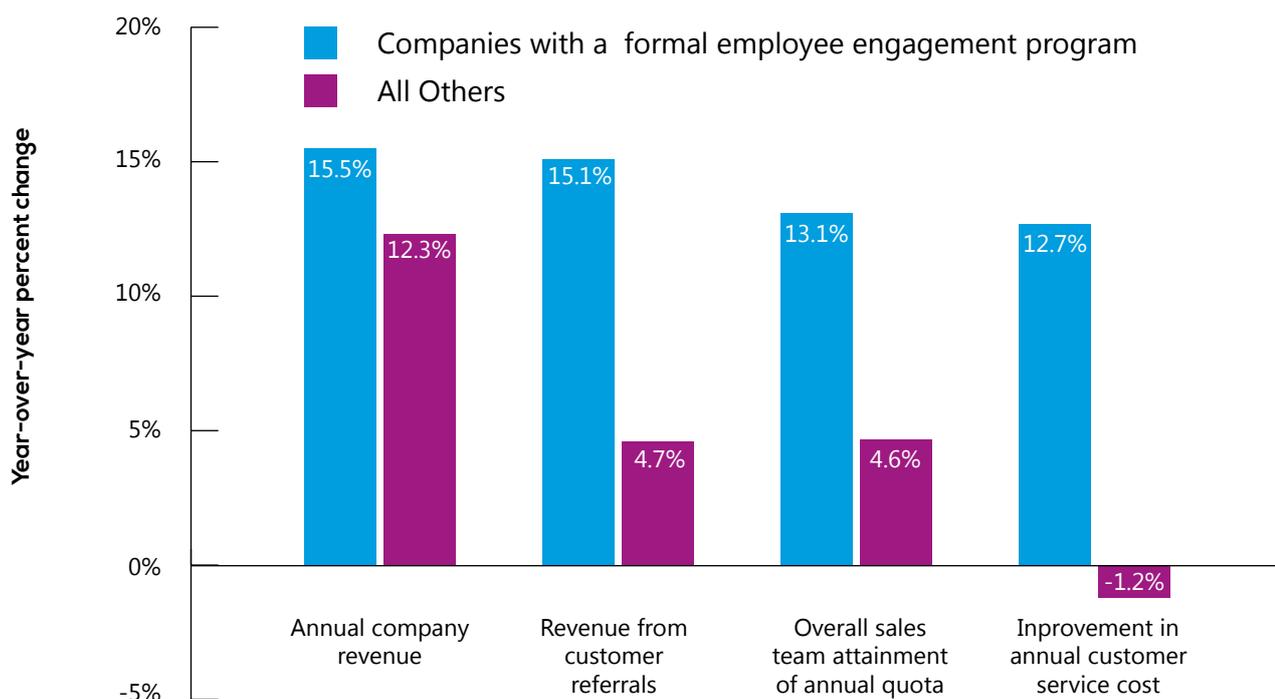
²⁷ Mastercard Asia Pacific, Achieving Advocacy and Influence in a Changing Loyalty Landscape, 2018

²⁸ Aberdeen Group, Employee Engagement: Paving the way to happy customers

²⁹ Aberdeen Group, Employee Engagement: Paving the way to happy customers



Figure 2: Make Employee Engagement a Top Priority to Drive Financial Results



Source: Aberdeen Group, August 2015

High levels of employee engagement are also strongly linked to staff retention, with two-thirds of highly engaged employees reporting that they have no plans to leave their employer and only 3% are actively looking for other employment, compared with 12% and 31% respectively for disengaged employees.³⁰

Employee rewards and recognition programs often form part of broader employee engagement schemes, that can also include features such as eCards and badges to recognise employee performance, employee surveys and communications, content relating to employee well-being and engagement analytics.

For employers, the main challenges with implementing this form of employee engagement program are the time, cost and effort involved in building the program and underpinning platform, as well as establishing the partner relationships. Hence, employers generally utilise platforms provided by employee engagement specialists such as My Rewards and Reward Gateway.

Benefits and Challenges for Employees

For employees, there are both tangible and intangible benefits of rewards and recognition programs. Tangible benefits include the potential to save money through discounts at participating merchants and the ability to earn rewards based on performance. Intangible benefits include increased job satisfaction and increased engagement with the employer.

As with consumer programs, employee engagement with programs is enhanced when there is a broad range of participating merchants, when rewards are relevant for the employee, and when discounts and other benefits are attractive. Hence, issues can arise when programs offer limited

³⁰ Towers Perrin 2004 European Talent Survey: Reconnecting with Employees: Attracting, Retaining, and Engaging



choice of rewards and benefits, when benefits are marginal or the overall program is excessively complex.

5.15 Loyalty and Rewards Technology

Apart from the relatively basic manual loyalty and rewards schemes offered by small businesses, programs are underpinned by digital technology platforms that are used to manage and administer individual schemes. These platforms can provide a range of key applications as summarised below.

Table 5: Main Applications of Loyalty and Rewards Programs Platforms

Application	Description
Loyalty interfaces	Applications which administer the basic features of the program including managing earn and redemption rates, points conversion, awarding points, processing redemptions and managing balances
Rules programming	An application that, for example, allows the coding of business rules to automatically calculate outcomes based on different actions or series of actions
Rewards Store	An e-commerce store which allows members to make purchases using their reward currency. This application is often linked to third-party suppliers, with the platform automatically sending an order to the supplier, and reconciling when the supplier confirms the order has been delivered
Liability management	An application for the key financial metrics of a scheme, such as how the redemption rate compares to what has been forecast. This allows the adjustment of earn and redemption rates allowing scheme rules to be adjusted in real time
Digital marketing	An application that allows tailored communications with members through a variety of digital channels such as email, SMS and in App messaging

Source: Loyalty & Reward Co., Australian Loyalty Schemes, June 2019

Rather than use in-house developed technology, most loyalty and rewards programs utilise platforms provided by specialist third-parties. These include platforms provided by third-parties such as My Rewards which offer complete technology solutions and a broad network of merchant relationships. As described in Section 5.3, these platforms increasingly utilise technology such as AI and data analytics to provide increasing levels of customisation for scheme operators.



5.16 Disclosure

This is an independent report prepared by Frost & Sullivan. Save for the preparation of this report and services rendered in connection with this report for which normal professional fees will be received, Frost & Sullivan has no interest in My Rewards International Limited and no interest in the outcome of the IPO. Payment of these fees to Frost & Sullivan is not contingent on the outcome of the IPO. Frost & Sullivan has not and will not receive any other benefits (including any commissions) and there are no factors which may reasonably be assumed to have influenced the contents of this report nor which may be assumed to have provided bias or influence. Frost & Sullivan consents to the inclusion of this report in the Prospectus in the form and context in which it is included. As at the date of this report, this consent has not been withdrawn. Frost & Sullivan does not hold a dealer's license or Financial Services License. This report does not constitute advice in respect of the IPO.





section 6

Company Overview

myrewards

6. Company Overview

6.1 Overview of My Rewards

The Company was incorporated in South Australia on 9 November 2000. Over 20 years of continuing operations, My Rewards has grown to become one of Australia's leading providers of employee and consumer engagement, loyalty and rewards programs (**Employee Engagement and Customer Loyalty Programs**) with over 100 individually managed programs, servicing over 4,600,000 Members with rewards and offers from My Rewards' network of over 4,500 product and service Suppliers.

Since its earliest days, My Rewards has been steadfast in sticking to its core proposition of providing great discounts and deals to membership groups. With this clear sense of purpose, My Rewards has and continues to evolve in response to changes and advances in technology, consumer trends and client needs. From its early days as a producer of discount coupon books for membership groups, My Rewards is now a leading provider of Employee Engagement and Customer Loyalty programs.

The Company, together with its wholly owned subsidiary, My Rewards Pty Ltd (ACN 120 267 316) (**My Rewards Aus**) (formerly known as Pegasus Group Australia Pty Ltd) provides customised solutions to corporates and business of all sizes in the areas of employee benefits, rewards and recognition, employee engagement, member engagement and loyalty programs. My Rewards designs, builds, powers and manages systems and online marketplaces where Members of Employee Engagement and Customer Loyalty Programs can access rewards, discounts and special offers from the My Rewards' network of Suppliers (**B2B**).

My Rewards' Employee Engagement and Customer Loyalty Programs are delivered through a robust, scalable, cloud-based, e-Commerce enabled platform (**My Rewards Platform**) that delivers flexible, highly responsive services with high levels of service integrity and data security, where Members can access exclusive discounts and offers, and businesses can reward their employees and customers for their loyalty and/or performance.

The Company has more than 100 corporate clients, including MLC, Ramsay Health Care, Telstra, DXC Technology and Stockland, and some of the Company's recent achievements include:

- a. Telstra's global rollout of employee benefits program;
- b. RIA Money Transfer's rollout of a customer rewards program across an initial six countries, with gradual expansion into all of RIA's markets covering over 30 million customers; and
- c. The rollout of an in-store money transfer kiosk rewards program for a major US retailer.

The My Rewards Platform is highly scalable and will underpin My Rewards' growth strategies domestically and internationally.

The Company believes its technology is vital to the operations of the business. As such, the Company has invested heavily in the research, development and innovation of its technology platform in order to widen its competitive advantage. The Company's investment in technology has enabled My Rewards to meet and exceed its members' expectations through the launch of new products in response to customers' requests and demands. In particular, My Rewards has commenced offering cashbacks and is introducing a "Buy Now Pay Later" (**BNPL**) facility, branded **Pay My Way** to some of its Members. The next phase of My Rewards' business development is its international expansion, and this will be achieved through a new major global contract with RIA Money Transfer (**RIA**), a subsidiary of Euronet Worldwide Inc (NASDAQ:EEFT) and a leading international money exchange and transfer group with



operations across 160+ countries. RIA's customer loyalty program, which is designed, built and managed by My Rewards, will be launched across an initial six countries, with gradual expansion into all of RIA's markets covering over 30 million customers. The Company believes the RIA program rollout will be a launching pad for the Company's further development in targeted international markets.

The other major new avenue of growth is through the launch of a new Business to Customer (**B2C**) online marketplace called "My Rewards My Way". The Company believes this product will provide its consumers with access to discounts, special offers and cashbacks and will create a major growth opportunity for the business.

Over the past 4 years, the total transaction value (**TTV**) of the Company has grown from \$2.1 million to \$18.5 million. Upon the completion of the IPO, the Company will also complete the acquisition of Perx Rewards Pty Ltd (**Perx Rewards**), which will increase the TTV.

Perx Rewards (operating as Infinite Rewards) has been in business for over 15 years, providing rewards to employees, customers and members of corporates. Through this branded rewards program, end-customers and members get access to thousands of instant discounts, e-gift cards and exclusive codes with recognised brands, spending over \$12.6 million annum and saving up to 5% on their purchases.

The revenue of Perx Rewards largely comprises sale of gift cards, tickets to events, entertainment, sale of select range of consumer goods, and subscription fees from corporate clients.

My Rewards' office is based in Melbourne, Australia with a team of professionals overseeing the corporate development, sales and marketing, technology, compliance and financial aspects of the business. The local team is supported by software engineers located in India and a digital marketing agency based in Brisbane.

6.2 History of My Rewards

The Company was incorporated in South Australia on 9 November 2000 as The Rewards Factory Limited as an unlisted public company limited by shares. The Company was listed on ASX on 26 June 2008 and was subsequently delisted on 31 August 2009. The Company subsequently changed its name to My Rewards International Limited on 10 May 2011. The Company was historically a producer and distributor of discount coupon books to membership groups. The books were supplied to a wide variety of groups which provided the books to their members



who would typically gain a 10% discount on products and services by detaching the enclosed coupon. The discount books had a strong focus towards local hospitality and entertainment, as well as hairdressers, florists, and similar retailers.

In 2006, the Company started supplying discounts and benefits from its Supplier base to My Rewards Aus, which devised and managed employee benefits programs. This led to the Company acquiring a 50% interest in My Rewards Aus in 2009 and ultimately full ownership in 2017.

The acquisition of My Rewards Aus was pivotal to the evolution of My Rewards as it opened up the pathway to a major expansion in its membership base, which now exceed 4.6 million.

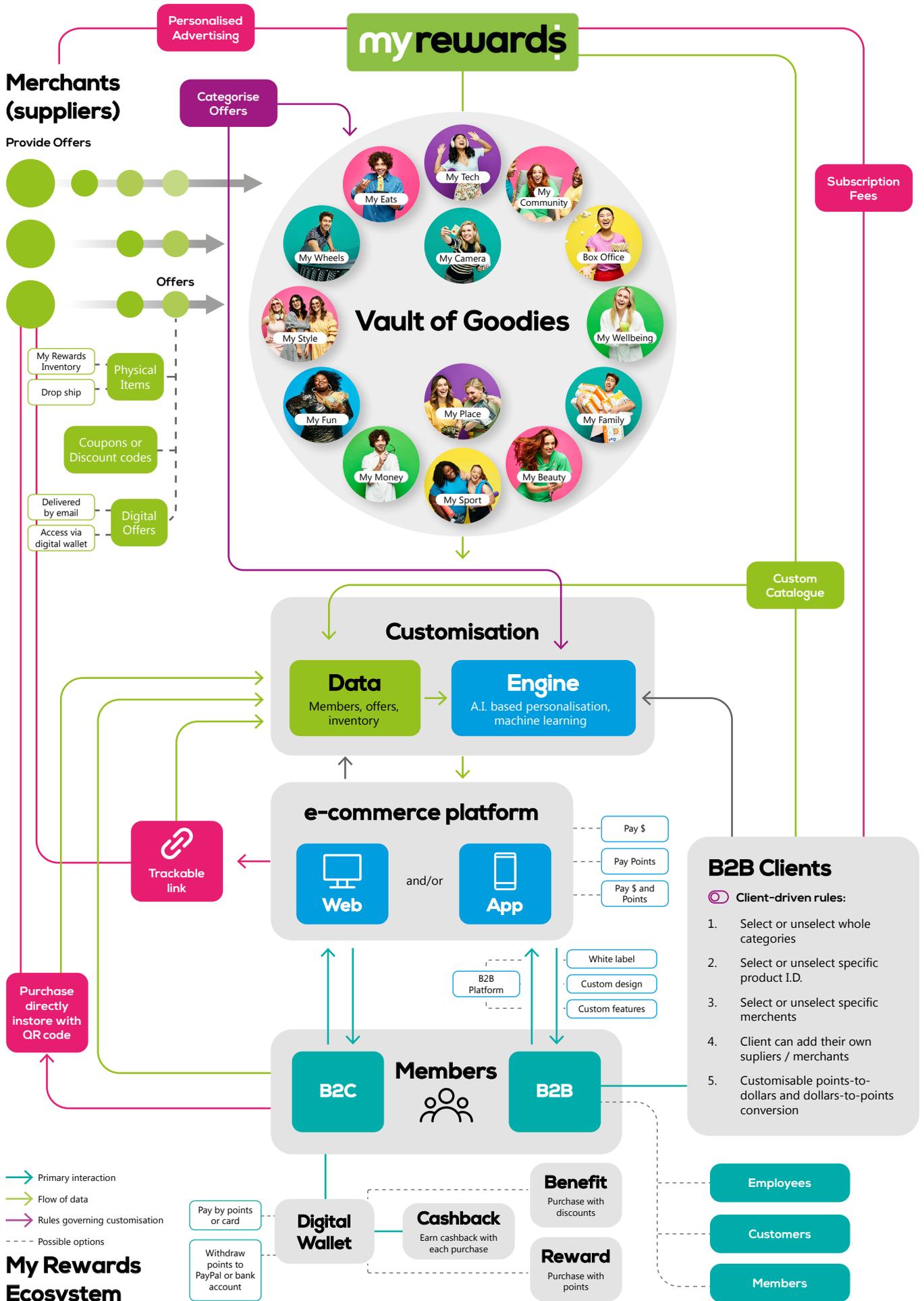
My Rewards has always strived to be at the forefront of technology as a way to enhance its service offering to business clients and improve the user-experience of Members. My Rewards' service offering went online in 2003 and paper coupons were progressively replaced with Coupon Codes and electronic coupons (**E-Coupons**). In 2008, My Rewards offered its service through mobile application (**App**) and with the introduction of cloud-based technology in 2015, My Rewards enhanced the security and scalability of the My Rewards Platform. There have been many other improvements to the My Rewards Platform over the years which have broadened the range of offerings and improved the experience for users. This includes an e-commerce platform, the ability for members to earn and redeem points, and receive cashback from Suppliers.



My Rewards will integrate a digital wallet (**Digital Wallet**) and a payment gateway (**Payment Gateway**) feature on the My Rewards Platform/App in Q4 of 2021. The My Rewards' Digital Wallet is the new My Rewards Platform App feature and function that allows payment to be made by Members in participating stores. Members can link their Visa, Mastercard or Amex credit or debit cards to the My Rewards App to make payments instore for goods and services via QR codes). The Digital Wallet will allow My Rewards to draw potential customers from online channels to make purchases in physical stores. This makes it easier Members to purchase items online and pick-up or return items in-store.

The Digital Wallet will allow Members to link debit and credit cards to their account and accumulated points balance, providing a range of methods to complete transactions online or in-store.





6.3 Key Strengths and Competitive Advantages

The key strengths and competitive advantages of the Company's business include:

a. Robust, scalable technology platform

Technology underpins every aspect of My Reward's business and is the gateway to the Company's long-term expansion and growth. My Rewards' cloud-based technology platform (**My Rewards Platform**) is hosted by Amazon Web Services (**AWS**) and has been developed with industry-standard components and is designed to deliver fast and reliable services to its clients, Members and Suppliers.

The My Rewards Platform is highly scalable and will support international growth and a major expansion in the client base and membership numbers.

Moreover, its sophisticated design, which incorporates advanced artificial intelligence (AI) and machine learning capabilities, enables rapid onboarding, sophisticated content management and delivery, and flexible, new product development.

b. Large membership base with low customer acquisition costs

My Rewards has over 4.6 million members, more than 23% of Australia's total adult population, making a very attractive pool of interest for existing and prospective Product and Service Suppliers and Advertisers. Over 500,000 members are currently classified as Active Members, providing an opportunity for My Rewards to activate inactive existing members at a low cost.

c. Large supplier network

With over 4,500 global, national, regional and local Suppliers, My Rewards is able to provide a highly customisable program of discounts and special offerings across a broad range of industries and sectors including, travel, entertainment, hospitality and general retail.

d. Supports small and micro businesses

The My Rewards Platform hosts many small and micro businesses giving them access to a vast pool of potential customers, eager to support local, neighbourhood businesses. Many of these are hospitality providers servicing local residential or worker communities.

e. Instore or Online Redemption

Discounts, cashbacks, special offers and rewards can be claimed and redeemed using cash or points in-store (to be rolled commencing Q4 2021) as well as online with My Rewards programs. This is particularly valuable for small, local hospitality and other retail businesses that may not have an online presence.

f. Fast cashbacks to members

Cashbacks on purchases have become increasingly common as a means of providing discounts to consumers. My Rewards provides cashbacks to its members from a large number of suppliers and settles customer accounts in 48 hours. This compares very favourably with other providers of cash rewards where settlement may occur up to 90 days later.

g. Globally competitive platform

My Rewards is on the cusp of a major push into global markets with the support of its key clients. RIA, an international money exchange and transfer group, will launch a Customer Loyalty Program in up to 26 countries over the next 18 months using the My Rewards Platform, and will also launch a Customer Loyalty Program through its terminals in the stores of a major retailer throughout the United States.



6.4 Business model

My Rewards operates a multi-pronged business model, where value and benefits are delivered to Program Sponsors, Members of those programs and Suppliers of products and services. Revenue is generated from fees paid by Program Sponsors, and Members' purchases of goods and services from Suppliers on the My Rewards Platform.

My Rewards designs and manages programs for over 100 corporate clients ranging in size from 50 employees to over millions of customers. Each client is provided with a customised, branded, online website and mobile App with the ability to design and manage the content and offerings to its members.

My Rewards utilises its proprietary software, which incorporates customisable modules to suit client objectives and requirements, which includes features such as providing member communications, employee and customer engagement, retention and loyalty through rewards and benefits. The My Rewards' technology is adaptive and scalable.

The key features of the Company's Platform are:

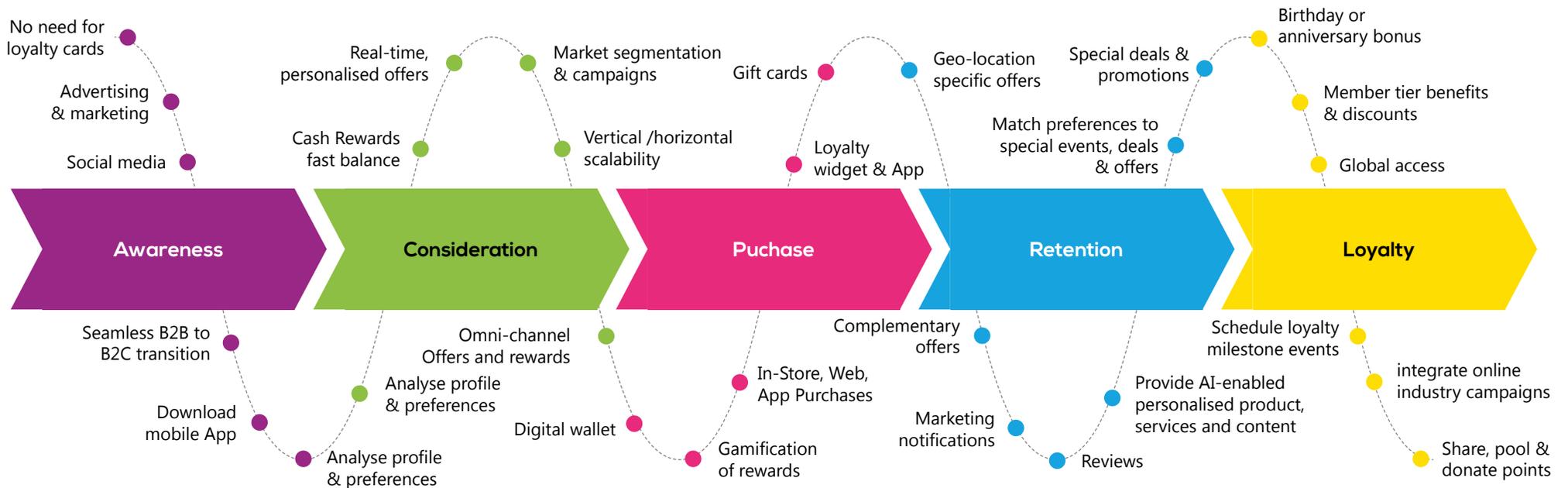
- a. Member access to discounts from more than 4,500 suppliers, including Woolworths, Apple, Myer, Rebel Sports, Coles, Dan Murphy, Freedom, Country Road, Optus, Hewlett Packard and others;
- b. Cash-based rewards or instant discounts across participating Suppliers and access to catalogues where rewards can be redeemed via points or cash;
- c. Dynamic personalisation of discounts and offers made to members, based on individual shopping behaviours, transaction history and user preferences;
- d. Points-based loyalty and benefits programs;
- e. Online trackable solutions for referral of customers, clients, or sales personnel to generate leads, or employees to refer talent to their businesses;
- f. Online tools and content for employee and customer recognition and reward; and
- g. Soon to be launched consumer marketplace providing a fully integrated rewards based mobile solution for in-store and online shopping.

These programs enable the client to efficiently engage with, reward and incentivise employees, members and customers at a modest cost.



My Rewards Customer Journey

Stages	Awareness	Consideration	Purchase	Retention	Loyalty
Steps	<ul style="list-style-type: none"> Define sales, marketing and digital online strategy Create awareness using channels, including social media Deploy MYR eCommerce portal and Mobile App 	<ul style="list-style-type: none"> Acquire and analyse demographic and profile preferences Determine the types of offers to be made based on market segmentations Analyse user behaviours 	<ul style="list-style-type: none"> Push real-time, curated offers to Web/App using AI and Machine Learning Analyse customer journeys to determine products, services, and content to recommend to users 	<ul style="list-style-type: none"> Analyse preferences to create additional Loyalty campaigns Promote brand loyalty through exclusive offers, deals, rewards Utilise AI-enabled marketing notifications to curate offers 	<ul style="list-style-type: none"> Engage through additional member benefits & discounts Incentivise new & existing members Release new features



6.4.1 Benefit for Program Sponsors

My Rewards' Employee Engagement and Customer Loyalty Program is designed to respond to the challenges of corporates seeking ways to attract, engage, motivate and retain their employees, reach new customers, win new business and grow sales. There are many businesses that are utilising staff engagement and customer loyalty programs to achieve these objectives and My Rewards is able to provide such programs. The My Rewards Employee Engagement Programs offers staff discounts and member-only benefits, together with various tools to acknowledge staff achievements and/or special occasions. These tools also enable rules to be implemented regarding the awarding or use of rewards, benefits, and points.

My Rewards services include:

- a. **Rewards:** providing Members with access to Suppliers' catalogues where rewards can be redeemed via points or cash:
 - i. The Suppliers' catalogues provided to Members in an Employee Engagement Program, where transactions are cash based, include access to a custom catalogue of the offerings from the over 4,500 My Rewards Suppliers, with offerings from the Program Sponsors' competitors being excluded, for example, Optus offers will not be available in the Telstra Employee Engagement Program and vice versa;
 - ii. The Supplier's catalogues provided to Members in a Customer Loyalty Program, where transaction are points based (and may have a cash option), will usually be much narrower and focused on specific products or services.
- b. **Recognition:** providing Members with access to online tools and content to provide acknowledgement, appreciation and recognition of employees, peers or/and customers. This may reflect achievement, community service or special occasions. This maybe in the form of points, rewards, messages, gifts or some other form of recognition.
- c. **Benefits:** providing Members with discounts from 4,500+ global, national, regional and local Suppliers. Offers may relate to whole catalogues from suppliers or to specific products or services. The offers may be ongoing, special or preferential. Discounts range from 3%-5% at major national retailers such as Coles and Woolworths, to 10% - 25% at many restaurants, hairdressers, spas, retailers, and other hospitality businesses, and up to 40% on entertainment, such as tickets to movies, concerts and shows.
- d. **Loyalty:** Points based or recognition-based (tiered) customer loyalty programs for businesses.
- e. **Software as a Service:** Provides clients with a customisable cloud-based loyalty and rewards solution to host their own benefits and rewards.
- f. **Customer Service:** Access to 24/7 customer service via email, phone, or webchat.
- g. **Self Service:** Self-service portal and reporting dashboard.
- h. **Omni-Channel:** Fully customisable communications via email, SMS, App or social media.
- i. **Multi-device access:** Web portal and customisable native apps on android and iOS platforms.



My Rewards' client base is highly diversified, operating in many industry sectors including telecommunications, financial services, automotive, retail, business services and technology and many of them have been clients of My Rewards for over 10 years.



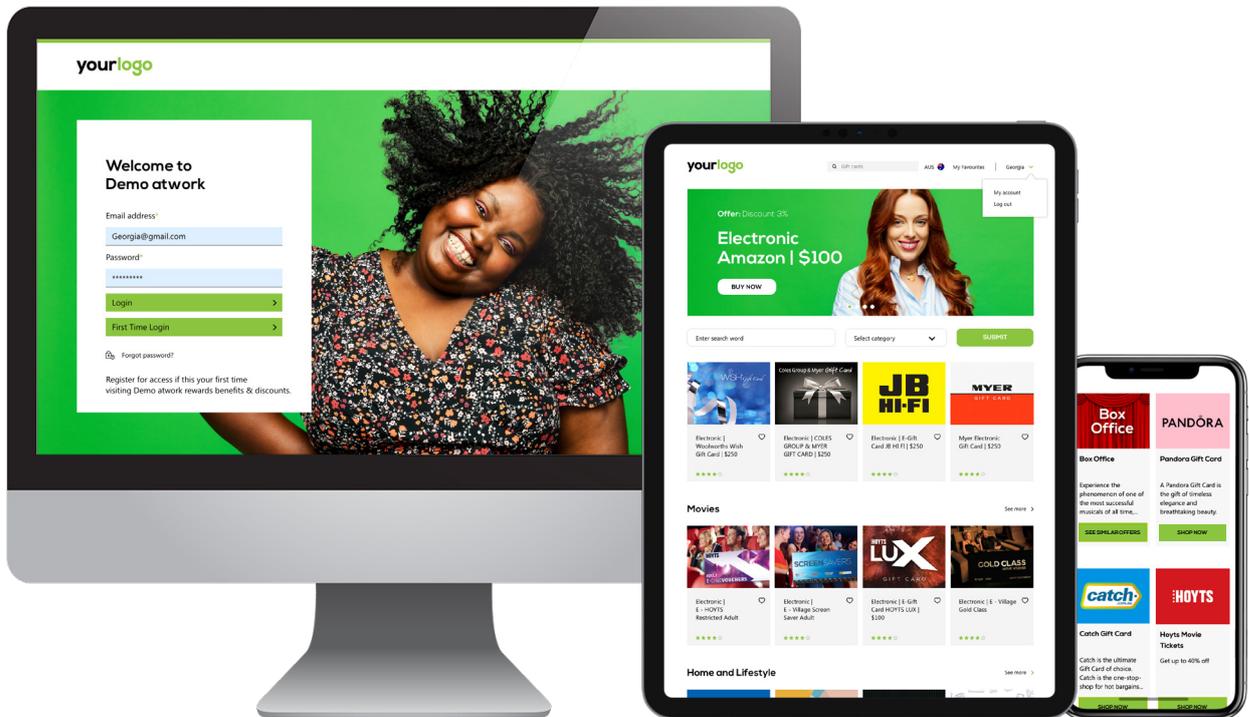
6.4.2 Benefits for Members of these programs

My Rewards has more than 4.6 million Members, who have access to the My Rewards Platform. Each Member has access to a wide range of discounts, cashback, special or members-only offerings from over 4,500 Suppliers through the Members portal on the My Rewards website or through the My Rewards mobile App, that are specifically tailored to the specific interests of each of the Members.

Members can benefit from the My Rewards Platform by gaining access to a large range of products and services offered by My Rewards' Suppliers at a favourable price, sometimes on a preferential basis ahead of the general public, or on an exclusive basis. In addition to national and regional brands, Members have access to many offerings in their local communities.

My Rewards has ongoing supplier relationships with gift card providers and as such, is able to offer its Members' sale of gift cards and tickets to sporting and entertainment events, such as tickets to AFL games, Village Cinemas, Hoyts Cinemas, Ticketek etc.





6.4.3 Benefits for Suppliers of products and services

With over 4,600,000 Members, My Rewards has built a valuable distribution channel for over 4,500 national, regional and local Suppliers of goods and services. My Rewards provides an alternative avenue for Suppliers to advertise, promote and sell their goods and services. Suppliers can rely on web tracking and customer data on the My Rewards Platform to offer targeted promotions and offers to Members via email, SMS and App notifications.

- a. New Customers: My Rewards Suppliers can attract new customers by advertising to Members on the My Rewards Platform; and
- b. Repeat Business: Members are incentivised to continue shopping for goods and services from Suppliers. This is a key driver for the Suppliers' business success, with research indicating that 85% of business' growth comes from loyal customers.

6.5 Sources of Revenue

My Rewards currently generates revenue from Program Sponsors and the sale of gift cards, goods and services to Members.

Corporate clients pay My Rewards a monthly or annual fee to enable their employees and/or customers to access a white-label Employee Engagement and/or Customer Loyalty Program online and via a customised mobile App. Client fees are primarily based on the size of the membership base. Fees will also be generated for set-up and customisation. My Rewards sells gift cards, entertainment tickets to theatre, cinema and sporting events, and general merchandise, such as electronics and fashion items to Members of the Employee Engagement and Customer Loyalty Programs. My Rewards earns a small margin on transactions made through the My Rewards Platform. Gift cards and tickets are particularly popular sale items on the My Rewards Platform. Whilst the profit margins on the sale of gift cards and tickets are low, these products generate substantial traffic flow which leads to the sale of other products and services.



The merchandise sold on the My Rewards Platform ranges from small audio and consumer electronic items to fashion items and household appliances. These products are generally made available by Suppliers to Members on an ad-hoc or opportunistic basis. The merchandise is typically held by Suppliers, which will also manage post sale delivery to Members.

The business model caters for both online and offline modes of interaction. My Rewards enhances its support of physical, “bricks and mortar” stores by extending offers and discounts to the in-store shopping experience. Members are able to take advantage of in-store deals and promotions through “geo-locative” offers. Offers can include a wide array of retailer products, services, experiences, themes and content. This increases the potential for revenue generation.

My Rewards mitigates inventory risk with event tickets and general merchandise through its many years of experience, excellent understanding of Members’ interests and typical demand profiles and buy-back facilities provided by event promoters. Occasionally, My Rewards employs the services of industry experienced professionals to analyse and forecast event and product demand.

Suppliers do not pay a fee to My Rewards to participate in the Employee Engagement and Customer Loyalty Programs. However, they may be required to pay advertising and banner fees to My Rewards if they participate in any promotions.

The Company has generated \$18.5 million in total transaction revenue for the 2021 financial year and is achieving strong revenue growth.

Revenue Stream	Description
Set up / Establishment Fees	Fees paid by the Program Sponsors to My Rewards to set up a website/App and any additional customisation
Ongoing Membership Fees	Fees paid by the Program Sponsors to provide access to its Members
Item Sales	Sale of merchandise, services, digital goods, tickets etc that is facilitated via My Rewards Platform.
Rewards Redemptions	Points allocated and paid for by the Program Sponsors to their Members
Affiliate Commissions	These are commissions paid to My Rewards by Suppliers for facilitating transactions
Advertising Fees	Advertising fees paid by the Supplier to My Rewards to advertise on the My Rewards Platform



6.6 My Rewards Technology Platform

The My Rewards Platform powers and manages the My Rewards Employee Engagement and Customer Loyalty Programs that it designs and builds for its clients, as well as the marketplaces where Members and Suppliers can interact.

The My Rewards Platform plays a critical role in delivering rapid, reliable performance of every Employee Engagement and Customer Loyalty Program with a focus on data security. The My Rewards Platform is also a fully-fledged e-Commerce platform with inventory management, content management, customer engagement, payment gateways and data analysis capabilities. The My Rewards Platform enables increasing scale to be easily managed.

The My Rewards Platform is cloud-based and hosted by AWS with servers in Australia, Singapore and the US with AWS certifications for data privacy and security compliance.

The My Rewards Platform has two key functions and that is to manage workflows and to manage the marketplaces.

Workflows primarily encompass the onboarding process whereby each Program Sponsor's online presence, benefits and loyalty rules are established, Members are registered, and Supplier's catalogues are integrated. The objective is to make the onboarding process as simple as possible. The process is automated, mostly completed with the help of online wizards or prompts.

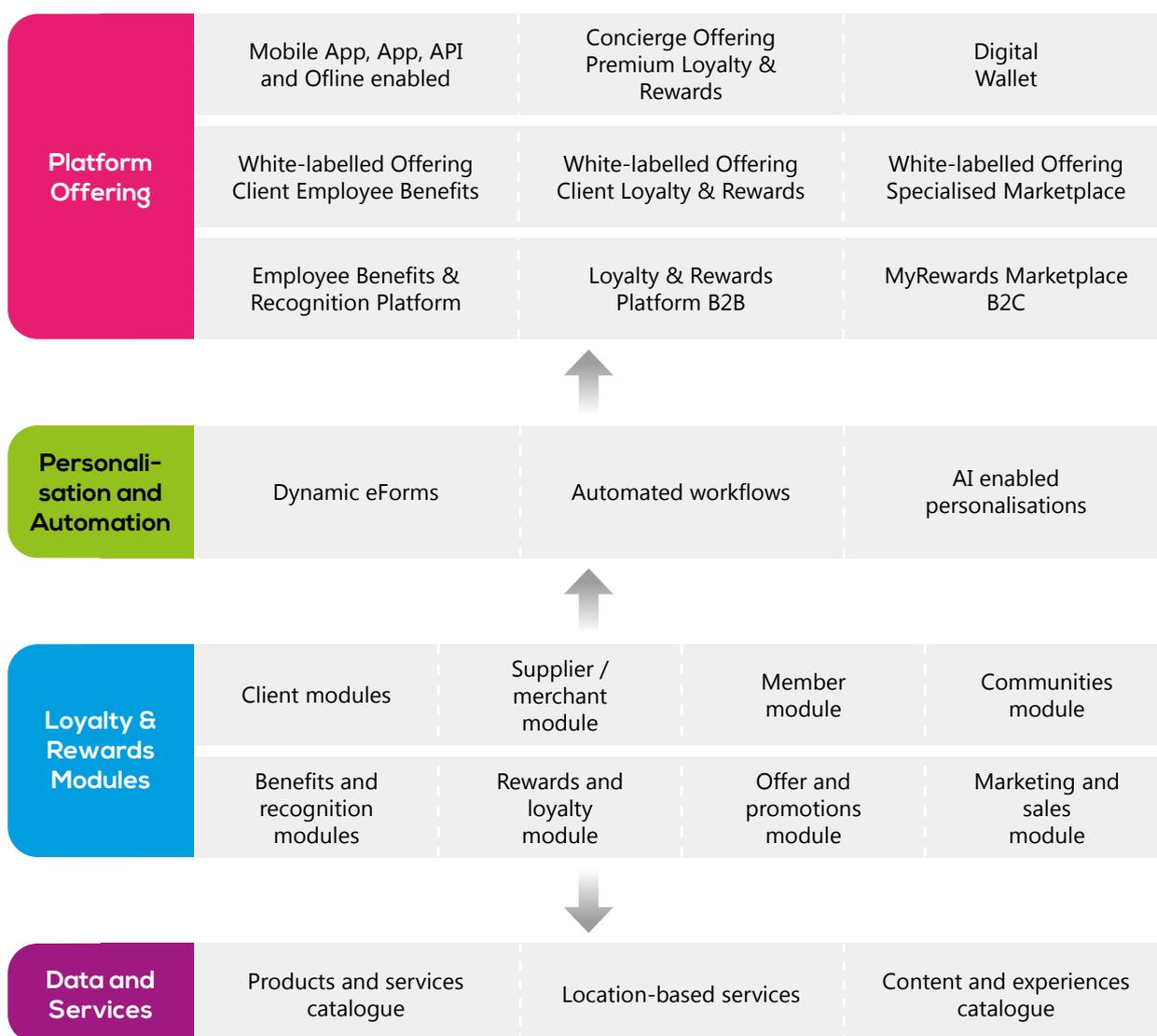
Members of the Employee Engagement and Customer Loyalty Programs have access to a wide range of products and services of the Suppliers through the marketplaces established by the Program Sponsors. The use of AI and machine learning capabilities will enable dynamic responses to change in the Members' buying, searching and interest patterns, and the catalogue of available products and services under each Employee Engagement and Customer Loyalty Program is matched to each Member's preferences, interests and browsing behaviour.

The My Rewards Platform also incorporates a Payment Gateway operated by Braintree which allows the My Rewards Platform to accept and process payments.

My Rewards' IT technology is robust and has been subject to audit and penetration testing by multiple clients. Penetration testing is used to simulate a cyber-attack with the objective of identifying vulnerabilities in terms of gaining unauthorised access to the systems and data.



My Rewards Technology Components



My Rewards Platform provides inventory management, content management, customer engagement, payment gateways and data analysis capabilities. It delivers a customised, high-quality user experience to each Member, as well as a robust and efficient trading platform to Suppliers. The key features of the My Rewards Platform are as follows:

a. Supplier Catalogue of Goods and Services

The My Rewards Platform allows Suppliers to upload and integrate their catalogue of goods and services on to the platform and by utilising the My Rewards Payment Gateway feature, allows Suppliers to complete transactions with Members on the My Rewards Platform.

b. Digital Wallet

My Rewards intends to launch and integrate a Digital Wallet feature in the My Rewards Platform in Q4 2021, which the Company believes will herald the next phase of development of the Company's business. The Company believes that the integration of a Digital Wallet into its platform plays a pivotal role as it enables transactions to be made between its Members and Suppliers in-store and online.



c. Payment Gateway

The Payment Gateway will allow Members to pay online and instore using credit/debit cards, points or cashbacks earned in the Member's Digital Wallet. The Supplier will gain additional benefits from being on the platform, such as advertising opportunities and greater exposure, provided with ability to target customers with special offers, and greater flexibility in managing its overall offerings.

d. Customised Offerings

The artificial-intelligence (AI) and machine learning capabilities of the My Rewards Platform will enable an optimised and customised experience to be delivered to Members with much greater visibility to products and services of interest to that Member. A feature of the My Rewards Platform will be the ability to generate a comparative listing of Suppliers of a specific product or services. This will be a major advantage over having to search the product or service through multiple Suppliers. My Rewards believes that this will be a highly attractive feature for Members and will be a competitive advantage.

e. Data and Insights

The My Rewards platform contains rich data relating to member behaviours, profiles and preferences, patterns of behaviour, buyer signals and marketplace interactions. AI algorithms will be used to predict demand, supply and consumption curves in order to exploit future growth opportunities.

Future integration of third-party datasets, such as social media, will provide context for global versus regional/local areas of opportunity and interest.

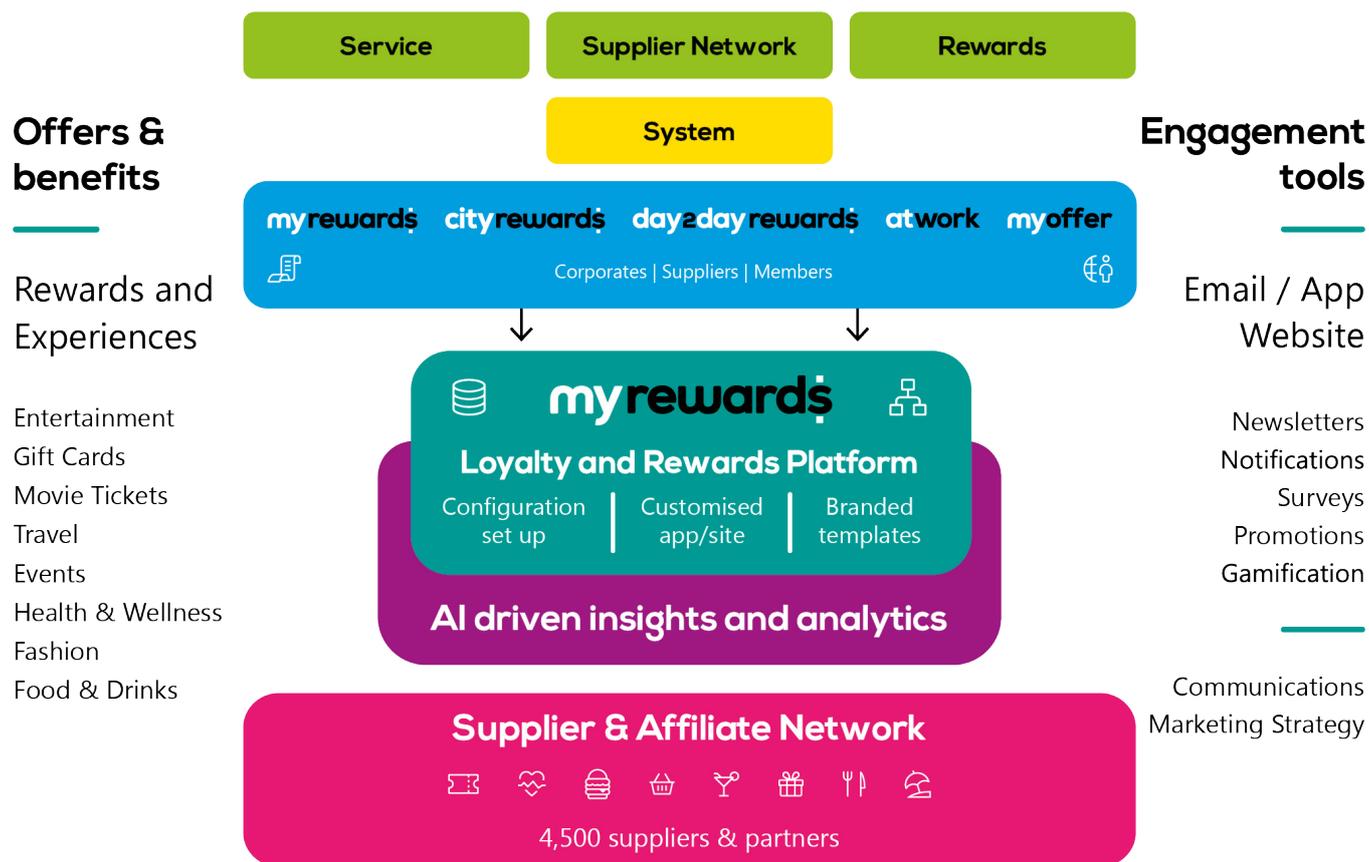
The My Rewards Platform is highly integrated and links Suppliers' catalogues of products and services to each Member's account. This feature allows Members to view Suppliers' catalogue and place orders directly on the My Rewards Platform.

The Digital Wallet will play a key role in managing an instore transaction. The Digital Wallet will link Members' credit/debit card and ensure that transactions are completed on the My Rewards Platform when scanned by a point of sale machine at the Supplier's premises.

The Digital Wallet will be launched with a small number of leading Suppliers. Further suppliers are expected to join the My Rewards platform as membership usage grows. It is anticipated that the Digital Wallet will eventually become a widely accepted and used service for local, neighbourhood suppliers, especially in the hospitality sector where it is difficult to build exposure and a competitive edge.



My Rewards Ecosystem



My Rewards will gain visibility of all transactions passing through the platform. The fee charged to Suppliers via transactions made through the Payment Gateway will include a profit margin, part of which may be returned to Members through Cashback rewards.

The Company will also monetise the My Rewards Platform by offering Suppliers the opportunity to undertake targeted advertising programs via insightful consumer behaviours of Members collected through the My Rewards Platform. The My Rewards Platform will also generate vast amounts of data, which will be valuable to advertisers. Both of these opportunities may be monetised.

6.6.2 COVID-19

Overall, the COVID-19 pandemic and the related shutdowns and disruption to normal commercial activity has had limited impact on My Rewards profit margins. However, there has been significant effects on Members purchasing behaviour, which has had a slight impact on gross revenue.

The pandemic has seen a major shift in consumer shopping behaviour from shopping in-store to online. Most industries have seen online sales of general merchandise increase, while sales of entertainment, hospitality and travel products have all fallen. My Rewards has seen a drop in sales of tickets to sporting events, movies and concerts, but because the profit margin on these products is low, the impact on overall profitability has been minor.

My Rewards' corporate revenue is linked to the membership base of its clients and not transactions and as such, My Rewards' profitability has not been directly impacted by COVID-19. Although My Rewards has lost a corporate client, (whose business is travel related) due to



COVID-19 with a modest impact on revenue, My Rewards has won five new contracts over the past twelve months, including RIA.

The continued lockdowns imposed by the State Governments in Australia are likely to delay the rollout and adoption of the Digital Wallet feature as My Rewards is unable to have Supplier acquisition teams visiting local businesses to onboard them to the My Rewards Platform.

6.7 Growth Strategy

My Rewards has a comprehensive growth plan with the key objectives of significantly boosting Member numbers, increasing transactional revenue and profit margins. It has in place a multi-pronged strategy, which will see the Company launch new products, enter into new markets, and undertake strategic acquisitions.

6.7.1 Driving Transactional Revenue

Transactional revenue is currently generated through the sale of gift cards, tickets to concerts and events, and general merchandise, but no revenue is currently generated from in-store transactions between Members and Suppliers. The launch of the new My Rewards App in Q4 2021, which integrates the Digital Wallet feature establishes a pathway for the Company to generate revenue from Members' in-store transactions with Suppliers.

The integration of Suppliers' catalogues and the Digital Wallet feature on the My Rewards Platform will provide My Rewards with full visibility of transactions between members and suppliers. Moreover, the Digital Wallet with a Payments Gateway feature which will enable My Rewards to charge Supplier fees, thereby linking its revenue stream to Member transactions with Suppliers.

The Digital Wallet feature will be launched with a small number of leading Suppliers and driven by Member usage and demand, and it is anticipated that over time, increasing numbers of Suppliers, especially local and neighbourhood businesses will start to accept payment via the My Rewards' Digital Wallet and Payment Gateway.

Marketing and business development initiatives will be undertaken with a view to launching and growing the Digital Wallet as the Company's new revenue stream into a major contributor to its overall revenue and gross margins.

6.7.2 Boosting Membership

Boosting new and active memberships is a key growth tenant for My Rewards and will be achieved through several avenues. Firstly, membership numbers will increase as the Company adds new Employee Engagement and Customer Loyalty Program clients in Australia and as it expands into international markets in response to client demand.

Secondly, through the launch of My Rewards B2C platform, "My Rewards My Way", the Company will attract new Members outside of the existing B2B network.

Thirdly, the Company will also be employing various strategies to increase the proportion of Active Members on its platform and the average annual spend of its existing Active Members.

As part of its business development initiatives, My Rewards will undertake regular sales and marketing activities with a view to secure new Employee Engagement and Customer Loyalty Program clients. At any one time, My Rewards may be in discussions with prospective clients, but the client engagement process can be long and as such, securing and ultimately onboarding of new clients may occur on an irregular basis. Employee Engagement clients may range in size from 50 to over 10,000 and Customer Loyalty clients may have over 1 million members.

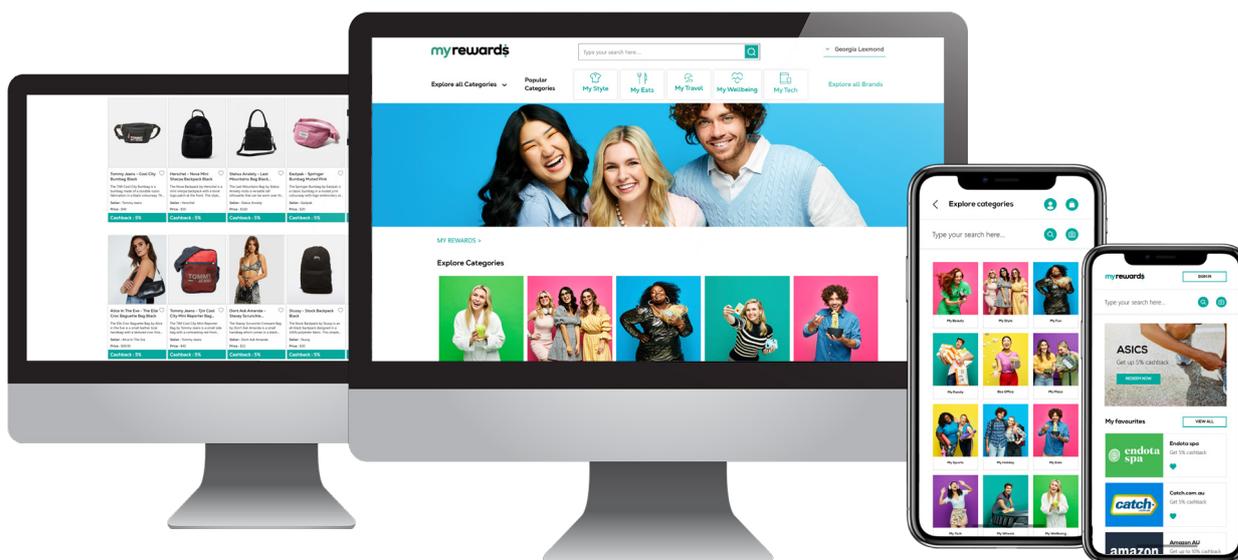


6.7.3 My Rewards My Way

The My Rewards' consumer marketplace, known as **"My Rewards My Way"**, was soft launched in October 2021.

My Rewards My Way will be open to the general public and will provide a rewards marketplace with fast Cashbacks and discounts on a wide range of products and services. Powered by the My Rewards Platform and with its AI and machine learning capabilities, it will provide a highly personalised experience to Members.

My Rewards My Way will be differentiated from the corporate B2B products in the composition of the catalogues and the offerings.



6.7.4 International Expansion

My Rewards has entered the international markets through its commercial relationships with its clients and the first of such agreement is with RIA, a US-based provider of money transfer services and a subsidiary of Euronet Worldwide Inc (NASDAQ: EFTT). An agreement has been signed to immediately launch a loyalty program for RIA customers in Australia and with a gradual roll-out over the next 18 months in up to 26 countries with over 30 million customers. A separate agreement with RIA will see the loyalty program offered to RIA customers of its terminals located in a leading retail store in the US.

The My Rewards Platform is highly scalable and will fully support the requirements of other markets as well as the potential large increase in membership numbers that may result from this and other similar initiatives.

The challenge in expanding into other markets is the requirement to provide locally relevant benefits and opportunities. In this regard, My Rewards has secured supply agreements with international brands and is using aggregators and marketing partners in local markets to provide national, regional, and local suppliers. This strategy will provide an introduction into various markets from where My Rewards may seek to secure local clients for Employee Engagement and Customer Loyalty Programs.



6.7.5 Acquisitions

My Rewards will pursue acquisitions of complementary businesses. The My Rewards Platform provides a technological competitive advantage and is an attractive exit proposition for small loyalty and rewards Program Sponsors who lack the financial and technical capabilities to scale their businesses. Moreover, the depth and range of My Rewards' 4,500+ international, national, regional and local Suppliers is a valuable resource that is hard to replicate. My Rewards has the capability to easily integrate potential Program Sponsors and Members into its existing platform.

My Rewards has agreed to acquire Perx Rewards Pty Ltd, which operates as Infinite Rewards, for \$1 million. The Company will also issue to the vendor of Perx Rewards, Shares with a value of \$200,000 at the IPO price as a bonus for Perx Rewards successfully executing a commercial contract with Australia Post. Infinite Rewards has been operating for over 15 years, providing its members with access to discounts on online retail and travel deals and exclusive access to events. Infinite Rewards also provides white-label solutions to its clients, oriented to the clubs, associations and not-for-profit organisations, with over 150,000 members. It generates annual revenue of over \$12.6 million.

The acquisition of Perx Rewards will be completed upon the Company's successful listing on the Official List of the ASX and the business of Perx Rewards will be integrated into the My Rewards Platform, delivering significant operating synergies.

6.8 Risk Management

Whilst there is no specific Commonwealth or State government legislation or regulations that cover Employee Engagement and Consumer Loyalty Programs, My Rewards' business and operations are subject to a range of rules and regulations. The most notable relates to security, privacy and financial regulations.

The integrity of My Rewards' technology platform is paramount to the success of My Rewards' business. The first line of defence lies in the quality and robustness of the coding of the underlying software, which is subject to multiple layers of quality assurance and testing. The My Rewards Platform has been subject to audit and penetration testing by multiple clients. The principal level of security against external predatory cyberattack is provided by AWS and PayPal. AWS supplies servers, data storage and distribution capabilities to My Rewards. It is one of the leading providers of such services, which are provided to many global companies and governments. Braintree, a division of PayPal, provides the My Rewards Platform with its financial gateway and payment processing capabilities to manage the financial settlement of transactions by Members. PayPal is a leading independent financial gateway outside of the banks and is compliant with all financial and security requirements.

Although My Rewards is not a credit provider, it may be subject to various regulations, including anti-money laundering and counter terrorism financing regulations (**AML/CTF**) and know your customer (**KYC**) obligations. My Rewards relies on its financial partners (Braintree, PayPal, Stripe, Limepay) to have appropriate fraud protection, AML/CTF and KYC polices in place, and have internal monitoring, and risk assessment and mitigation policies and process to manage these risks.



6.9 Significant dependencies

The key dependencies of the Company's business model include:

a. Technology

The My Rewards business model depends on operational, growth and engagement efficiencies to be realised via the ability of its Platform to scale and adapt to new consumer demands and market requirements.

The ability of My Rewards' team to maintain, grow and keep ahead of the technology growth curve is a key requirement for the ongoing growth of the business.

b. Personnel

The team of My Rewards have been instrumental in the growth, development and servicing of the My Rewards Platform.

My Rewards is led by a management team with leading industry experience, which was built around the key pillars of My Rewards, being loyalty and rewards, technology and commercial relationships.

Short-term incentives and long-term incentives have been put in place to retain the current team and to attract new employees.

c. Supplier Relationships

The harmony and balance in the My Rewards marketplace is reliant on the Suppliers and the offers made by Suppliers to My Rewards Members. My Rewards believes that the nurturing and growth of Supplier relationships in order to secure better offerings for its Members is key for My Rewards' growth.



6.10 Key investment highlight

My Rewards Ecosystem	<p>The growing multi-faceted value proposition of My Rewards ecosystem delivers real tangible benefits to all its participants.</p> <p>Program Sponsors: My Rewards provides customisable solutions to Program Sponsors to keep employees happy, reach new customers, win repeat business and achieve higher transaction/order value.</p> <p>Members: AI-driven platform with over 4,500 Suppliers offering products and services, and customised offers being delivered to Members, providing Members with a personalised experience shopping experience whilst receiving rewards, discounts, benefits and savings</p> <p>Suppliers: My Rewards Suppliers get a captive audience to promote their products and services to increase sales, promote their brand and build loyalty.</p>
My Rewards Technology Platform	<p>My Rewards' technology-driven business model and growth strategies support the My Rewards Platform to grow rapidly with minimal increase in operational costs.</p> <p>The proprietary My Rewards Platform is robust, scalable and adaptable as My Rewards expands into new markets. It supports and powers Program Sponsor, Member and Supplier onboarding, ongoing maintenance, inventory management and control, business processes automation, and data security and analysis.</p> <p>The My Rewards Platform has been architected to be modular, customisable and scalable to support growing Members, transactions and data elements.</p>
Existing Blue-Chip Clients and established Member and Supplier base	<p>My Rewards provides customised Employee Engagement and Customer Loyalty Programs to over 100 corporates, connecting more than 4.6 million Members with over 4,500 Suppliers. Our blue-chip client base includes some of the biggest household brands in retail, financial services, and telecommunications, including Telstra, MLC, RIA, Ramsay Health and AIG.</p> <p>My Rewards Suppliers range from global brands, such as Apple, Jeep and Pandora to Australian national suppliers like JB Hi-Fi and local and emerging Suppliers from the community that supply services in the hospitality, wellness and fashion industry.</p> <p>My Rewards provides its Members benefits and rewards across a range of lifestyle categories – from purchasing a coffee to a car.</p>



Global Growth	<p>My Rewards will be expanding into international markets over the next twelve months through its commercial relationships with clients such as RIA.</p> <p>The My Rewards Platform can securely scale in different markets and is adaptable to multiple currencies and languages.</p>
Consumer Trends	<p>My Rewards believes that its value proposition for Program Sponsors, Members and Suppliers is in line with global trends. Loyalty and rewards programs have become increasingly important, with research indicating 85% of business growth comes from loyal customers.³¹</p> <p>The My Rewards Platform's diverse capabilities and technology caters for shifts in trends like adoption of digital wallets, AI and holistic approach to rewards and loyalty.</p>
Data	<p>My Rewards has access to large datasets of Member and Supplier activities via the Employee Engagement and Customer Loyalty Programs. The My Rewards Platform's AI capabilities has the ability to collect and analyse Member data, deliver meaningful insights and a highly personalised shopping experiences to Members.</p> <p>My Rewards' Suppliers can also benefit from custom audience segments, automated advertisement placements and communication via email, SMS or App notifications based on data insights.</p>
Growing global addressable market and structural tailwinds	<p>My Rewards is favourably exposed to structural tailwinds and a growing global market, including growth in online retail sales and ongoing growth in the global loyalty and rewards market. My Rewards believes the growing use of eCommerce platforms, mobile phones and digital wallets has the potential to significantly grow the My Rewards' business and assist in new market penetration.</p>
Experienced and dedicated Management team	<p>My Rewards is led by a management team with leading industry experience, which was built around the key pillars of My Rewards, being loyalty and rewards, technology and commercial relationships.</p>

³¹ KPMG, Is it time to rethink loyalty programs?2016 <https://assets.kpmg/content/dam/kpmg/be/pdf/Markets/is-it-time-to-rethink-your-loyalty-program.pdf>



6.11 Use of funds

The Company intends to apply funds raised from the Offer, together with existing cash reserves post-admission, over the first 2 years following admission of the Company to the Official List of ASX as follows:

Funds available	Minimum Subscription (\$ \$5 million)	Percentage of Funds (%)	Full Subscription (\$ \$7 million)	Percentage of Funds (%)
Existing cash reserves ¹	180,000	3.5%	180,000	2.5%
Funds raised from the Offer	5,000,000	96.5%	7,000,000	97.5%
Total	5,180,000	100.0%	7,180,000	100.0%
Allocation of funds				
Supplier Acquisition ²	350,000	6.8%	400,000	5.6%
Customer Acquisition ³	400,000	7.7%	625,000	8.7%
Debt Reduction	275,000	5.3%	275,000	3.8%
Further investment and development of technology ⁴	350,000	6.8%	650,000	9.05%
Overseas expansion and promotion	600,000	11.6%	1,410,000	19.6%
Payment to acquire Perx Rewards Pty Ltd	1,000,000	19.3%	1,000,000	13.9%
Working capital	296,016	5.7%	468,755	6.5%
Expenses of the Offer ⁵	708,984	13.7%	851,245	11.9%
Administration costs ⁶	1,200,000	23.2%	1,500,000	20.9%
Total	\$5,180,000	100.0%	\$7,180,000	100.0%

Notes:

- Existing cash reserves as at 30 September 2021. Refer to the Financial Information set out in Section 7 for further information. The Company intends to apply these funds towards the purposes set out in this table, including the payment of the expenses of the Offer of which various amounts will be payable prior to completion of the Offer.
- Costs include those related to merchant acquisition, staff, media spend and marketing.
- Costs include those related to business development managers, media spend and marketing.
- Costs include software development engineers, IT hardware and hosting costs.
- Refer to Section 11.9 for further information.



- Administration costs include the general costs associated with the management and operation of the Company's business including administration expenses, management salaries, directors' fees, rent and other associated costs.

It is anticipated that the funds raised under the Offer will fund 2 years of full operations (if the Minimum Subscription is raised). However, there is no guarantee that My Rewards will be fully self-funding through its own operational cash flow at the end of this period. Accordingly, the Company may require additional capital beyond this point, which will likely involve the use of additional debt or equity funding. Future capital needs will also depend on the success or failure of growth of the My Rewards' B2C program, "My Rewards My Way" and its international expansions.

In the event the Company raises more than the Minimum Subscription of \$5,000,000 under the Offer but less than the Full Subscription, the additional funds raised will be first applied towards the expenses of the Offer and then proportionally to the other line items in the above table.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

The Directors consider that following completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives. It should however be noted that an investment in the Company is speculative and investors are encouraged to read the risk factors outlined in Section 8.

6.12 My Rewards Corporate Structure

The group ownership structure of My Rewards is set out below. All subsidiaries are 100% owned and controlled within the My Rewards Group.



6.13 Capital structure

The capital structure of the Company following completion of the Offer (assuming both Minimum Subscription and Full Subscription under the Offer) is summarised below:

Shares¹

	Minimum Subscription	Full Subscription
Shares currently on issue ²	138,941,692	138,941,692
Shares to be issued pursuant to the Offer ³	25,000,000	35,000,000
Shares to be issued pursuant to the Lead Manager Mandate ⁴	750,000	1,050,000
Shares to be issued on conversion of Convertible Notes ⁵	22,265,887	22,265,887
Shares to be issued pursuant to the Perx Rewards Acquisition Agreement ⁶	1,000,000	1,000,000
Maximum number of Shares able to be issued under the Klyp Services Agreement ⁷	7,491,259	7,491,259
Total Shares on completion of the Offer	195,448,838	205,748,838

Notes:

1. The rights attaching to the Shares are summarised in Section 11.2.
2. The Company has a total of 138,941,692 Shares on issue.
3. Assuming \$5,000,000 is raised at an issue price per Share of \$0.20 under the Offer under the Minimum Subscription and an additional \$2,000,000 is raised at an issue price per Share of \$0.20 under oversubscriptions.
4. Shares to be issued at a deemed issue price of \$0.20 per share to the Lead Manager in consideration for lead manager services in relation to the Offer. Refer to Section 10.1.1 for a summary of the key terms and conditions of the Lead Manager Mandate.
5. Refer to Section 10.1.2 for a summary of the material terms of the Initial Convertible Note Agreements and 10.1.3 for a summary of the material terms of the Investors Convertible Note Agreements.
6. 1,000,000 Shares to be issued at a deemed issue price of \$0.20 per Share to Perx Rewards in connection with the acquisition of 100% of the issued capital of Perx Rewards. Refer to Section 10.2.1 for a summary of the key terms and conditions of the Perx Rewards Acquisition Agreement.
7. A maximum of 7,491,259 Shares to be issued at a deemed issue price of \$0.10 per Share to Klyp Australia Pty Ltd in consideration for software development, marketing and strategy services, subject to Klyp meeting relevant milestones in the Klyp Services Agreement. Refer to Section 10.3.1 for a summary of the key terms and conditions of the Klyp Services Agreement.



Options

	Minimum Subscription	Full Subscription
Options currently on issue ¹	17,500,000	17,500,000
Options to be issued pursuant to the Offer	Nil	Nil
Total Options on completion of the Offer	17,500,000	17,500,000

Notes:

1. Comprising:
 - a. 13,000,000 Options (at various exercise prices, expiry dates and vesting dates) issued under the Equity Incentive Plan. Refer to Section 11.3 for the terms of the Tranche 1 to Tranche 9 Employee Options; and
 - b. 4,500,000 Options (exercisable at \$0.30 each on or before the date that is 3 years from the date of issue of the Options) issued to Connected Energy Solutions Pty Ltd in consideration for facilitating the completion of the first-round convertible note seed capital raising of \$600,000 before 25 December 2020. Refer to Section 11.4 for the terms of the CES Options.

Convertible Notes

	Minimum Subscription	Full Subscription
Convertible Notes on issue as at the date of this Prospectus ¹	1,613,910	1,613,910
Convertible Notes to be issued pursuant to the Offer	Nil	Nil
Total Convertible Notes on issue on completion of the Offer	Nil	Nil

Notes:

1. Comprising of 10 Initial Convertible Notes on the terms and conditions set out in Section 10.1.2 and 1,613,900 Investors Convertible Notes on the terms and conditions set out in Section 10.1.3. All Convertible Notes on issue as at the date of this Prospectus will automatically convert into Shares prior to the Company's admission to the Official List.



6.14 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Offer are set out in the respective tables below.

As at the date of the Prospectus

Shareholder	Shares	Options	Percentage (%) (undiluted)
Maitreyee Khire and Manas Patankar	20,244,134	Nil	14.57%
Andrew Mortimer	8,520,040	Nil	6.13%
Worldmark Pty Ltd	8,000,000	Nil	5.76%
Sam Lau	7,297,845	Nil	5.25%

On completion of the issue of Shares under the Offer with a Minimum Subscription (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offer)

Shareholder	Shares	Options	Percentage (%) (undiluted)	Percentage (%) (fully diluted)
Maitreyee Khire and Manas Patankar	20,244,134	Nil	10.36%	9.51%

On completion of the issue of Shares under the Offer with a Full Subscription (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offer)

Shareholder	Shares	Options	Percentage (%) (undiluted)	Percentage (%) (fully diluted)
Maitreyee Khire and Manas Patankar	20,244,134	Nil	9.84%	9.07%

The Company will announce to the ASX details of its top-20 Shareholders following completion of the Offer prior to the Shares commencing trading on ASX.



6.15 Restricted Securities

Subject to the Company being admitted to the Official List and completing the Offer, certain Securities will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these Shares are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

While the ASX has not yet confirmed the final escrow position applicable to the Company's shareholders, the Company anticipates that the following Securities will be subject to escrow:

- a. 38,708,977 Shares on issue of which:
 - i. 14,991,043 Shares will be subject to a 12-month escrow period from the date of issue; and
 - ii. 23,717,934 Shares issued to related parties, promoters, consultants and advisers (and their associates) will be subject to a 24-month escrow period from listing.
- b. 11,896,388 Shares to be issued on conversion under the Convertible Note Holder Offer will be subject to a 12-month escrow period from listing.
- c. 17,500,000 Options on issue of which:
 - i. 13,000,000 Options issued to employees and officers under the Equity Incentive Plan will be subject to a 24-month escrow period from listing; and
 - ii. 4,500,000 Options issued to Connected Energy Solutions Pty Ltd will be subject to a 24-month escrow period from listing.

The number of Securities that are subject to ASX imposed escrow are at ASX's discretion in accordance with the ASX Listing Rules and underlying policy. The above is a good faith estimate of the Securities that are expected to be subject to ASX imposed escrow.

The Company will announce to the ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the Shares commencing trading on ASX (which admission is subject to ASX's discretion and approval).

6.16 Dividend policy

The Company anticipates that significant expenditure will be incurred in the development and commercialisation of the My Rewards Platform and Member growth. These activities, together with the possible acquisition of interests in other companies running in the loyalty and rewards industry or Supplier aggregators, are expected to dominate at least the first two-year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and the operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.





section 7

Financial Information

myrewards

7. Financial Information

7.1 Introduction

7.1.1 Financial Information

The financial information contained in this Section 7 includes historical financial information for My Rewards and Perx Rewards for the financial years ended 30 June 2019 (**FY2019**), 30 June 2020 (**FY2020**) and 30 June 2021 (**FY2021**).

This Section 7 contains a summary of:

- a. statutory historical financial information, comprising:
 - i. My Rewards' statutory historical consolidated income statements for FY2019, FY2020 and FY2021 (**My Rewards Statutory Historical Income Statements**);
 - ii. My Rewards' statutory historical consolidated cash flow statements for FY2019, FY2020 and FY2021 (**My Rewards Statutory Historical Cash Flows**);
 - iii. My Rewards' statutory historical consolidated statement of financial position as at 30 June 2021 (**My Rewards Statutory Historical Statement of Financial Position**);
 - iv. Perx Rewards' statutory historical income statements for FY2019, FY2020 and FY2021 (**Perx Rewards Statutory Historical Income Statements**);
 - v. Perx Rewards' statutory historical cash flow statements for FY2019, FY2020 and FY2021 (**Perx Rewards Statutory Historical Cash Flows**); and
 - vi. Perx Rewards' statutory historical statement of financial position as at 30 June 2021 (**Perx Rewards Statutory Historical Statement of Financial Position**),
(together, the **Statutory Historical Financial Information**); and
- b. pro forma historical financial information, comprising:
 - i. My Rewards' pro forma historical consolidated income statements for FY2019, FY2020 and FY2021 (**Pro Forma Historical Income Statements**);
 - ii. My Rewards' pro forma historical consolidated cash flow statements for FY2019, FY2020 and FY2021 (**Pro Forma Historical Cash Flows**); and
 - iii. My Rewards' pro forma historical consolidated statement of financial position as at 30 June 2021 (**Pro Forma Historical Statement of Financial Position**),
(together, the **Pro Forma Historical Financial Information**).

The Statutory Historical Financial Information and Pro Forma Historical Financial Information is together referred to as the **Financial Information**.

My Rewards has a 30 June financial year end.

In addition, Section 7 summarises:

- a. the basis of preparation and presentation of the Financial Information (see Section 7.2);
- b. information regarding certain non-IFRS financial measures (see Section 7.2.3);
- c. the key pro forma operating and financial metrics (see Section 7.3.1);



- d. the pro forma adjustments to the Statutory Historical Financial Information (see Sections 7.3, 7.4 and 7.5);
- e. information regarding liquidity and capital resources (see Section 7.5.1);
- f. information regarding My Rewards' contractual obligations, commitments and contingent liabilities (see Section 7.5.2);
- g. management's discussion and analysis of the pro forma Historical Financial Information (see Section 7.6);
- h. a description of My Rewards' critical accounting policies (see Section 7.7); and
- i. My Rewards' dividend policy (see Section 7.8)

The information in Section 7 should also be read in conjunction with the risk factors set out in Section 8 and other information contained in this Prospectus.

All amounts disclosed in Section 7 and the Appendices are presented in Australian dollars and, unless otherwise noted, are rounded to the nearest thousand dollars. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any differences between totals and sums of components in figures or tables contained in this Prospectus are due to rounding.

7.2 Basis of preparation and presentation of the Financial Information

7.2.1 Overview and preparation and presentation of the Financial Information

The Directors are responsible for the preparation and presentation of the Financial Information.

The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the underlying historical financial performance, cash flows and financial position of My Rewards and Perx Rewards.

Given the fact that My Rewards is at an early growth stage of development, there are significant uncertainties associated with forecasting the future revenues and expenses of the Company. On this basis, the Directors believe that there is no reasonable basis for the inclusion of financial forecasts in the Prospectus.

The Statutory Historical Financial Information has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards (**AAS**) adopted by the Australian Accounting Standards Board (**AASB**), which are consistent with International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board and My Rewards' accounting policies. My Rewards' significant accounting policies are described in Annexure B.

The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles of AAS other than it includes certain adjustments which have been prepared in a manner consistent with AAS, that reflect:

- a. the exclusion of certain transactions that occurred in the relevant periods and
- b. the impact of certain transactions as if they had occurred on or before 30 June 2021, including the acquisition of Perx Rewards.

The Pro Forma Historical Financial Information does not reflect the actual financial results and cash flows of My Rewards for the periods indicated. The Directors of My Rewards believe that it provides useful information as it permits investors to examine what it considers to be the



underlying financial performance and cash flows of the business presented on a consistent basis.

The Financial Information is presented in an abbreviated form and it does not include all of the presentation and disclosures, statements or comparative information required by AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

In addition to the Financial Information, Section 7 describes certain non-IFRS financial measures that My Rewards use to manage and report on the business that are not defined under or recognised by AAS or IFRS.

Independent Limited Assurance Report

The Financial Information (as defined above) has been reviewed by RSM Corporate Australia Pty Ltd in accordance with the Australian Standard on Assurance Engagements ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information as stated in its Independent Limited Assurance Report set out in Annexure A. Investors should note the scope and limitations of the Independent Limited Assurance Report.

7.2.2 Preparation of the Financial Information

The Financial Information has been presented on both a statutory and a pro forma basis.

My Rewards' Statutory Historical Financial Information

The Statutory Historical Financial Information for FY2019, FY2020 and FY2021 for My Rewards has been derived from the FY2019, FY2020 and FY2021 audited general purpose financial statements of My Rewards.

My Rewards' FY2019 and FY2020 general purpose financial statements

The general purpose financial statements of My Rewards for FY2019 and FY2020 were audited by Gillards Pty Ltd in accordance with Australian Auditing Standards.

Gillards Pty Ltd issued a qualified audit opinion for FY2019 and FY2020. The Basis of Qualified Opinion for each financial year is copied below.

Basis of Qualified Opinion - FY2019

As reflected in Note 2 (c) of the Notes to The Financial Statements and as mentioned in the 2019 Audit, the economic entity has a quantifiable going concern issue which gives rise to a material uncertainty and consequently we are unable to provide an unqualified report.

The Entity has a poor liquidity emphasized in the financial ratio analysis which reflects a potential inability to meet its short-term requirements. This has a direct impact on going concern.

The directors are continuing to put various measures in place to rectify the situation however, we at this stage are not in a position to change our audit opinion.

The valuation of Pegasus Group Australia Pty Ltd (a 100% owned subsidiary) as part of the Goodwill on Acquisition figure in the Financial Statements will also be qualified. The directors of My Rewards International Limited adopted an independent valuation prepared exclusively for the directors and have used this valuation for acquisition purposes and have maintained this valuation in the Financial Statements. We are unable to provide an opinion as to the accuracy of this valuation and its holding cost.



Basis of Qualified Opinion - FY2020

As reflected in Note 2 (c) of the Notes to the Financial Statements, the Company has a quantifiable going concern issue which gives rise to a material uncertainty and, consequently, we are unable to provide an unqualified report.

The Company has a poor liquidity emphasized in the financial ratio analysis which reflects a potential inability to meet its short-term requirements. This has a direct impact on going concern.

The directors are continuing to put various measures in place to rectify the situation however, we, at this stage, are not in a position to change our audit opinion.

The valuation of Pegasus Group Australia Pty Ltd (a 100% owned subsidiary) as part of the Goodwill on Acquisition figure in the Financial Statements will also be qualified. The directors of My Rewards International Limited adopted an independent valuation prepared exclusively for the directors and have used this valuation for acquisition purposes and have maintained this valuation in the Financial Statements. We are unable to provide an opinion as to the accuracy of this valuation and its holding cost.

My Rewards' FY2021 general purpose financial statements

The general purpose financial statements of My Rewards for FY2021 were audited by RSM Australia Pty Ltd in accordance with Australian Auditing Standards.

RSM Australia Pty Ltd issued an unqualified audit opinion for FY2021.

Without modification of its audit opinion, RSM Australia Pty Ltd's audit report included a paragraph drawing attention to the fact that there were events or conditions, along with other matters disclosed in the financial statements indicating that a material uncertainty existed that may cast doubts on My Rewards' ability to continue as a going concern.

At the date of signing the accounts on 19 October 2021, the Directors considered there was reasonable grounds to believe My Rewards would be able to continue as a going concern and that it was appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors as disclosed in the My Rewards FY2021 financial statements:

- a. On 14 May 2021, My Rewards appointed Barclay Pearce Capital Pty Ltd as Lead Manager for its upcoming listing on the ASX whereby a minimum of 25,000,000 shares will be offered at an issue price of \$0.20 per share to raise \$5,000,000 and oversubscriptions to raise a further \$2,000,000 may be accepted;
- b. On listing, My Rewards will convert convertible notes (liabilities) with a face value of \$2,021,033 into fully paid ordinary shares in the company;
- c. My Rewards will acquire a 100% interest in Perx Rewards Pty Ltd shortly after listing as contemplated by a signed heads of agreement, with this purchase expected to be cash accretive;
- d. Subsequent to 30 June 2021, My Rewards had raised \$2,036,255 in funds from investors as a pre-IPO capital raise;
- e. My Rewards is expecting continued growth in revenue and profits through expansion in Australian and overseas markets off the back of recent sales contracts, including Ria Money Transfer, which contemplates the rollout of services in an initial six countries; and



f. My Rewards is able to scale back activities to preserve cash should it become necessary.

The Directors note that the valuation matter that resulted in a qualified opinion for FY2019 and FY2020 has been resolved within the FY2021 audit, as the Goodwill on Acquisition of My Rewards Aus has been fully impaired in FY2021. Given this matter related to balances as recorded on My Rewards' Statement of Financial Position, and the impairment of Goodwill is not related to the ongoing operations of My Rewards, the Directors consider that the historical qualifications in relation to this matter does not impact on the reliability of the Statutory Historical Financial Information, as it relates to My Rewards, disclosed in the Prospectus.

Perx Rewards' Statutory Historical Financial Information

The Statutory Historical Financial Information for FY2019 and FY2020 for Perx Rewards has been derived from the FY2019 and FY2020 audited special purpose financial statements of Perx Rewards.

The Statutory Historical Financial Information for FY2021 for Perx Rewards has been derived from the FY2021 audited general purpose financial statements of Perx Rewards.

The special purpose financial statements of Perx Rewards for FY2019 and FY2020 and the general purpose financial statements of Perx Rewards for FY2021 were audited by MVA Bennett in accordance with Australian Auditing Standards.

MVA Bennett issued an unqualified audit opinion for each of FY2019, FY2020 and FY2021.

Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information has been prepared for the purpose of inclusion in this Prospectus. The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information of My Rewards and adjusted for the effects of the pro forma adjustments.

Section 7.3 Table 7.3 sets out the pro forma adjustments made to the Statutory Historical Income Statements and a reconciliation of the Statutory Historical Income Statements to the Pro Forma Historical Income Statements.

Section 7.4 Table 7.7 sets out the pro forma adjustments to the Statutory Historical Cash Flows and a reconciliation of the Statutory Historical Cash Flows to the Pro Forma Historical Cash Flows. Pro forma adjustments were made to the Statutory Historical Cash Flows to reflect the cash impact of the pro forma adjustments to the Statutory Historical Cash Flows.

Section 7.5 Table 7.10 sets out the pro forma adjustments to the Statutory Historical Statement of Financial Position, and a reconciliation of the Statutory Historical Statement of Financial Position to the Pro Forma Historical Statement of Financial Position. Pro forma adjustments were made to the Statutory Historical Statement of Financial Position to reflect the impact of the acquisition of Perx Rewards and the Offer as if they had occurred as at 30 June 2021.

Other

In preparing the Financial Information, My Rewards' accounting policies have been consistently applied throughout the periods presented.

Investors should note that past results are not a guarantee of future performance.

Going Concern

The Financial Information for FY2021 has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and discharge of



liabilities in the normal course of business.

The Directors believe that there are reasonable grounds that My Rewards will be able to continue as a going concern as a result of the proceeds raised from the Offer.

7.2.3 **Explanation of certain non-IFRS financial measures**

To assist in the evaluation of the performance of My Rewards, certain measures are used to report on the Company that are not recognised under AAS or IFRS. These measures are collectively referred in this Section 7 and under Regulatory Guide 230 Disclosing Non-IFRS Financial Information published by ASIC as “non-IFRS financial measures”. The principal non-IFRS financial measures that are referred to in this Prospectus are as follows:

- a. EBITDA** is earnings/ (losses) before interest (net finance income), taxation, depreciation and amortisation. Management uses EBITDA to evaluate the operating performance of the business without the non-cash impact of depreciation, amortisation and before interest and taxation.
- b. EBIT** is earnings/ (losses) before interest (net finance income) and taxation.
- c. Other income** includes R&D Tax Incentive Income, COVID-19 related government grants (Jobkeeper/cash flow boost) and minor cost recoveries.
- d. Total Transaction Value (“TTV”)** refers to revenue adjusted to include the face value of goods and services purchased via the My Rewards/Perx Rewards platform where My Rewards/Perx Rewards are acting as agents to transactions.

Although the Directors believe that these measures provide useful information about the financial performance of My Rewards, they should be considered as supplements to the income statement or cash flow statement measures that have been presented in accordance with AAS and IFRS and not as a replacement for them. As these non-IFRS financial measures are not based on AAS or IFRS, they do not have standard definitions, and the way My Rewards calculated these measures may differ from similarly titled measures used by other companies. Investors and readers of this Prospectus should therefore not place undue reliance on these non-IFRS financial measures.



7.3 Pro Forma Historical Income Statements

Table 7.1 sets out a summary of the Pro Forma Historical Income Statements of My Rewards for FY2019, FY2020 and FY2021. The Pro Forma Historical Income Statements are reconciled to the respective statutory historical income statements in Section 7.3.2.

Table 7.1: Summary of Pro Forma Historical Income Statements

Pro Forma Historical Income Statements				
\$ thousands				
Year ended 30 June	Notes	FY 2019	FY 2020	FY 2021
Revenue		11,412	27,059	27,316
Other income		18	136	396
Cost of sales		(10,852)	(26,943)	(26,777)
Gross Profit		578	252	935
Operating expenses				
Employee benefits expenses		(528)	(521)	(711)
Goodwill impairment expense	1	-	-	-
Incremental listed company expenses	2	(711)	(646)	(568)
Other expenses		(589)	(464)	(631)
Total operating expenses		(1,828)	(1,631)	(1,910)
EBITDA		(1,250)	(1,379)	(975)
Depreciation and amortisation		(112)	(142)	(220)
EBIT		(1,362)	(1,521)	(1,195)
Finance costs		(144)	(314)	(910)
Profit before income tax		(1,506)	(1,835)	(2,105)
Income tax expense		-	-	(20)
NPAT		(1,506)	(1,835)	(2,125)

Notes:

1. My Rewards recognised a goodwill impairment expense of \$1.6 million in FY2021 in relation to goodwill recognised upon the acquisition of My Rewards Pty Ltd (previously Pegasus Group Australia Pty Ltd). As this expense is not related to the ongoing operations of My Rewards, this expense has been adjusted for as a pro forma adjustment.
2. Incremental listed company expenses represents an estimate of incremental annual costs My Rewards will incur as a listed company. These incremental costs include annual listing costs, share registry costs, additional Directors' fees and management salaries and additional audit and tax compliance costs.



7.3.1 Key operating and financial metrics

Table 7.2 sets out My Rewards' key pro forma historical operating and financial metrics for FY2019, FY2020 and FY2021.

Table 7.2: Pro forma historical key operating and financial metrics

Pro Forma Historical Key Operating Metrics	FY 2019	FY 2020	FY 2021
Total Revenue	11,412	27,059	27,316
Gross Profit	578	252	935
Gross Profit Margin	5.1%	0.9%	3.4%
EBITDA	(1,250)	(1,379)	(975)
Operating expenses (% revenue)	16.0%	6.0%	7.0%

7.3.2 Pro forma adjustments to the Statutory Historical Income Statement

Table 7.3 sets out the pro forma adjustments that have been made to the Statutory Historical Income Statements.

Table 7.3: Pro forma adjustments to the Statutory Historical Income Statements

Pro Forma Adjustments				
\$ thousands				
Period	Notes	FY2019	FY2020	FY2021
Statutory Revenue		7,870	15,615	14,685
Perx Rewards Revenue		3,542	11,444	12,631
Pro Forma revenue		11,412	27,059	27,316
Statutory Other income		133	125	353
Perx Rewards Other income		10	11	43
Add back Option Fee Received	1	(125)	-	-
Pro Forma Other income		18	136	396
Statutory Cost of sales		(7,570)	(15,631)	(14,376)
Perx Rewards Cost of Sales		(3,432)	(11,312)	(12,401)
Adjust for Item Costs - AFL for FY2018 expensed in FY2019	2	150	-	-
Pro Forma Cost of sales		(10,852)	(26,943)	(26,777)



Table 7.3: Pro forma adjustments to the Statutory Historical Income Statements (continued)

	Notes	FY2019	FY2020	FY2021
Statutory Employee benefits expenses		(523)	(510)	(692)
Perx Rewards Employee benefits expenses		(5)	(11)	(19)
Pro Forma employee benefits expenses		(528)	(521)	(711)
Statutory Impairment of intangible assets		-	-	(1,600)
Adjustment for Impairment of intangible assets	3	-	-	1,600
Pro Forma Impairment of intangible assets		-	-	-
Statutory Incremental Listed Company Expenses		-	-	-
Adjustment to reflect incremental Listed Company Expenses	5	(711)	(646)	(568)
Pro Forma Incremental Listed Company Expenses		(711)	(646)	(568)
Statutory Other Expenses		(326)	(365)	(587)
Perx Rewards Other Expenses		(165)	(99)	(109)
Adjustment for FY19 reversal amounts over accrued in prior years	4	(98)	-	-
Adjustment to add back listing expenses incurred	6	-	-	65
Pro Forma Other Expenses		(589)	(464)	(631)
Statutory NPAT		(672)	(1,219)	(3,342)
Perx Rewards Statutory NPAT		(50)	30	120
Add back Option Fee Received	1	(125)	-	-
Adjust for Item Costs - AFL for FY2018 expensed in FY2019	2	150	-	-
Adjustment for Impairment of intangible assets	3	-	-	1,600
Adjustment for FY19 reversal amounts over-accrued in prior years	4	(98)	-	-
Adjustment to reflect incremental Listed Company Expenses	5	(711)	(646)	(568)
Adjustment to add back listing expenses incurred	6	-	-	65
Tax impact of Pro Forma adjustments	7	-	-	-
Pro Forma NPAT		(1,506)	(1,835)	(2,125)



Notes:

1. During FY2019, My Rewards received other income of \$125k in relation to an Option fee related to an Option to acquire 100% of the issued equity of My Rewards. The Option was not exercised and lapsed and My Rewards, therefore, recorded this fee as other income. As this income is not related to the ongoing operations of My Rewards, this income has been adjusted for as a pro forma adjustment.
2. My Rewards recorded costs of sales of \$150k in FY2019 that related to AFL item sales that were recorded in FY2018 as a result in delays in receiving invoices. A pro forma adjustment has, therefore, been made to remove costs that did not relate to the FY2019 financial year.
3. My Rewards recognised a goodwill impairment expense of \$1.6 million in FY2021 in relation to goodwill recognised upon the acquisition of My Rewards Pty Ltd (previously Pegasus Group Australia Pty Ltd). As this expense is not related to the ongoing operations of My Rewards, this expense has been adjusted for as a pro forma adjustment.
4. My Rewards recorded a reduction in consultancy expenses in FY2019 of \$98k that related to the reversal of amounts that had been over accrued for in prior years. A pro forma adjustment has, therefore, been made to remove this reversal that did not relate to the FY2019 financial year.
5. Incremental listed company expenses represents an estimate of incremental annual costs My Rewards will incur as a listed company. These incremental costs include annual listing costs, share registry costs, additional Directors' fees and management salaries and additional audit and tax compliance costs.
6. My Rewards has expensed costs of \$65k in FY2021 in relation to the proposed initial public offering of My Rewards' shares. As this expense is not related to the ongoing operations of My Rewards, this expense has been adjusted for as a pro forma adjustment.
7. The pro forma adjustments have no tax impact as a result of the tax loss position of My Rewards.



7.3.3 Summary of Statutory Historical Income Statements

Table 7.4 sets out My Rewards' Statutory Historical Income Statements for FY2019, FY2020 and FY2021.

Table 7.4: Summary of My Rewards' Statutory Historical Income Statements

My Rewards' Statutory Historical			
\$ thousands			
Year ended 30 June	FY2019	FY2020	FY2021
Revenue	7,870	15,615	14,685
Other income	133	125	353
Cost of sales	(7,570)	(15,631)	(14,376)
Gross Profit	433	109	662
Operating expenses			
Employee benefits expenses	(523)	(510)	(692)
Goodwill impairment expense	-	-	(1,600)
Incremental listed company expenses	-	-	-
Other expenses	(326)	(365)	(587)
Total operating expenses	(849)	(875)	(2,879)
EBITDA	(416)	(766)	(2,217)
Depreciation and amortisation	(112)	(139)	(215)
EBIT	(528)	(905)	(2,432)
Finance costs	(144)	(314)	(910)
Profit before income tax	(672)	(1,219)	(3,342)
Income tax expense	-	-	-
NPAT	(672)	(1,219)	(3,342)



Table 7.5 sets out Perx Rewards' Statutory Historical Income Statements for FY2019, FY2020 and FY2021.

Table 7.5: Summary of Perx Rewards' Statutory Historical Income Statements

Perx Rewards' Statutory Historical				
\$ thousands				
Year ended 30 June	FY2019	FY2020	FY2021	
Revenue	3,542	11,444	12,631	
Other income	10	11	43	
Cost of sales	(3,432)	(11,312)	(12,401)	
Gross Profit	120	143	273	
Operating expenses				
Employee benefits expenses	(5)	(11)	(19)	
Other expenses	(165)	(99)	(109)	
Total operating expenses	(170)	(110)	(128)	
EBITDA	(50)	33	145	
Depreciation and amortisation	-	(3)	(5)	
EBIT	(50)	30	140	
Finance costs	-	-	-	
Profit before income tax	(50)	30	140	
Income tax expense	-	-	(20)	
NPAT	(50)	30	120	



7.4 Pro Forma Historical Cash Flows

Table 7.6 sets out My Rewards' Pro Forma Historical Cash Flows for FY2019, FY2020 and FY2021. The Pro Forma Historical Cash Flows are reconciled to the respective statutory historical cash flows in Section 7.4.1.

Table 7.6: Summary of Pro Forma Historical Cash Flows

Pro Forma Historical				
\$ thousands				
Year ended 30 June	Notes	FY2019	FY2020	FY2021
Cash Flows From Operating Activities				
Receipts from customers (inclusive of GST)		11,905	27,929	28,703
Payments to suppliers and employees (inclusive of GST)	1	(12,554)	(28,328)	(30,327)
Interest and other revenue received		6	143	353
Interest and other finance costs paid		(125)	(283)	(930)
Net cash used in operating activities		(768)	(539)	(2,201)
Cash Flows from Investing Activities				
Payments for property, plant and equipment		-	(2)	-
Payments for intangible assets	2	(181)	(196)	(186)
Net cash used in investing activities		(181)	(198)	(186)
Total Net cash used in operating and investing activities		(949)	(737)	(2,387)

Notes:

1. Payments to suppliers and employees includes an estimate of incremental annual costs My Rewards will incur as a listed company. These incremental costs include annual listing costs, share registry costs, additional Directors' fees and management salaries and additional audit and tax compliance costs.
2. Payments for intangible assets relates to software and application costs capitalised in relation to the My Rewards platform.



7.4.1 Pro forma adjustments to the Statutory Historical Cash Flows

Table 7.7 sets out the pro forma adjustments that have been made to the Statutory Historical Cash Flows to reflect the post-tax cash impact of the pro forma earnings adjustments. These adjustments are summarised and explained in the table and noted below.

Table 7.7: Pro forma adjustments to the Statutory Historical Cash Flows

Pro Forma Adjustments				
\$ thousands				
Period	Notes	FY2019	FY2020	FY2021
Statutory Total Net cash used in operating and investing activities		(268)	(111)	(1,906)
Perx Rewards Total Net cash used in operating and investing activities		5	20	22
Add back Option Fee Received	1	(125)	-	-
Adjust for Item Costs - AFL for FY2018 expensed in FY2019	2	150	-	-
Adjustment to reflect incremental Listed Company Expenses	3	(711)	(646)	(568)
Adjustment to add back listing expenses incurred	4	-	-	65
Tax impact of Pro Forma adjustments	5	-	-	-
Pro Forma net cash flow		(949)	(737)	(2,387)

Notes:

1. During FY2019, My Rewards received other income of \$125k in relation to an Option fee related to an Option to acquire 100% of the issued equity of My Rewards. The Option was not exercised and lapsed and My Rewards, therefore, recorded this fee as other income. As this income is not related to the ongoing operations of My Rewards, this income has been adjusted for as a pro forma adjustment.
2. My Rewards recorded costs of sales of \$150k in FY2019 that related to AFL item sales that were recorded in FY2018 as a result in delays in receiving invoices. A pro forma adjustment has, therefore, been made to remove costs and related cash outflows that did not relate to the FY2019 financial year.
3. Incremental listed company expenses represents an estimate of incremental annual costs My Rewards will incur as a listed company. These incremental costs include annual listing costs, share registry costs, additional Directors' fees and management salaries and additional audit and tax compliance costs.
4. My Rewards has expensed costs of \$65k in FY2021 in relation to the proposed initial public offering of My Rewards shares. As this expense is not related to the ongoing operations of My Rewards, this expense and related cash outflows has been adjusted for as a pro forma adjustment.
5. The pro forma adjustments have no tax impact as a result of the tax loss position of My Rewards.



7.4.2 Summary of Statutory Historical Cash Flows

Table 7.8 sets out My Rewards' Statutory Historical Cash Flows for FY2019, FY2020 and FY2021.

Table 7.8: Summary of My Rewards' Statutory Historical Cash Flows

My Rewards' Statutory Historical				
\$ thousands				
Year ended 30 June	Notes	FY2019	FY2020	FY2021
Cash Flows From Operating Activities				
Receipts from customers and others (inclusive of GST)		8,369	16,465	16,046
Payments to suppliers and employees (inclusive of GST)		(8,462)	(16,238)	(17,209)
Interest and other revenue received		131	143	353
Interest and other finance costs paid		(125)	(283)	(910)
Net cash from/(used in) operating activities		(87)	87	(1,720)
Cash Flows from Investing Activities				
Payments for property, plant and equipment		-	(2)	-
Payments for intangible assets	1	(181)	(196)	(186)
Net cash used in investing activities		(181)	(198)	(186)
Total Net cash used in operating and investing activities		(268)	(111)	(1,906)

Notes:

1. Payments for intangible assets relates to software and application costs capitalised in relation to the My Rewards' platform.



Table 7.9 sets out Perx Rewards' Statutory Historical Cash Flows for FY2019, FY2020 and FY2021.

Table 7.9: Summary of Perx Rewards' Statutory Historical Cash Flows

Perx Rewards' Statutory Historical				
\$ thousands				
Year ended 30 June	Notes	FY2019	FY2020	FY2021
Cash Flows From Operating Activities				
Receipts from customers and others		3,536	11,464	12,657
Payments to suppliers and employees		(3,531)	(11,444)	(12,615)
Interest and other revenue received		-	-	-
Interest and other finance costs paid		-	-	(20)
Net cash used in operating activities		5	20	22
Cash Flows from Investing Activities				
Payments for property, plant and equipment		-	-	-
Payments for intangible assets		-	-	-
Net cash used in investing activities		-	-	-
Total Net cash used in operating and investing activities		5	20	22

7.5 Statutory Historical Statements of Financial Position and Pro Forma Historical Statement of Financial Position

Table 7.10 sets out the Statutory Historical Statement of Financial Position of My Rewards and Perx Rewards and the pro forma adjustments that have been made to prepare the Pro Forma Historical Statement of Financial Position for My Rewards. These adjustments take into account the effect of the acquisition of Perx Rewards upon completion of the Offer and the proceeds of the Offer and related transaction costs and pro forma adjustments as if they had occurred as at 30 June 2021.

The Pro Forma Historical Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of My Rewards' view of its financial position upon Completion of the Offer or at a future date. Further information on the sources and uses of funds of the Offer is contained in Section 6.11.

Table 7.10: My Rewards' Statutory Historical Statement of Financial Position, Perx Rewards' Statutory Historical Statement of Financial Position and Pro Forma Historical Statement of Financial Position as at 30 June 2021



Consolidated Pro Forma Statement of Financial Position \$ thousands	My Rewards Statutory Historical Balance Sheet 30 June 2021	Perx Rewards Statutory Historical Balance Sheet 30 June 2021	Impact of the acquisition of Perx Rewards and Other Pro Forma Adjustments	Impact of the Offer (Minimum Subscription)	Impact of the Offer (Full Subscription)	Pro Forma Historical Balance Sheet 30 June 2021 (Minimum Subscription)	Pro Forma Historical Balance Sheet 30 June 2021 (Full Subscription)	
Notes			1, 2, 3	4, 6	5, 6			
Current assets								
Cash and cash equivalents	2, 4, 5, 6	304	54	(1,000)	4,238	6,088	3,596	5,446
Trade and other receivables		202	63	-	-	-	265	265
Inventories		7	-	-	-	-	7	7
Other assets		91	-	-	-	-	91	91
Total current assets		604	117	(1,000)	4,238	6,088	3,959	5,809
Non-current assets								
Plant and equipment		8	-	-	-	-	8	8
Right-of-use assets		274	-	-	-	-	274	274
Intangible assets	2, 8	384	689	403	-	-	1,476	1,476
Total non-current assets		666	689	403	-	-	1,758	1,758
Total assets		1,270	806	(597)	4,238	6,088	5,717	7,567
Current liabilities								
Trade and other payables		(742)	(9)	-	-	-	(751)	(751)
Borrowings	1	(784)	-	346	-	-	(438)	(438)
Lease liabilities		(94)	-	-	-	-	(94)	(94)
Convertible notes	7	(1,595)	-	-	1,595	1,595	-	-
Employee benefits		(229)	-	-	-	-	(229)	(229)
Deferred revenue	9	(836)	-	-	-	-	(836)	(836)
Total current liabilities		(4,280)	(9)	346	1,595	1,595	(2,348)	(2,348)
Non-current liabilities								
Convertible notes	7	(426)	-	-	426	426	-	-
Derivative financial instruments	7	(135)	-	-	135	135	-	-
Borrowings	1	(244)	-	43	-	-	(201)	(201)
Lease liabilities		(193)	-	-	-	-	(193)	(193)
Employee benefits		(34)	-	-	-	-	(34)	(34)
Total non-current liabilities		(1,032)	-	43	561	561	(428)	(428)
Total liabilities		(5,312)	(9)	389	2,156	2,156	(2,776)	(2,776)
Net assets		(4,042)	797	(208)	6,394	8,244	2,941	4,791
Equity								
Issued capital	2, 4, 5, 6	5,544	689	2,839	7,017	8,862	16,089	17,934
Reserves	7	38	-	-	(38)	(38)	-	-
Retained earnings	2, 3, 4, 5, 6	(9,624)	108	(3,047)	(585)	(581)	(13,148)	(13,144)
Total equity		(4,042)	797	(208)	6,394	8,244	2,941	4,791

Notes:

1. Post 30 June 2021, My Rewards has issued ordinary shares either for cash consideration or in lieu of services provided for total consideration of \$3.1 million. The consideration from these share issues has been used to settle liabilities reflected in My Rewards' Statutory Historical Statement of Financial Position at 30 June 2021 and to fund the ongoing trading of My Rewards post 30 June 2021. The Pro Forma Historical Statement of Financial Position has been adjusted to reflect the repayment of borrowings between 30 June 2021 and 31 October 2021 funded from these share issues to reflect the current pro forma net cash position of the Company as set out in Section 7.5.1.
2. Following completion of the Offer, My Rewards will acquire Perx Rewards with the consideration comprising cash consideration of \$1.0 million plus equity consideration of 1,000,000 shares in the company with a Fair Value of \$200,000. As a result, cash and cash equivalents will reduce by \$1.0m and the intangible assets of Perx Rewards (related to the acquired costs of the Infinite Rewards software platform) will be revalued from \$689k to \$1,092k. In accordance with AASB 3 – Business Combinations, My Rewards will, within 12 months of completion of the Offer undertake a purchase price allocation exercise to value and recognise the separately identifiable intangible assets of Perx Rewards together with any residual goodwill balance.
3. Under the Klyp Services Agreement as described in Section 10.3.1, Klyp has agreed to provide up to \$1.0 million worth of software development, marketing and strategy services at agreed hourly rates to be settled in My Rewards' equity. Up to 18 October 2021, Klyp has provided and invoiced \$228k of services (net of GST) in relation to this agreement, which will result an increase in issued capital of \$228k and an associated decrease in retained earnings of \$228k. The delivery of the remainder of the services under the Klyp Services Agreement will result in the balance of \$772k being recognised in the respective future periods during which the services are provided, as increases in issued capital and either offsetting recognition of expenses or assets, as applicable.
4. The Minimum Subscription under the Offer results in the receipt of \$5.0m less cash costs of the Offer of \$700k. Offer costs associated with the issue of new shares of \$390k are offset against issued capital and Offer costs associated with the listing of existing shares of \$310k are recognised as an expense.
5. The Full Subscription under the Offer results in the receipt of \$7.0m less cash costs of the Offer of \$850k. Offer costs associated with the issue of new shares of \$544k are offset against issued capital and Offer costs associated with the listing of existing shares of \$306k are recognised as an expense.
6. My Rewards has agreed to pay executive bonuses equating to \$275k upon successful listing of the Company's shares on the ASX of which, \$213k of the bonus will be settled through the issue of shares, and \$62k will be settled through cash payment.
7. During FY2021, My Rewards issued a number of convertible notes which have been accounted for as hybrid financial instruments with both a financial liability component and an embedded derivative liability (either in liabilities or equity reserves) as set out in My Rewards' Statutory Historical Statement of Financial Position. Upon completion of the Offer, convertible notes will convert into equity of the Company, resulting in the extinguishment of all convertible note liabilities and reserves and an associated increase in issued capital.
8. My Rewards' intangible assets at 30 June 2021 represents cumulative costs capitalised in relation to the development of the My Rewards' software platform and applications less accumulated amortisation.
9. Deferred revenue relates to receipts collected by My Rewards for sales orders not yet fulfilled as at 30 June 2021.



7.5.1 Liquidity and capital resources

Following Completion of the Offer, the Company will have on a pro forma basis net cash of between \$2.7 million (Minimum Subscription) and \$4.5 million (Full Subscription) as at 30 June 2021 as summarised in Table 7.11 below.

Table 7.11: My Rewards' consolidated Pro Forma Net Cash

Consolidated Pro Forma Net Cash \$ thousands	Pro Forma Net Cash 30 June 2021 (Minimum Subscription)	Pro Forma Net Cash 30 June 2021 (Full Subscription)
Cash and cash equivalents	3,596	5,446
Borrowings and lease liabilities (current)	(532)	(532)
Borrowings and lease liabilities (non current)	(394)	(394)
Pro Forma net cash	2,670	4,520

As noted in Section 6.11, use of funds, it is anticipated that the funds raised under the Offer will enable 2 years of full operations (if the Minimum Subscription is raised). However, it should be noted that there is no guarantee that My Rewards will be fully self-funding through its own operational cash flow at the end of this period. Accordingly, the Company may require additional capital beyond this point, which will likely involve the use of additional debt or equity funding. Future capital needs will also depend on the success or failure of growth of the My Rewards' B2C program, "My Rewards My Way" and its international expansions.



Summary of existing borrowing facilities

As at 30 June 2021, My Rewards had the following borrowings on an actual and a Pro Forma basis:

Table 7.12: My Rewards' 30 June 2021 borrowings summary

Lender	30 June 2021 Balance \$'000	Pro Forma 30 June 2021 Balance \$'000	Term loan repayment terms
Short term credit card borrowings	295	295	N/a
Hewlett Packard Financial Services (Australia) Pty Ltd	95	88	Amortising straight line monthly over 50 remaining months of term to August 2025
Moula Funding Pty Ltd	182	146	Amortising straight line monthly over 38 remaining fortnights of term to December 2022
Bizcap AU Pty Ltd (February 2021 loan)	166	-	Amortising straight line over remaining 47 business day term. Fully repaid on 3 September 2021.
Bizcap AU Pty Ltd (May 2021 loan)	144	8	Amortising straight line over remaining 92 business day term. Will be fully repaid on 5 November 2021.
Loan - M Khire	102	102	Related party loan repayable on demand
Loan - B Langdon	44	-	Loan in relation to the acquisition of My Rewards AU. No formal repayment terms.
Total borrowings	1,028	639	

After 30 June 2021, the Company has continued to pay down the above borrowings in accordance with the respective terms as reflected in the Pro Forma balance set out above and has, as set out in section 6.11 of the Prospectus, allocated \$275,000 within the Use of Funds (Minimum Subscription and Full Subscription) to further reduce debt.

The Company has not entered into any new borrowings after 30 June 2021.



7.5.2 Contractual obligations, commitments and contingent liabilities

As at the date of the Offer, My Rewards had no material contractual obligations not already recognised as liabilities within its Statutory Historical Statement of Financial Position or material contingent liabilities.

7.6 Management discussion and analysis of the Pro Forma Historical Financial Information

This Section 7.6 includes a discussion of key factors that affected the My Rewards' operating and financial performance during the period of the Historical Financial Information.

The discussion in this Section focuses on the Pro Forma financial information. The discussion of these general factors is intended to provide a brief summary only and does not detail all factors that affected the Company's historical operating and financial performance, or everything that may affect the Company's operations and financial performance in the future. The information in this Section 7.6 should be read in conjunction with the risk factors set out in Section 8 and other information contained in this Prospectus.

7.6.1 Revenue

My Rewards' revenues are generated from fees paid by Program Sponsors, sales of goods and services to Members via the MyRewards' Platform and commissions received from Advertisers and Suppliers.

The key streams of revenues are outlined in the table below:

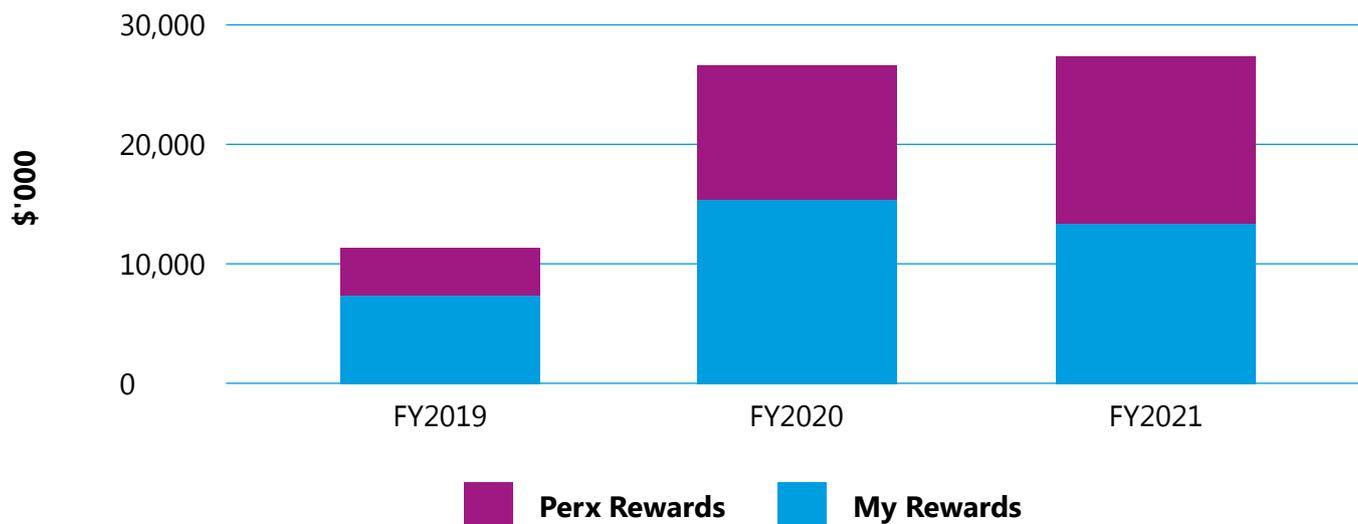
Revenue Stream	Description
Membership Fees	Fees paid by the Program Sponsors to provide access to its Members
Item Sales	Sale of merchandise, services, digital goods, tickets etc that is facilitated via My Rewards Platform.
Affiliate Commissions	These are commissions paid to My Rewards by Suppliers for facilitating transactions
Advertising Fees	Advertising fees paid by the Supplier to My Rewards to advertise on the My Rewards Platform

My Rewards' revenues are driven by a number of factors that work together to impact My Rewards' financial success. These include

- The number and size of the Program Sponsors;
- Number of Members who have access to My Rewards' Programs;
- Number of suppliers and the quality of their offers; and
- Investment in technology and marketing activities to improve user experience.



The graphs below set out the Company's Pro Forma Historical revenue for FY2019, FY2020 and FY2021.



1. The total revenue increased from \$11.4 million in FY2019 to \$27.3 million in FY2021. This represents CAGR of 55%.

The graph below sets out the Company's Pro Forma Historical revenue mix between for FY2019, FY2020 and FY2021.



- a. My Rewards and Perx Rewards reported a total revenue of \$27.3 million for FY2021 comprising of \$551,000 of membership fees, \$26.6 million of sales of items purchased by members and \$130,000 of other revenues
- b. As further discussed in Section 7.6.5, the impact of COVID-19 resulted in a decline of membership revenues. The signed contracts being rolled out in FY2022 are expected to reverse this impact and further grow membership revenues
- c. In addition to the revenues reported in its accounts, My Rewards further facilitated \$4.18 million of sales in FY2021 for its suppliers, bringing the Total Transaction Revenue (TTV) for FY2021 to \$31.4 million
- d. Other income predominantly relates to recovery of IT implementation costs from clients.



7.6.2 Cost of Sales and Gross Margins

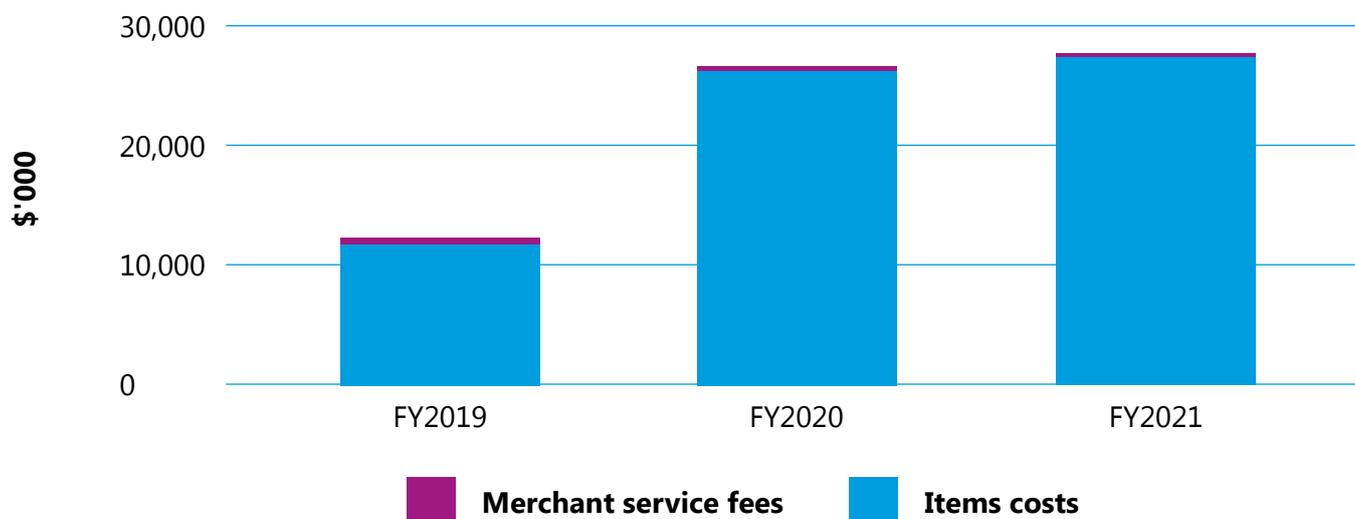
My Rewards' Cost of Sales mainly comprises cost of items plus merchant fees charged by PayPal and Braintree for processing the online sales.

The costs of items and the margins available are dependent mainly on

- The volume of sales facilitated by My Rewards to the supplier
- Competition for goods or services in the market
- Market or environment trends impacting the vertical of the supplier.

Merchant service fees are charged by PayPal, Braintree and the banks to facilitate the processing of Visa Mastercard, and Amex, credit or debit cards online via the My Rewards' Platform.

The graph below sets out the breakdown of Pro Forma Historical cost of sales.



The increase in cost of sales reflects the increase in revenue for the same period. This slight increase in costs of sales is due to the change in composition of items sold due to COVID-19 restrictions.

7.6.3 Operating expenses

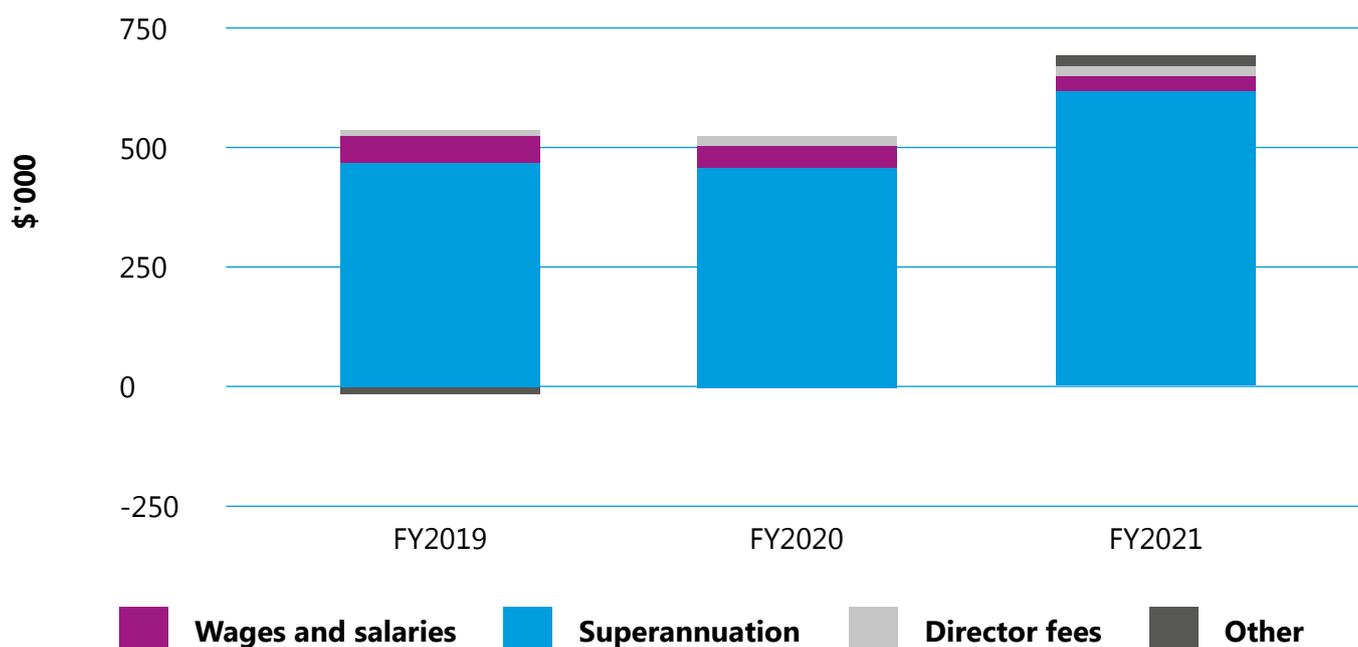
My Rewards' operating expenses comprise the following:

Wages and Salaries	Employee-related expenses such as salaries, payroll taxes and benefits
Company Expenses	These are expenses related to legal, accounting, costs of fundraising and consulting
IT Systems and Costs	Technology costs related to servers, hosting, IT maintenance and outsourced staff costs
Office Expenses	Costs related to occupancy, general office maintenance and other items such as insurance and stationery
Sales and Marketing Expenses	Costs relating to brand development, direct advertising fees, social media, media spend and indirect marketing costs such as agency fees and production costs



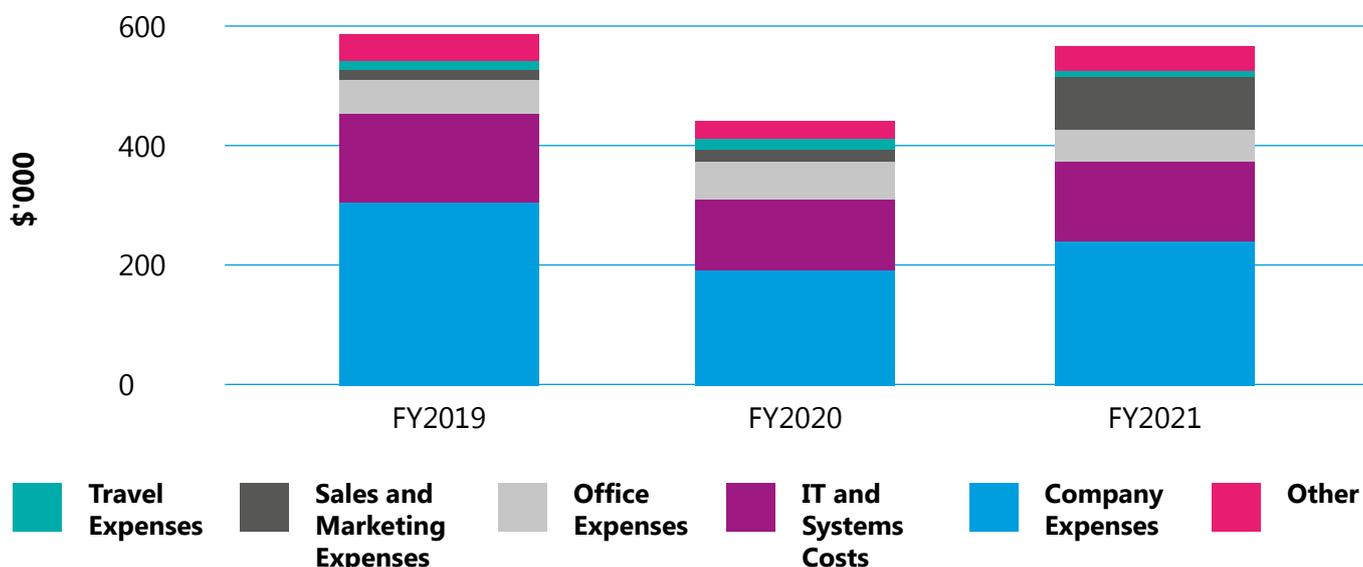
Employee benefit expenses

The graph below sets out a breakdown of Pro Forma Historical employee benefit expenses.



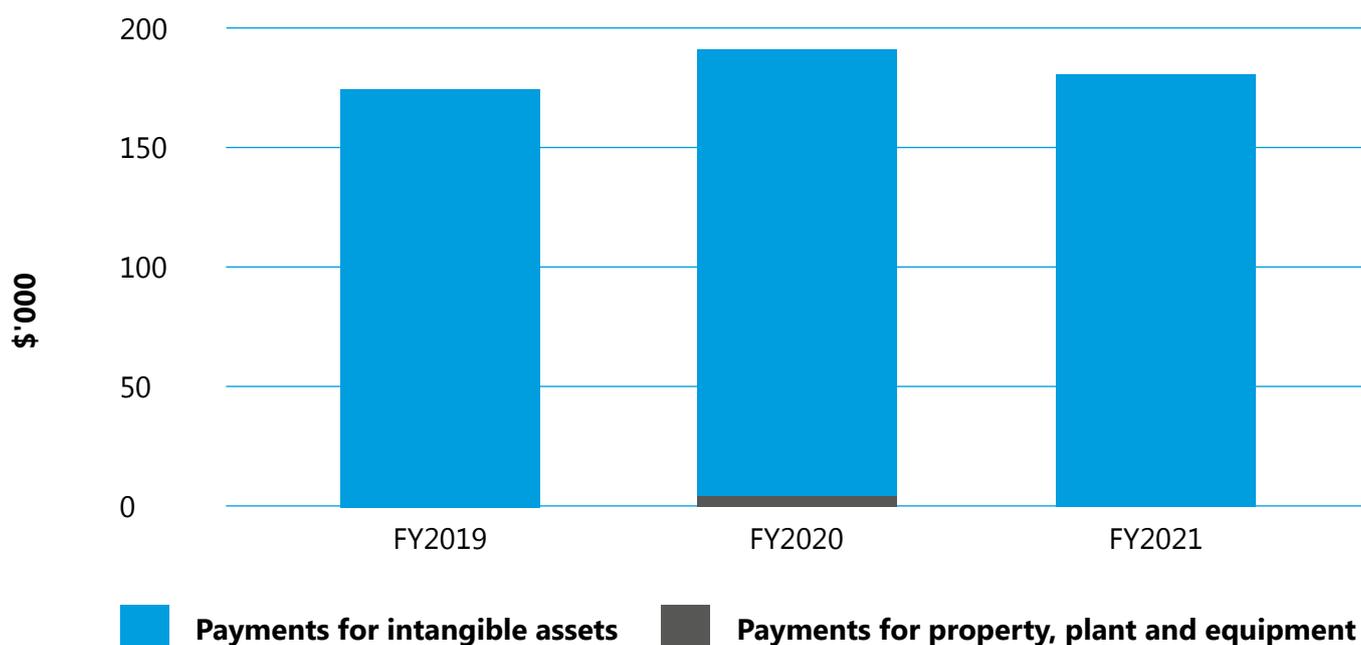
- The above table shows wages and salaries superannuation and Director fees paid to the staff and management of My Rewards.
- The total employee benefit expenses rose by 32% from FY2019 to FY2021. The increase in employee benefit expenses has been incurred to support the growth of the business in preparation for the IPO.
- My Rewards' Employee benefit expenses contribute to an average of 51% of the Operational costs of My Rewards for the period FY2019 to FY2021 (excluding incremental listed company expenses).

The graph below sets out a breakdown of Pro Forma Historical Other Expenses. The types of expenses included in each of these categories is as previously set out.



7.6.4 Capital expenditure

The graph below sets out Pro Forma Historical capital expenditure.



The payments for intangible assets relate to outsourced software development costs to build new functionality into the My Rewards' platform.

7.6.5 Impact of COVID-19 on My Rewards

During FY20 the infectious disease COVID-19 rapidly spread throughout the world, including in Australia. It was declared a global pandemic in March 2020 by the World Health Organization. There have been considerable economic impacts in Australia and globally arising from the outbreak of COVID-19, with government actions focused on reducing the speed of spread of the virus. The outbreak of COVID-19 and the subsequent quarantine measures imposed by the Australian federal, state and territory governments as well as the travel and trade restrictions imposed by Australia and other countries in 2020 have caused disruption to businesses and economic activity.

Overall, the COVID-19 pandemic and the related shutdowns and disruption to normal commercial activity has seen significant effects on Members' purchasing behaviour, which has had an impact on the mix of sales and growth of gross revenue.

My Rewards has lost a corporate client, (whose business is travel related) due to COVID-19 with a modest impact on revenue, offsetting this, My Rewards has won five new contracts over the past twelve months, including RIA.

The continued lockdowns imposed by state and territory Governments in Australia have delayed the rollout and adoption of the Digital Wallet feature as My Rewards was unable to have Supplier acquisition teams visiting local businesses to onboard them to the My Rewards' Platform.

7.6.6 Jobkeeper disclosures

The table below sets out information in relation to Jobkeeper payments received by My Rewards consistent with the disclosures required by listed entities in accordance with subsection 323DB (1) of the Corporations Act 2001.



Table 7.13: Jobkeeper disclosures

Jobkeeper disclosures	FY 2020	FY 2021
	#	#
The number of individuals for whom My Rewards received a jobkeeper payment for a jobkeeper fortnight that ended in the financial year	7	6
	\$'000	\$'000
The sum of all jobkeeper payments My Rewards received in a jobkeeper fortnight that ended in the financial year	41	137

7.7 Critical Accounting Policies

Preparing financial statements in accordance with AAS requires Management to make judgements, estimates and assumptions about the application of accounting policies that affect the reported revenues and expenses, carrying values of assets and liabilities and the disclosure of contingent liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods. Judgements My Rewards has made in the application of AAS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next financial year are disclosed, where applicable, in the relevant notes to the financial statements. The key areas in which critical estimates and judgements are applied are in respect of fair value measurement hierarchy, estimation of useful lives of assets, goodwill and other indefinite life intangible assets, impairment of non-financial assets other than goodwill and other indefinite life intangible assets, income tax, lease terms, incremental borrowing rate and employee benefits provision, as described in the significant accounting policies outlined in Annexure B.

7.8 Dividend Policy

The payment of dividends by the Company is at the complete discretion of the Directors. Given the stage of development of My Rewards, the Directors have no current intention to declare and pay a dividend.

In determining whether to declare future dividends, the Directors will have regard to My Rewards' earnings, overall financial condition, capital requirements and the level of franking credits available. There is no certainty that the Company will ever declare and pay a dividend.





section 8

Risk Factors

myrewards

8. Risk Factors

8.1 Introduction

The Shares offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The future performance of the Company and the value of the Shares may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks that have a direct influence on the Company, its Business and activities are set out in Section 3. Those key risks as well as other risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 8, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares. This Section 8 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 8, together with all other information contained in this Prospectus.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 8 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.



8.2 Company specific risks

Risk Category	Risk
Business strategy execution risk	<p>The Company's future growth and financial performance is dependent on the Company's ability to successfully execute its business strategy. This will be impacted by a number of factors, including the Company's ability to:</p> <ol style="list-style-type: none"> successfully integrate the Perx Rewards' business onto the My Rewards' platform and retain Perx Rewards' customers. There is no guarantee that the acquisition of Perx Rewards' will result in a positive contribution to My Rewards' future financial performance; successfully roll out the new My Rewards App, which integrates the Digital Wallet feature to establish a pathway for the Company to generate revenue from Members' in-store transactions with Suppliers; and successful growth of the My Rewards' B2C program, "My Rewards My Way" and its international expansions. <p>There can be no assurance that the Company can successfully achieve any or all of the above initiatives/strategies. The failure by the Company to successfully execute its business strategy could have a material adverse effect on the Company's business, financial condition and results of operations. There is no guarantee that the Company will generate positive earnings in the future.</p>
Contractual risk	<p>Completion of the Acquisition of Perx Rewards is subject to the fulfilment of certain conditions precedent. The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the Perx Rewards Acquisition Agreement. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.</p> <p>If, for any reason, the Perx Rewards Acquisition Agreement is breached by any party, the Acquisition of Perx Rewards may not proceed in which case the Company will need to evaluate its future strategy.</p> <p>Refer to Section 10.2.1 for further information in relation to the Perx Rewards Acquisition Agreement.</p>
Privacy and data collection risk	<p>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.</p>



	<p>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.</p>
<p>Protection of intellectual property rights</p>	<p>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 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.</p> <p>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.</p>
<p>Rapid growth risk</p>	<p>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.</p>



<p>Competition</p>	<p>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.</p>
<p>Reliance on key personnel</p>	<p>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.</p> <p>The Company may not be able to replace its senior management or key personnel with persons of equivalent 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.</p>
<p>COVID-19 risk</p>	<p>The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.</p> <p>The continued lockdowns imposed by the State Governments in Australia are likely to delay the rollout and adoption of the Digital Wallet feature as My Rewards is unable to have Supplier acquisition teams visiting local businesses to onboard them to the My Rewards Platform.</p>
<p>Security</p>	<p>As with all technology companies, 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.</p>



	<p>The Company has made an insurance claim for \$200,000 relating to a cyber breach and as the date of this Prospectus, is in discussions with its insurer. There is no certainty that the claim will be successfully recovered.</p>
Data loss, theft or corruption	<p>The Company stores data in its own systems and networks and with a variety of third-party service providers.</p> <p>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.</p> <p>It is possible that the Company may experience negative publicity if their systems are able to be hacked at some point in the future.</p>
Technology Risk	<p>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.</p>
Quality Risk	<p>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.</p> <p>For those systems which the Company 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.</p>

Regulatory Risk	<p>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.</p> <p>As set out in Section 6.7.4, 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.</p>
Reliance of third-party IT systems	<p>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.</p>

8.3 Industry specific risks

Risk Category	Risk
Product liability	<p>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.</p>
Disputes	<p>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 connection with such disputes.</p> <p>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.</p>



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.
Litigation	The Company is exposed to possible litigation risks including, but not limited to, intellectual property ownership disputes, contractual claims, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.
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.
Insurance coverage	<p>The Company faces various risks in conducting its business and may lack adequate insurance coverage or may not have the relevant insurance coverage. The Company proposes to arrange and maintain insurance coverage for its employees, as well as directors' and officers' liability insurance. The Company will need to review its insurance requirements periodically. If the Company incurs substantial losses or liabilities and its insurance coverage is unavailable or inadequate to cover such losses or liabilities, the Company's financial position and financial performance may be adversely affected.</p> <p>The Company considers that it has sufficient insurance policies in place in respect of its business and assets. However, the occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.</p>
Changes to taxation laws	There is a risk that a change in taxation laws or regulations could impact on the Company's business. This may include, for example changes to taxation laws regulating goods and services tax and as such may affect the Company's financial position.



8.4 General risks

Risk Category	Risk
Additional requirements for capital	<p>The Company's capital requirements depend on numerous factors. 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 overseas expansion. 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.</p>
Economic conditions and other global or national issues	<p>General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations.</p>
Currently no market	<p>There is currently no public market for the Company's Shares, the price of its Shares is subject to uncertainty and there can be no assurance that an active market for the Company's Shares will develop or continue after the Offer.</p> <p>The price at which the Company's Shares trade on ASX after listing may be higher or lower than the issue price of Shares offered under this Prospectus and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which the Directors and the Company have no control, such as changes to government policy, legislation or regulation and other events or factors.</p> <p>There can be no guarantee that an active market in the Company's Shares will develop or that the price of the Shares will increase. There may be relatively few or many potential buyers or sellers of the Shares on ASX at any given time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is above or below the price that Shareholders paid.</p>



Market conditions	<p>Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ol style="list-style-type: none"> a. general economic outlook; b. introduction of tax reform or other new legislation; c. interest rates and inflation rates; d. changes in investor sentiment toward particular market sectors; e. the demand for, and supply of, capital; and f. terrorism or other hostilities. <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology or defence stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p> <p>The value of the Shares may fluctuate more sharply than that of other securities, given the low per Share pricing of the Shares under the Prospectus, and the fact that investment in the Company is highly speculative.</p> <p>Further, after the end of the relevant escrow periods affecting Shares in the Company, a significant sale of then tradeable Shares (or the market perception that such a sale might occur) could have an adverse effect on the Company's Share price. Please refer to Section 6.15 for further details on the Shares likely to be classified by the ASX as restricted securities.</p>
Taxation risk	<p>The acquisition and disposal of Shares will have tax consequences for investors, which will vary depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent professional taxation and financial advice about the consequences of acquiring and disposing of Securities from a taxation viewpoint and generally.</p>

8.5 Investment speculative

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Shares offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Shares.

Before deciding whether to subscribe for Shares under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.





section 9

Board, Management and Corporate Governance

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9. Board, Management and Corporate Governance

9.1 Directors and key personnel

The Board of the Company consists of:



a. David Vinson (B. ChE.) – *Executive Chairman*

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 he 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). David was formerly an executive director of Plentex Ltd (which was listed on ASX:PRM). The Board considers that Mr Vinson is not an independent Director.



b. Maitreyee Khire (MBA, MAICD) – *Managing Director*

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 key 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.



c. Daniel Goldman (B.Com, CA(SA)) – *Non-Executive Director*

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 on 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.



9.2 Key management



a. Neill Whitehead – (B.Com, MBA, CA ANZ) – Chief Financial & Commercial Officer and Company Secretary

Neill Whitehead is the CFO, the CCO and the Company Secretary of the Company. He has been a senior executive in technology industries spanning more than 25 years in fields such as artificial intelligence, security, recruitment, and telecommunications. His roles have included responsibility for finance, tax, legal, HR, M&A and compliance matters across nine countries, and acting as Company Secretary in those countries which had such a position.

Neill is a Chartered Accountant with a Bachelor of Commerce and an MBA (both from Melbourne University), and Diploma from the then Securities Institute of Australia. He is also a former auditor (as an employee with Ernst & Young) and former tax agent (in his own right). Neill was a key executive in PC Tools, one of Australia's fastest growing online technology companies, and helped grow and eventually negotiate a trade sale to Symantec in 2008 for US\$262M.



b. Patrick Hamilton – (B Comp) – Chief Technology Officer

Patrick Hamilton has over 25 years specialised experience in managing IT operations in a broad range of companies including Oracle, ADP, Dun & Bradstreet and has delivered large scale business transformation and platform consolidation projects across industries as diverse as consulting, telecommunications, utilities, government, finance and retail sectors.

Patrick possesses a deep technical understanding of IT strategy development, enterprise and solution architecture, program and portfolio management, software/application development, testing and quality management, system integration, infrastructure management and system maintenance and support. He has high proficiency in implementing IT frameworks for business; this includes TOGAF for enterprise architecture, Agile and incremental methodologies for software development, COBIT for technology governance, ITIL for service assurance and PMI/PRINCE2 for project delivery. He is highly competent at implementing technology best practice within large organisations, fostering capability maturity (CMMI levels 1-5) and leading continuous improvement programs.

9.3 Additional Resources for growth

The Company is aware of the need to have sufficient management to properly supervise its operations, expansion and research and development, and the Board will continually monitor the management roles in the Company. The Board will look to appoint additional management and/or consultants when and where appropriate to ensure proper management oversight of the Company's activities.



9.4 Disclosure of interests

9.4.1 Remuneration

Details of the Directors' remuneration for the previous two completed financial years and the current financial year (on an annualised basis) are set out in the table below:

Director	Remuneration for the year ended 30 June 2020	Remuneration for the year ended 30 June 2021	Proposed remuneration for the year ending 30 June 2022 ⁴
Directors			
David Vinson ¹	\$72,000	\$71,734	\$168,808
Maitreyee Khire ²	\$147,394	\$144,448	\$318,365
Daniel Goldman ³	\$36,000	\$36,000	\$48,923

Notes:

1. David Vinson was appointed to the Board on 24 April 2005.
2. Maitreyee Khire was appointed to the Board on 1 December 2017.
3. Daniel Goldman was appointed to the Board on 1 December 2017.
4. These amounts include a salary increase upon a successful listing of the Company on ASX. Refer to Section 10.4 for further information.

9.4.2 Interests in Securities

As at the date of this Prospectus

Directors are not required under the Company's Constitution to hold any Shares to be eligible to act as a director. As at the date of this Prospectus, the Directors have relevant interests in securities as follows:

Director	Shares	Options	Percentage (%) (Undiluted)
David Vinson	3,081,300	Nil	2.22%
Maitreyee Khire ¹	20,244,134	Nil	14.57%
Daniel Goldman ²	1,187,500	Nil	0.85%

Notes:

1. Held jointly with Manas Patankar (spouse of Maitreyee Khire)
2. Held by the Goldman Family Company Pty Ltd as trustee for The Goldman Family Trust (an entity controlled by Daniel Goldman).



Post-completion of the Offer - Minimum Subscription

Director	Shares	Options	Percentage (%) (Undiluted)	Percentage (%) (Fully diluted)
David Vinson	3,081,300	Nil	1.58%	1.45%
Maitreyee Khire ¹	20,244,134	Nil	10.36%	9.51%
Daniel Goldman ²	1,187,500	Nil	0.61%	0.56%

Notes:

1. Held jointly with Manas Patankar (spouse of Maitreyee Khire).
2. Held by the Goldman Family Company Pty Ltd as trustee for The Goldman Family Trust (an entity controlled by Daniel Goldman).

Post-completion of the Offer - Full Subscription

Director	Shares	Options	Percentage (%) (Undiluted)	Percentage (%) (Fully diluted)
David Vinson	3,081,300	Nil	1.50%	1.38%
Maitreyee Khire ¹	20,244,134	Nil	9.84%	9.07%
Daniel Goldman ²	1,187,500	Nil	0.58%	0.53%

Notes:

1. Held jointly with Manas Patankar (spouse of Maitreyee Khire).
2. Held by the Goldman Family Company Pty Ltd as trustee for The Goldman Family Trust (an entity controlled by Daniel Goldman).

The Company's constitution provides that the remuneration of non-executive Directors must be paid out of the funds of the Company by way of remuneration for their services such fixed sum as is, from time to time, determined by the Board. The aggregate remuneration for non-executive Directors must not be increased except at a general meeting called by a notice specifying the intention to propose the increase, the amount of the increase and the maximum sum that may be paid to the non-executive Director as a whole.

The remuneration of any executive director that may be appointed to the Board will be fixed by the Board and may be paid by way of fixed salary or consultancy fee.



9.5 Agreements with Directors and related parties

The Company's policy in respect of related party arrangements is:

- a. a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- b. for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

The agreements between the Company and related parties are summarised in Sections 10.3.

9.6 Corporate governance

9.6.1 ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted The Corporate Governance Principles and Recommendations (4th Edition) as published by ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website <https://www.myrewardsinternational.com/investors>.

9.6.2 Board of Directors

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- a. maintain and increase Shareholder value;
- b. ensure a prudential and ethical basis for the Company's conduct and activities consistent with the Company's stated values; and
- c. ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- a. leading and setting the strategic direction, values and objectives of the Company;
- b. appointing the Chairman of the Board, Managing Director or Chief Executive Officer and approving the appointment of senior executives and the Company Secretary;
- c. overseeing the implementation of the Company's strategic objectives, values, code of conduct and performance generally;



- d. approving operating budgets, major capital expenditure and significant acquisitions and divestitures;
- e. overseeing the integrity of the Company's accounting and corporate reporting systems, including any external audit (satisfying itself financial statements released to the market fairly and accurately reflect the Company's financial position and performance);
- f. establishing procedures for verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor, to ensure that each periodic report is materially accurate, balanced and provides investors with appropriate information to make informed investment decisions;
- g. overseeing the Company's procedures and processes for making timely and balanced disclosure of all material information that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- h. reviewing, ratifying and monitoring the effectiveness of the Company's risk management framework, corporate governance policies and systems designed to ensure legal compliance; and
- i. approving the Company's remuneration framework.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

9.6.3 **Composition of the Board**

Election of Board members is substantially the province of the Shareholders in general meeting, subject to the following:

- a. membership of the Board of Directors will be reviewed regularly to ensure the mix of skills and expertise is appropriate; and
- b. the composition of the Board has been structured so as to provide the Company with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent Shareholders and fulfil the business objectives and values of the Company as well as to deal with new and emerging business and governance issues.

The Board currently consists of 3 Directors (including 1 non-executive Director who is considered independent). The Board considers the current balance of skills and expertise to be appropriate given the Company's currently planned level of activity.

To assist in evaluating the appropriateness of the Board's mix of qualifications, experience and expertise, the Board intends to maintain a Board Skills Matrix to ensure that the Board has the skills to discharge its obligations effectively and to add value.

The Board undertakes appropriate checks before appointing a person as a Director or putting forward to Shareholders a candidate for election as a Director or senior executive.

The Board ensures that Shareholders are provided with all material information in the Board's possession relevant to a decision on whether or not to elect or re-elect a Director.

The Company shall develop and implement a formal induction program for Directors, which is tailored to their existing skills, knowledge and experience. The purpose of this program is to allow new directors to participate fully and actively in Board decision-making at the earliest opportunity, and to enable new directors to gain an understanding of the Company's policies and procedures.



The Board maintains oversight and responsibility for the Company's continual monitoring of its diversity practices. The Company's Diversity Policy provides a framework for the Company to achieve enhanced recruitment practices whereby the best person for the job is employed, which requires the consideration of a broad and diverse pool of talent.

9.6.4 **Identification and management of risk**

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

9.6.5 **Ethical standards**

The Board is committed to the establishment and maintenance of appropriate ethical standards and to conducting all of the Company's business activities fairly, honestly with integrity, and in compliance with all applicable laws, rules and regulations. In particular, the Company and the Board are committed to preventing any form of bribery or corruption and to upholding all laws relevant to these issues as set out in the Company's Anti-Bribery and Anti-Corruption Policy. In addition, the Company encourages reporting of actual and suspected violations of the Company's Code of Conduct or other instances of illegal, unethical or improper conduct. The Company and the Board provide effective protection from victimisation or dismissal to those reporting such conduct as set out in its Whistleblower Protection Policy.

9.6.6 **Independent professional advice**

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

9.6.7 **Remuneration arrangements**

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

In accordance with the Constitution, the total maximum remuneration of non-executive Directors is initially set by the Board and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$250,000 per annum.

In addition, a Director may be paid fees or other amounts (for example, and subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having regard to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.



9.6.8 **Trading policy**

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e., Directors and, if applicable, any employees reporting directly to the managing director). The policy generally provides that the written acknowledgement of the Chairman (or the Board in the case of the Chairman) must be obtained prior to trading.

9.6.9 **External audit**

The Company in general meetings is responsible for the appointment of the external auditors of the Company. From time to time, the Board will review the scope, performance and fees of those external auditors.

9.6.10 **Audit committee**

The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to:

- a. monitoring and reviewing any matters of significance affecting financial reporting and compliance;
- b. verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor;
- c. monitoring and reviewing the Company's internal audit and financial control system, risk management systems; and
- d. management of the Company's relationships with external auditors.

9.6.11 **Diversity policy**

The Company is committed to workplace diversity. The Company is committed to inclusion at all levels of the organisation, regardless of gender, marital or family status, sexual orientation, gender identity, age, disabilities, ethnicity, religious beliefs, cultural background, socio-economic background, perspective and experience.

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

9.6.12 **Departures from Recommendations**

Under the ASX Listing Rules the Company will be required to provide a statement in its annual financial report or on its website disclosing the extent to which it has followed the Recommendations during each reporting period. Where the Company has not followed a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

The Company's compliance and departures from the Recommendations will also be announced prior to admission to the Official List of the ASX.





section 10

Material Contracts

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10. Material Contracts

Set out below is a brief summary of the certain contracts to which the Company is a party and which the Directors have identified as material to the Company or are of such a nature that an investor may wish to have details of particulars of them when making an assessment of whether to apply for Shares.

To fully understand all rights and obligations of a material contract, it would be necessary to review it in full and these summaries should be read in this light.

10.1 Capital raising agreements

10.1.1 Lead Manager Mandate

On 10 June 2021, the Company entered into a mandate to engage Barclay Pearce Capital Pty Ltd (ACN 095 009 742) (**Barclay Pearce**), authorised representative of Barclay Pearce Capital Management Pty Ltd (AFSL No. 503261), pursuant to which the Lead Manager has agreed to act as Lead Manager in relation to the Offer and sponsoring broker to the Company. The material terms and conditions of the Lead Manager Mandate (as varied) are as follows:

Scope of Work/Services	<p>The Company has appointed the Lead Manager to:</p> <ol style="list-style-type: none">organise and manage appropriate marketing programs aimed at promoting the Company to high-net-worth investors, retail clients and institutional investors where appropriate;assist in undertaking, arranging and managing capital raisings as Lead Manager during the term of the Lead Manager Mandate;manage all public relations, investor relations and both digital and print media publications;promote the Company through broker roadshows; andupdate the market with independent company research. <p>Pursuant to the Lead Manager Mandate, the Lead Manager will provide the following services to the Company:</p> <ol style="list-style-type: none">familiarisation of the Company's business to the extent appropriate and necessary with the business' operations, properties, financial condition and prospects of the Company;assistance with updating the valuation of the Company;assistance with formulating and recommending an equity or hybrid financing strategy for the Company;assistance with presentation and marketing to potential investors including, but not limited to, preparation of investor presentations, presentations to equity analysts and institutions and road shows;
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	<ul style="list-style-type: none"> e. advising and assisting the Company with: <ul style="list-style-type: none"> i. the structure of the capital raisings including terms and pricing of the Shares offered or issued by the Company consequent upon the marketing program; ii. the content and structure of the disclosure documents; iii. due diligence; iv. discussions as required with appropriate regulatory authorities including ASX and ASIC, with such discussions undertaken together with the Company's appointed legal advisers where appropriate; v. market sentiment and impact of the capital raising; vi. allocation of securities; and vii. administrative aspects including, but not limited to, the receipt of application proceeds in respect of the issued securities, dealing arrangements and the payment of expenses, and f. perform such other investment banking and financial advisory services as the Lead Manager and the Company may agree in writing from time to time.
Fees	<p>The Company has agreed to pay the Lead Manager the following fees in connection with the Offer</p> <ul style="list-style-type: none"> a. a capital raise fee of 10% (plus GST) of the gross proceeds raised by the Lead Manager and/or its network under the Offer payable as follows: <ul style="list-style-type: none"> i. 7% of the capital raising fee to be paid by cash; and ii. 3% of the capital raising fees to be paid in issued capital in the Company at a deemed issue price of \$0.20; and b. a monthly retainer of \$10,000 per month for 12 months post ASX listing for the Lead Manager's services as Sponsoring Broker.
Expenses	<ul style="list-style-type: none"> a. The Company agrees to promptly reimburse the Lead Manager on presentation of invoices from time to time, for all reasonable travel, including international business class air travel, and other out-of-pocket expenses (plus any applicable GST) including but not limited to accommodation, institutional road show and investor/equity analyst presentation costs, reasonable legal fees, third party disbursements and fees properly incurred in relation to the Lead Manager Mandate. b. Any expense over \$5,000 as a single item or in aggregate total will require the prior written approval of the Company.



	<p>c. In the event that the Company terminates the Lead Manager Mandate at any time, the Lead Manager will be entitled to any costs or expenses incurred and unpaid up to the date of termination.</p>
Termination Events	<p>a. Either party may terminate the Lead Manager Mandate at any time on sixty (60) days written notice to the other party and without continuing obligations, except accrued rights and liabilities in respect of accrued, fees and expenses up to the date of termination.</p>
Termination by the Company without cause	<p>a. If the Lead Manager Mandate expires or is terminated by the Company without cause and the Company subsequently within 12 months from the date of termination resolves to raise capital by way of equity or hybrid securities, the Company must in good faith offer the Lead Manager the co-lead role in managing and arranging such capital raisings, subject to competitive terms.</p> <p>b. Where the Company has indicated to the Lead Manager that it no longer wishes to proceed with the engagement of the Lead Manager or where it is reasonable in the circumstances for the Lead Manager to conclude that the Company no longer wishes to do so, the Company will be deemed to have given notice terminating the Lead Manager Mandate without cause.</p> <p>c. In circumstances where the Company considers terminating the Lead Manager Mandate as a result of dissatisfaction with the performance of the Lead Manager, the Company agrees to first provide the Lead Manager with reasonable notice and an opportunity to rectify, to the Company's satisfaction, the quality of services to be provided under the Lead Manager Mandate.</p>
Right of First Refusal	<p>The Lead Manager mandate does not constitute an offer or an agreement to underwrite a capital raising, purchase any securities under the Offer or commit any capital.</p>

The Lead Manager Mandate otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).



10.1.2 Initial Convertible Note Agreements

The Company has entered into convertible note agreements (**Initial Convertible Note Agreements**) with various investors (**Initial Noteholders**) under which 10 convertible notes (**Initial Convertible Notes**) have been issued with a combined total face value of \$460,000.

The key terms of the Initial Convertible Note Agreements are as follows:

Conversion/ Redemption	Each Initial Convertible Note will be converted into fully paid ordinary shares in the capital of the Company (Shares) based on a conversion ratio of 5 cents per Share.
Maturity Date	The maturity date of the Initial Convertible Notes is 3 years from the date of issue of the Initial Convertible Notes.
Interest	<ol style="list-style-type: none">Until the Initial Convertible Note is converted into Shares or redeemed, the Initial Convertible Note will pay interest at 10% per annum.Interest will accrue from the issue date of the Initial Convertible Note and interest is payable in arrears on a quarterly basis.Accrued interest will also be paid in the event of an early conversion.
Conversion Rights	<ol style="list-style-type: none">At any time prior to the Maturity Date, the Initial Note Holder may elect to convert the principal amount outstanding in respect of the note into Shares in the Company.The Company will convert the Initial Convertible Notes before the Maturity Date in the event of a takeover bid, successful ASX listing or other sale events in relation to the Company.However, the Initial Convertible Notes (plus interest) will always have to be paid to the Initial Convertible Note Holder first, before Shareholders receive any payment as a result of a takeover or other sale event.
Rights on Maturity Date	<ol style="list-style-type: none">On the Maturity Date, the Initial Convertible Note Holder may elect to redeem the outstanding principal amount of the Initial Convertible Note (Redemption Right) or convert the outstanding principal amount of the Initial Convertible Note (Conversion Right) into Shares in the Company.The Initial Convertible Note Holder must exercise the Redemption Right or the Conversion Right by notice in writing (Notice) to the Company within 10 Business Days of the Maturity Date (Notice Period). If the Company has not received the Notice by the expiry of the Notice Period, the Initial Convertible Note Holder will be deemed to have exercised the Conversion Right.



Ordinary Shares Ranking	Shares issued on conversion of the Convertible Notes will be fully paid, will be unencumbered and will rank pari passu in all respects with the fully paid ordinary shares in the Company on issue.
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On completion of the Offer, the Initial Convertible Notes will convert into a total of 9,200,000 Shares.

The Initial Convertible Note Agreements otherwise contain terms and conditions considered standard for convertible notes.

10.1.3 Investors Convertible Note Agreements

The Company has entered into convertible note agreements (**Investors Convertible Note Agreements**) with various investors (**Investors Noteholders**) under which 1,613,900 convertible notes (**Investors Convertible Notes**) have been issued with a total face value of \$1,613,900.

The key terms of the Investors Convertible Note Agreements are as follows:

Automatic Conversion	The Investors Convertible Notes will automatically convert into Shares at a 33% discount to the price at which Shares are offered under the Offer upon the closing of the Company's initial public offering. Fractions of Shares issued on conversion are to be rounded up.
Maturity Date	The maturity date of the Investors Convertible Notes is 2 years from the date of issue of the Investors Convertible Notes.
Interest	<ol style="list-style-type: none"> The Company must pay interest on the principal amount of each Investors Convertible Note at an interest rate of 10% per annum (Interest Rate). Interest on the Investors Convertible Note is to be calculated by applying the Interest Rate to the principal amount of the Investors Convertible Notes from the date of issue to the interest payment date. Interest will be calculated daily and capitalised quarterly and is payable on the conversion date or the maturity date. Interest payable on conversion of the Investors Convertible Notes is added to the principal amount of the Investors Convertible Notes and converted into Shares at the conversion rate.
Ordinary Shares Ranking	Shares issued on conversion of the Convertible Notes will be fully paid and will rank pari passu in all respects with the fully paid ordinary shares in the Company on issue.

On completion of the Offer, the principal amount of Investors Convertible Notes will convert into a total of 12,044,022 Shares and the accrued interest on the Investors Convertible Notes will convert into approximately a further 1,021,865 Shares.



The Investors Convertible Note Agreements otherwise contain terms and conditions including provisions for representations and warranties considered standard for an agreement of this nature.

10.2 Acquisition Agreements

10.2.1 Perx Rewards Acquisition Agreement

On 29 October 2021 (**Execution Date**), the Company entered into a share purchase agreement pursuant to which Ilya Frolov (**Vendor**) has agreed to sell and the Company has agreed to purchase 100% of the issued shares in the capital of Perx Rewards (**Perx Shares**) on the terms and conditions as summarised below (**Perx Rewards Acquisition Agreement**):

Conditions Precedent	<p>Settlement of the Perx Rewards Acquisition Agreement will not occur until each of the following conditions precedent are satisfied or waived:</p> <ol style="list-style-type: none"> a. the Company and Perx Rewards have obtained all necessary regulatory and shareholder approvals in relation to the transaction; b. the release of all encumbrances affecting each Perx Share, Perx Rewards and the assets to the satisfaction of the Company and the release of all guarantees or other liabilities granted by Perx Rewards for the benefit of the Vendor; c. the Company receiving the consents and evidence of any required notifications in respect of the key contracts; d. no material adverse change having occurred in respect of the business of Perx Rewards between the Execution Date and 5:00pm (AEST) on the date that is ninety (90) days from the Execution Date (End Date) or 10 business days after the Company's successful listing on the ASX and the satisfaction of the conditions precedent (Settlement Date), which would have the effect of reducing annual revenue of Perx Rewards by 10%; e. the Company has successfully raised a minimum of \$5,000,000 at an issue price of \$0.20 per Share pursuant to a Prospectus to be lodged with ASIC; and f. the Company has received a letter from ASX confirming that ASX has granted conditional approval for the quotation of the Shares on the Official List, on terms acceptable to the Company.
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Termination	<p>Any party may, on not less than 2 business days' notice to the others, terminate the Agreement at any time before Settlement if:</p> <ol style="list-style-type: none"> the Conditions are not satisfied or waived, by the End Date or such other date as may be agreed by the Parties in writing; or the Conditions become incapable of satisfaction, or the Parties agree that the conditions cannot be satisfied. <p>Should a party (Defaulting Party) fail to satisfy its obligations of settlement, then the other party (Notifying Party) may give the Defaulting Party a notice requiring the Defaulting Party to satisfy those obligations within a period of five (5) Business Days from the date of the notice. If the Defaulting Party fails to satisfy the obligations within this period, the Notifying Party may terminate the Agreement by written notice.</p>
Consideration	<p>The Company has agreed to purchase 100% of the issued shares in the capital of Perx Rewards in exchange for consideration payable as follows:</p> <ol style="list-style-type: none"> a non-refundable cash payment of \$100,000 to be paid within fourteen (14) days of the Execution Date; \$100,000 (Retention Amount) as a portion of the cash consideration to be paid to the Company's solicitor trust account; a cash payment of \$900,000 less the Retention Amount to be paid upon Settlement; and the Company allotting and issuing to the Vendor or the Vendor's nominee, Shares with an equivalent value of \$200,000 at the Offer issue price (Performance Bonus Shares).
Retention Amount	<ol style="list-style-type: none"> The Company's solicitor shall hold the Retention Amount for a period of 6 months following the Settlement Date (Retention Period) to provide for any liabilities of Perx Rewards which were not disclosed in the accounts of Perx Rewards or disclosed in the Settlement Statement (defined below) (UPS Liabilities). Within 10 Business Days before the expiry of the Retention Period, the Company must provide to the Vendor a UPS Liabilities statement setting out the details of what the Company contends to be the UPS Liabilities. In the event that the aggregate amount of any UPS Liabilities:



	<ul style="list-style-type: none"> i. exceeds \$25,000, the Company is entitled to retain that part of the Retention Amount that is equal to the amount of the UPS Liabilities, and balance of the Retention Amount shall be paid to the Vendor within 5 Business Days' following the end of the Retention Period; and ii. exceeds \$100,000, the Company is entitled to retain the entire Retention Amount; <p>unless the Company receives a dispute notice in which case the distribution of the Retention Amount is to be determined by agreement between the parties.</p> <p>d. In the event that the aggregate amount of the UPS Liabilities is less than \$25,000, the Vendor shall be entitled to the full amount of the Retention Amount within 5 Business Days' following the end of the Retention Period.</p>
Adjustments to Consideration	<p>On or before the day falling 10 business days after the Settlement Date, the Company must procure that a draft settlement statement (Settlement Statement) is prepared by Perx Rewards as at the Settlement Date and delivered to the Vendor.</p> <p>If the amount determined by deducting the net assets of Perx Rewards as set out in the most recent audited financial statements of Perx Rewards (Accounts) from the net assets of Perx Rewards as at the Settlement Date (Net Assets Adjustment) in the Settlement Statement exceeds an amount equivalent to the greater of:</p> <ul style="list-style-type: none"> a. \$50,000; or b. 10% of the equivalent amount of Net Assets as shown in the Accounts, <p>then the Vendor will refund an amount equal to the shortfall to the Company within 5 Business Days following the delivery of the Settlement Statement to the Vendor, unless the Company receives a dispute notice, in which case the post-settlement adjustment of the consideration will be determined by agreement between the parties.</p> <p>Any adjustment amount paid will be an adjustment to the consideration for the Shares.</p>



Settlement	<p>Settlement shall occur at 11:00 am (AEST) on the Settlement Date, which is ten (10) Business Days' following satisfaction of all the Conditions.</p> <p>At Settlement, the Vendor must confer on the Company title to the Shares and place the Company in effective possession and control of Perx Rewards and the Company shall pay to the Vendor \$900,000 in cash, being the remainder of the consideration, pay the Retention Amount the Company's Solicitor trust account and allot and issue the Performance Bonus Shares to the Vendor (and/or his nominee).</p>
Post-Settlement	<p>The Vendor undertakes to be available for consultation by the directors, officers and employees of the Company for a minimum of 2 hours per week during the 6-month period following Settlement upon reasonable notice.</p>

The Perx Rewards Acquisition Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

10.3 Operational Agreements

10.3.1 Software Development, Marketing and Strategy Services Agreement

On 6 April 2021, the Company entered into a service agreement with Klyp Australia Pty Ltd (ACN 603 710 274) (**Klyp**), pursuant to which Klyp provide outsourced additional software development, marketing and strategy services (**Services**) to the Company for a period of 12 months (**Klyp Services Agreement**).

The material terms of the Klyp Services Agreement are as follows:

Term	<p>Klyp shall commence providing Services to the Company commencing on 6 April 2021 and shall complete the Services by 31 March 2022.</p>
Services	<p>The Company and Klyp agreed that the Services will be delivered as a series of discrete projects, which will be separately negotiated over the term of the Klyp Services Agreement.</p>
Fee	<p>In consideration for the Services, the Company agrees to pay the amount owing to Klyp (exclusive of GST) to be converted into fully paid ordinary shares of the Company at a Share price of \$0.10 per Share and issue to Klyp on a quarterly basis within 14 days of the end of each calendar quarter, being 30 June 2021, 30 September 2021, 31 December 2021 and 31 March 2022. Any GST owing will be paid by the Company on agreed payment terms.</p> <p>Klyp has agreed in principle to provide up to \$1,000,000 worth of Services to the Company at the agreed hourly rate as set out below:</p>



	<ul style="list-style-type: none"> a. professional fees for management and strategy teams - \$175.00; b. professional fees for senior creatives, marketers and technologists - \$145.00; c. professional fees for Australian and New Zealand team members - \$115.00; and d. professional fees for India, Mauritius and Philippines teams - \$57.50.
Intellectual Property	<p>Klyp acknowledges and agrees that the Company will own all intellectual property rights in any work resulting from the Services rendered, including but not limited to, copyright and trademark rights. Klyp will take all necessary steps as practicable to ensure that the intellectual property will vest in and remain vested in the Company.</p> <p>Klyp further grants to the Company a non-exclusive, transferable, royalty free, perpetual license to use and intellectual property rights owned by Klyp, which have been used in completion of the Services, that were already in existence prior to commencing the Services.</p>
Termination by the Company	<ul style="list-style-type: none"> a. The Company may terminate the Klyp Services Agreement for any breach of the terms of this Klyp Services Agreement by providing 30 days written notice to Klyp. The Company, at its discretion may allow Klyp to remedy the breach within 14 days' notice or another timeframe as the Company elects, and in being satisfied with the remedy of the breach by Klyp, the Company will not terminate the Klyp Services Agreement. b. The Company may terminate the Klyp Services Agreement for any reason by providing Klyp within 30 days' written notice of My Rewards' intent to terminate this Klyp Services Agreement. c. Upon receiving notification of the Company's intent to terminate this Klyp Services Agreement, Klyp will continue work on the Services until the lapse of the notice period, unless the Company provides express written notice to cease work on the Services. d. If the Company terminates the Klyp Services Agreement for reasons other than a breach of the terms of the Klyp Services Agreement, the Company will pay Klyp for the portion of the Services completed to the date and time of cancellation.



Termination by Klyp	<p>a. Klyp may terminate the Klyp Services Agreement by providing 30 days' written notice to the Company of its intent to terminate the Klyp Services Agreement.</p> <p>b. Klyp may terminate the Klyp Services Agreement for a breach of the terms of this Klyp Services Agreement by providing 14 days' written notice of the breach to the Company. During the 14 days' notice period, the Company reserves the right to remedy the breach. If the Company remedies the breach, which was the cause of the notice, the Klyp Services Agreement will not be terminated at the lapse of the 14 days on the notice's basis.</p> <p>c. Upon Klyp providing notice of its intent to terminate this Klyp Services Agreement, Klyp agrees to continue to provide the Services until the cessation of the notice period unless otherwise instructed by the Company to cease work.</p> <p>d. If Klyp provides notice of intent to terminate the Klyp Services Agreement, the Company will pay for the work which has been done and at the time the Klyp Services Agreement, will pay any outstanding works completed between the provision of the notice to terminate and the cessation of the Klyp Services Agreement. If the Company elects to have Klyp cease work upon receiving notification of Klyp's intent to terminate, the Company will only be liable to pay amounts outstanding on work completed by Klyp to the date the request to cease work was issued by the Company.</p>
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The Klyp Services Agreement otherwise contains provisions considered standard for an agreement of its nature.

10.3.2 **Outsource Services Agreement**

The Company, through its fully owned subsidiary My Rewards Aus entered into an agreement with 121 Outsource (Australia) Pty Ltd (ACN 49 152 344 780) (**121 Outsource**) pursuant to which the Company agrees to engage 121 Outsource for their offshore team and 121 Outsource agrees to supply offshore staffing to the Company (**121 Outsource Services Agreement**).

The material terms of the 121 Outsource Services Agreement are as follows:

Services	The Company will engage 121 Outsource for its development team, which comprise of three (3) backend developers, a frontend developer, an iOS developer, an Android developer and a system administrator. The team as provided by 121 Outsource to the Company will complete projects and tasks as directed by the Company using the Company's software.
Fee	The Company will be invoiced an initial fee of \$11,980.80 (exclusive of GST) per fortnight and may charge additional fees on an hourly basis for any additional resources as required and as delivered by 121 outsource.



Term	121 Outsource shall commence providing the Company an offshore team on the date of the execution of the 121 Outsource Services Agreement for a period of 3 months (Term). After the initial Term, the 121 Outsource Services Agreement shall re-new for successive terms of equal lengths as the initial Term, unless and until 121 Outsource Services Agreement is terminated.
Termination	<ul style="list-style-type: none"> a. Either party may terminate the 121 Outsource Service Agreement by giving each other 30 days' written notice after the expiry of the Term from the date of the 121 Outsource Services Agreement. b. In the event the Company cancels the 121 Outsource Services Agreement during the Term, the remainder of the 121 Outsource Services Agreement is payable in full. c. In the event that the Company wishes to terminate the 121 Outsource Services Agreement, the Company must communicate with a member of 121 Outsource's cancellation team to finalise the cancellation of 121 Outsource's services, which includes payment of all amounts owing to 121 Outsource, payment for services will continue until this requirement has been met.

The 121 Outcome Services Agreement otherwise contains provisions considered standard for an agreement of its nature (including confidentiality provisions).

10.4 Agreements with Directors and management

10.4.1 Maitreyee Khire - Managing Director

On 1 April 2021, the Company, through its fully owned subsidiary, My Rewards Aus, has entered into an employment agreement with Ms Maitreyee Khire (**Khire Employment Agreement**), pursuant to which Ms Khire is appointed as the Managing Director of the Company. The material terms of the Khire Employment Agreement are summarised below:

Term	Ms Khire's employment commenced on 1 April 2021 and will continue until the Khire Employment Agreement is validly terminated according with its terms.
Remuneration	<ul style="list-style-type: none"> a. The Company has agreed to pay Ms Khire a base salary of \$140,000 per annum (plus superannuation) (Salary) commencing on 1 April 2021. b. Effective from 1 July 2021, should the Company successfully raise a further a gross minimum amount of \$2,000,000 from either Shares or convertible notes, Ms Khire will be paid a base salary of \$275,000 per annum (plus superannuation) commencing on the date the \$2,000,000 is successfully raised. c. Upon a successful listing of the Company and trading of the Company's Shares on the ASX, Ms Khire will be paid a base salary of \$350,000 per annum (plus superannuation).



	<p>d. The Company may at times pay Ms Khire other payments or higher hourly rates for work performed at particular times, which includes reimbursements of relevant annual subscriptions to professional associations.</p> <p>e. Should the combined monetary value of all benefits or entitlements exceeds the combined monetary value of payments made to Ms Khire, then the Company's further payment obligations shall be limited to the difference between these two combined amounts.</p>
Expenses	The Company will reimburse Ms Khire all reasonable out-of-pocket business expenses incurred in the proper performance of her duties that are authorised in advance by the Company and supported by appropriate receipts.
Termination	The Company or Ms Khire may terminate the Khire Employment Agreement at any time for any reason by providing 12 weeks' written notice, or in the case of the Company, the minimum period set out in the applicable legislation if this is greater.
Termination by the Company	<p>The Company may terminate Ms Khire's employment immediately if the Company is of the opinion that Ms Khire:</p> <ol style="list-style-type: none"> disobeys or refuses to carry out a lawful direction of the Company; is guilty of serious misconduct; is convicted of an offence precluding or inhibiting the further performance of duties; ceases to be legally entitled to perform work in Australia; and/or commits any act of bankruptcy or compound with creditors.
Notice Period	<p>If a notice of termination is given either by the Company or Ms Khire, the Company may in its absolute discretion during all or part of the notice period:</p> <ol style="list-style-type: none"> provide Ms Khire with a payment in lieu of notice; direct Ms Khire not to perform any duties; require Ms Khire to remain away from the Company's premises; require Ms Khire not to have any dealings with the Company's customers or clients; and/or change Ms Khire's duties. During the notice period, Ms Khire must remain an employee of the Company and must not commence work with any other person or entity.



The Khire Employment Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

10.4.2 **David Vinson - Executive Chairman**

On 1 April 2021, the Company, through its fully owned subsidiary, My Rewards Aus, has entered into an employment agreement with Mr David Vinson (**Vinson Employment Agreement**), pursuant to which Mr Vinson is appointed as the Executive Chairman of the Company. The material terms of the Vinson Employment Agreement are summarised below:

Term	Mr Vinson's employment commenced on 1 April 2021 and will continue until the Vinson Employment Agreement is validly terminated according with its terms.
Hours	<p>Mr Vinson's ordinary hours of work is 22.5 hours per week averaged over a four-week period, which assumes a three-day working week.</p> <p>Mr Vinson's ordinary hours of work is expected to eventually increase to a five-day, full time role upon mutual agreement in writing with the Managing Director of the Company and/or the Company's Board.</p>
Remuneration	<ol style="list-style-type: none"> a. The Company has agreed to pay Mr Vinson a base salary of \$140,000 per annum (plus superannuation) (Salary) commencing on 1 April 2021. b. Effective from 1 July 2021, should the Company successfully raise a further a gross minimum amount of \$2,000,000 from either Shares or convertible notes, Mr Vinson will be paid a base salary of \$250,000 per annum (plus superannuation) commencing on the date the \$2,000,000 is successfully raised. c. Upon a successful listing of the Company and trading of the Company's Shares on the ASX, Mr Vinson will be paid a base salary of \$300,000 per annum (plus superannuation). d. Mr Vinson's salary will be scaled back on a pro-rata basis to reflect the agreed number of working days per week. For example, 3 working days per week on a \$300,000 Salary will translate to a base salary of \$180,000 per annum (plus superannuation). e. The Company may at times pay Mr Vinson other payments or higher hourly rates for work performed at particular times, which includes reimbursements of relevant annual subscriptions to professional associations. f. Should the combined monetary value of all benefits or entitlements exceeds the combined monetary value of payments made to you, then the Company's further payment obligations shall be limited to the difference between these two combined amounts.



Expenses	The Company will reimburse Mr Vinson all reasonable out-of-pocket business expenses incurred in the proper performance of her duties that are authorised in advance by the Company and supported by appropriate receipts.
Termination	The Company or Mr Vinson may terminate the Vinson Employment Agreement at any time for any reason by providing 12 weeks' written notice, or in the case of the Company, the minimum period set out in the applicable legislation if this is greater.
Termination by the Company	The Company may terminate Mr Vinson's employment immediately if the Company is of the opinion that Mr Vinson: <ul style="list-style-type: none"> a. disobeys or refuses to carry out a lawful direction of the Company; b. is guilty of serious misconduct; c. is convicted of an offence precluding or inhibiting the further performance of duties; d. ceases to be legally entitled to perform work in Australia; and/or e. commits any act of bankruptcy or compound with creditors.
Notice Period	If a notice of termination is given either by the Company or Mr Vinson, the Company may in its absolute discretion during all or part of the notice period: <ul style="list-style-type: none"> a. provide Mr Vinson with a payment in lieu of notice; b. direct Mr Vinson not to perform any duties; c. require Mr Vinson to remain away from the Company's premises; d. require Mr Vinson not to have any dealings with the Company's customers or clients; and/or e. change Mr Vinson's duties. <p>During the notice period, Mr Vinson must remain an employee of the Company and must not commence work with any other person or entity</p>

The Vinson Employment Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

10.4.3 **Neill Whitehead - Chief Financial & Commercial Officer and Company Secretary**

On 6 August 2021, the Company, through its fully owned subsidiary, My Rewards Aus, has entered into an employment agreement with Mr Neill Whitehead (**Whitehead Employment Agreement**), pursuant to which Mr Whitehead is appointed as the Chief Financial & Commercial Officer and the Company Secretary of the Company. The material terms of the Whitehead Employment Agreement are summarised below:



Term	Mr Whitehead's employment commenced on 11 January 2021 and will continue until the Employment Agreement is validly terminated according with its terms.
Remuneration	<p>a. The Company has agreed to pay Mr Whitehead a base salary of \$250,000 per annum (plus superannuation) (Salary) commencing on 1 April 2021.</p> <p>b. Upon successful listing of the Company and trading of the Company's Shares on the ASX, Mr Whitehead will be paid a base salary of \$300,000 per annum (plus superannuation).</p> <p>c. The parties acknowledge that Mr Whitehead was employed on a part-time basis and worked 4 days per week between 11 January 2011 and 30 June 2021. Effective from 1 July 2021, Mr Whitehead commenced employment on a full time basis.</p> <p>d. Mr Whitehead's salary will be scaled back on a pro-rata basis to reflect the agreed number of working days per week.</p> <p>e. The Company may at times pay Mr Whitehead other payments or higher hourly rates for work performed at particular times, which includes reimbursements of relevant annual subscriptions to professional associations.</p> <p>f. Should the combined monetary value of all benefits or entitlements exceeds the combined monetary value of payments made to you, then the Company's further payment obligations shall be limited to the difference between these two combined amounts.</p>
Salary Sacrifice	<p>Mr Whitehead's remuneration package may be taken as a combination of cash and Shares as agreed between Mr Whitehead and the Managing Director and the Chairman of the Company.</p> <p>Mr Whitehead may purchase up to 1,250,000 Shares in the Company via salary sacrifice in the first year of his employment.</p>
Incentives	Mr Whitehead may participate in the Company's Equity Incentive Plan.
Once-off Short Term Incentive	<p>Mr Whitehead will be entitled to receive a gross bonus of \$125,000 (inclusive of superannuation) if the Company lists on the ASX and commences trading before 30 June 2022, which will be payable within 30 days of listing.</p> <p>It is agreed that Mr Whitehead will be paid 50% of the net bonus amount as cash and the remaining 50% in Shares at the Offer issue price.</p>



Annual Short Term Incentive

The Company has agreed to pay Mr Whitehead an annual short-term incentive for achievement of key business goals and the amount of the bonus will be tied to Mr Whitehead's base salary at the end of the financial year.

The Company has agreed that if the Company achieved at least 90% of its budgeted net profit before tax (or no more than 110% of any budgeted loss) in the relevant financial year, then Mr Whitehead will be paid an annual short-term incentive, which will be calculated based on 50% of Mr Whitehead's base salary at the time as set out below:

Measure	Less than 100% of Budget	100% of Budget	125% or greater than Budget
One third 'Revenue bonus' if revenue reaches the budgeted target of revenue growth	Nil	\$50,000	\$62,500
One third 'Monthly active member bonus' if the number of monthly active members reaches 100% of targeted monthly members	Nil	\$50,000	\$62,500
One third 'Share price bonus' if the My Rewards share price movement over a financial year has 100% matched the movement in the ASX 200 index over the same period. (For this exercise, the closing share price at 30 June each year is calculated as the weighted average of the closing share price for the last 10 business trading days of the financial year)	Nil	\$50,000	\$62,500
TOTAL	NIL	\$150,000	\$187,500

Each of these incentives will be separately calculated after the end of the financial year and scaled back if the period of work is less than full-time. If the period of work was less than 5 days per week at any stage in the year, then the annual bonus entitlement is scaled back to pro-rata match the weighted average days worked throughout the year. Annual incentives are payable within 30 days of final Board approval of the measures or 30 September each year, whichever is the earlier.



Expenses	The Company will reimburse Mr Whitehead all reasonable out-of-pocket business expenses incurred in the proper performance of his duties that are authorised in advance by the Company and supported by appropriate receipts.
Termination	The Company or Mr Whitehead may terminate the Whitehead Employment Agreement at any time for any reason by providing 12 weeks' written notice, or in the case of the Company, the minimum period set out in the applicable legislation if this is greater.
Termination by the Company	<p>The Company may terminate Mr Whitehead's employment immediately if the Company is of the opinion that Mr Whitehead:</p> <ol style="list-style-type: none"> disobeys or refuses to carry out a lawful direction of the Company; is guilty of serious misconduct including without limitation to committing any act of dishonesty, fraud, theft, unlawful harassment or discrimination or wilful breach of duty or workplace policy, serious or wilful neglect in the performance of duties, being intoxicated at work or engaging in conduct that causes risk to a person's health and safety or to the Company's reputation, viability or profitability; is convicted of an offence precluding or inhibiting the further performance of duties; ceases to be legally entitled to perform work in Australia; and/or commits any act of bankruptcy or compound with creditors.
Notice Period	<p>If a notice of termination is given either by the Company or Mr Whitehead, the Company may in its absolute discretion during all or part of the notice period:</p> <ol style="list-style-type: none"> provide Mr Whitehead with a payment in lieu of notice; direct Mr Whitehead not to perform any duties; require Mr Whitehead to remain away from the Company's premises; require Mr Whitehead not to have any dealings with the Company's customers or clients; and/or change Mr Whitehead's duties. <p>During the notice period, Mr Whitehead must remain an employee of the Company and must not commence work with any other person or entity.</p>

The Whitehead Employment Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).



10.4.4 Patrick Hamilton - Chief Technology Officer

On 6 August 2021, the Company, through its fully owned subsidiary, My Rewards Aus, entered into an employment agreement with Mr Patrick Hamilton (**Hamilton Employment Agreement**), pursuant to which Mr Hamilton is appointed as the Chief Technology Officer.

The material terms of the Hamilton Employment Agreement are summarised below:

Term	Mr Hamilton's employment commenced on 21 June 2021 and will continue until the Employment Agreement is validly terminated according with its terms.
Remuneration	<ol style="list-style-type: none"> The Company has agreed to pay Mr Hamilton a base salary of \$250,000 per annum (plus superannuation) (Salary) commencing on 21 June 2021. Upon successful listing of the Company and trading of the Company's Shares on the ASX, Mr Hamilton will be paid a base salary of \$300,000 per annum (plus superannuation). Mr Hamilton's salary will be scaled back on a pro-rata basis to reflect the agreed number of working days per week. The parties acknowledge that Mr Hamilton was employed on a part-time basis and worked 3 days per week between 21 June 2021 and 18 July 2021. Effective from 19 July 2021, Mr Hamilton commenced employment on a full time basis. The Company may at times pay Mr Hamilton other payments or higher hourly rates for work performed at particular times, which includes reimbursements of relevant annual subscriptions to professional associations. Should the combined monetary value of all benefits or entitlements exceeds the combined monetary value of payments made to you, then the Company's further payment obligations shall be limited to the difference between these two combined amounts.
Salary Sacrifice	<p>Mr Hamilton's remuneration package may be taken as a combination of cash and Shares as agreed between Mr Hamilton and the Managing Director and the Chairman of the Company.</p> <p>Mr Hamilton may purchase up to 1,250,000 Shares in the Company via salary sacrifice in the first year of his employment.</p>
Incentives	Mr Hamilton may participate in the Company's Equity Incentive Plan.
Once-off Short Term Incentive	<p>Mr Hamilton will be entitled to receive a gross bonus of \$60,000 (inclusive of superannuation) if the Company lists on the ASX and commences trading before 30 June 2022, which will be payable within 30 days of listing.</p> <p>It is agreed that Mr Hamilton will be paid 100% of the net bonus amount as Shares in the Company at \$0.08 per Share.</p>



Annual Short Term Incentive

The Company has agreed to pay Mr Hamilton an annual short-term incentive for achievement of key business goals and the amount of the bonus will be tied to Mr Hamilton's base salary at the end of the financial year.

The Company has agreed that if the Company achieved at least 90% of its budgeted net profit before tax (or no more than 110% of any budgeted loss) in the relevant financial year, then Mr Hamilton will be paid an annual short-term incentive, which will be calculated based on 50% of Mr Hamilton's base salary at the time as set out below:

Measure	Less than 100% of Budget	100% of Budget	125% or greater than Budget
One third 'Product roadmap bonus' if the Board, acting reasonably, believes there has been 100% achievement against budgeted technology delivery for the financial year	Nil	\$50,000	\$62,500
One third 'Monthly active member bonus' if the number of monthly active members reaches 100% of targeted monthly members	Nil	\$50,000	\$62,500
One third 'Share price bonus' if the My Rewards share price movement over a financial year has 100% matched the movement in the ASX 200 index over the same period. (For this exercise, the closing share price at 30 June each year is calculated as the weighted average of the closing share price for the last 10 business trading days of the financial year)	Nil	\$50,000	\$62,500
TOTAL	NIL	\$150,000	\$187,500

Each of these incentives will be separately calculated after the end of the financial year and scaled back if the period of work is less than full-time. If the period of work was less than 5 days per week at any stage in the year, then the annual bonus entitlement is scaled back to pro-rata match the weighted average days worked throughout the year. Annual incentives are payable within 30 days of final Board approval of the measures or 30 September each year, whichever is the earlier.

Expenses

The Company will reimburse Mr Hamilton all reasonable out-of-pocket business expenses incurred in the proper performance of her duties that are authorised in advance by the Company and supported by appropriate receipts.



Probation	Mr Hamilton's employment is subject to a 3-month probationary period, during which the Company will assess the suitability of his continuing employment, and either party may terminate the employment by providing one week's written notice to the other party (or pay in lieu of notice).
Termination	The Company or Mr Hamilton may terminate the Hamilton Employment Agreement at any time for any reason by providing 12 weeks' written notice, or in the case of the Company, the minimum period set out in the applicable legislation if this is greater.
Termination by the Company	<p>The Company may terminate Mr Hamilton's employment immediately if the Company is of the opinion that Mr Hamilton:</p> <ol style="list-style-type: none"> a. disobeys or refuses to carry out a lawful direction of the Company; b. is guilty of serious misconduct including without limitation to committing any act of dishonesty, fraud, theft, unlawful harassment or discrimination or wilful breach of duty or workplace policy, serious or wilful neglect in the performance of duties, being intoxicated at work or engaging in conduct that causes risk to a person's health and safety or to the Company's reputation, viability or profitability; c. is convicted of an offence precluding or inhibiting the further performance of duties; d. ceases to be legally entitled to perform work in Australia; and/or e. commits any act of bankruptcy or compound with creditors.
Notice Period	<p>If a notice of termination is given either by the Company or Mr Hamilton, the Company may in its absolute discretion during all or part of the notice period:</p> <ol style="list-style-type: none"> a. provide Mr Hamilton with a payment in lieu of notice; b. direct Mr Hamilton not to perform any duties; c. require Mr Hamilton to remain away from the Company's premises; d. require Mr Hamilton not to have any dealings with the Company's customers or clients; and/or e. change Mr Hamilton's duties. <p>During the notice period, Mr Hamilton must remain an employee of the Company and must not commence work with any other person or entity.</p>



The Hamilton Employment Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

10.4.5 **Non-executive Director appointments**

Daniel Goldman has entered into appointment letters with the Company to act in the capacity of a non-executive Director. The Director will receive the remuneration set out in Section 9.4.

10.4.6 **Deeds of indemnity, insurance and access**

The Company has entered into a deed of indemnity, insurance and access with each of its Directors. Under these deeds, the Company will agree to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company will also be required to maintain insurance policies for the benefit of the relevant officer and allow certain officers to inspect board papers in certain circumstances.





section 11

Additional Information

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11. Additional Information

11.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

11.2 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

a. General meetings

Each Shareholder is entitled to be present in person or may appoint an individual or body corporate as proxy to attend and cast a vote on his or her behalf at general meetings of the Company. If a Shareholder is entitled to cast two or more votes at general meetings of the Company, that Shareholder may appoint not more than two proxies.

The Directors may, whenever they think fit, call a general meeting and general meetings must be called on such requisition or in default, may be called by such requisitionists as provided by the Corporations Act.

b. Voting rights

Subject to the constitution and to any special rights or restrictions imposed on or attaching to any shares or classes of shares by the Directors:

- i. each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- ii. on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- iii. on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

c. Dividend rights

Subject to the rights attaching to shares issued on special terms and conditions, the profits of the Company are divisible among the Shareholders in proportion to the number of shares held by them but in the case of partly paid shares, all dividends must be apportioned and paid in proportion that the amount paid up on those shares bears to the total issue price. Any amount paid up on a partly paid share during the period in respect of which a dividend is declared only entitles the Shareholder of that share to an apportioned amount of such dividend as from the date of payment and any amount credited as paid up on a



share is not to be taken into account. Where capital is paid up on any shares in advance of calls, such capital is not taken as paid.

The Directors may declare that a dividend be paid to the Shareholders entitled to the dividend according to the Shareholders' rights and interests in the profits and the Directors may fix the amount, the time for payment and the method of payment.

In the event of a breach of the Listing Rules relating to Restricted Securities or a breach of a restriction agreement entered into by the Company under the Listing Rules in relation to shares which are classified under the Listing Rules or by ASX as Restricted Securities, the Shareholder holding those Restricted Securities cease to be entitled to any dividends in respect of those Restricted Securities for so long as the breach subsists.

No dividend is payable except out of the profits of the Company and no dividend shall carry interest as against the Company.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, establish and maintain a dividend reinvestment plan. The director may, subject to the ASX Listing Rules, in their absolute discretion prescribe the terms and conditions of the dividend reinvestment plan, from time to time vary the terms and conditions and determine whether a Shareholder is permitted to participate.

d. Winding-up

If the Company is wound up and the assets available for distribution among the Shareholders are insufficient to repay the whole of the paid up capital, the assets must be distributed so that, as nearly as may be, the losses are borne by the Shareholders in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively.

If the Company is wound up, whether voluntarily or otherwise, the liquidator may with the sanction of a special resolution divide among the contributories in specie or in kind any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them as the liquidator with the like sanction thinks fit.

e. Calls on shares

The Directors may, subject to the terms and conditions of issue of any securities of the Company and to the requirements of the Listing Rules and the Corporations Act, make calls upon the Shareholders in respect of any money unpaid on their securities and not by the conditions of issue of those securities made payable at fixed times.

f. Transfer of shares

Subject to the Corporations Act, the Listing Rules and the Constitution, Shares of the Company may be transferred by a transfer document in writing, or any other form approved by the Directors and permitted or required by the Corporations Act.

g. Power to issue shares

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.



h. Variation of rights

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

i. Alteration of constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

11.3 Terms and Conditions of Tranche 1 to Tranche 9 Employee Options

Set out below are the terms and conditions of the Tranche 1 to Tranche 9 Employee Options issued by the Company under the Equity Incentive Plan:

a. Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

b. Exercise Price

Subject to paragraph (k), the amount payable upon exercise of each Option will be:

- i. Tranche 1 Employee Options: \$0.10;
- ii. Tranche 2-5 Employee Options: \$0.24; and
- iii. Tranche 6-9 Employee Options: \$0.28, (the **Exercise Price**).

c. Expiry Date

Each Option will expire on the date that is 5 years from the date of issue of the Options (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

d. Exercise Period

Subject to paragraph (c), the Options can be exercised at the Exercise Price only from the relevant Vesting Date until the Expiry Date (**Exercise Period**).

e. Vesting conditions

Tranche 1 and Tranche 2 of the Employee Options have vested on 19 July 2021 and 30 September 2021 respectively.

Tranche 3 to Tranche 9 of the Employee Options are subject to the following vesting conditions:

- i. Tranche 3 of the Employee Options will vest on 31 December 2021;



- ii. Tranche 4 of the Employee Options will vest on 31 March 2022;
- iii. Tranche 5 of the Employee Options will vest on 30 June 2022;
- iv. Tranche 6 of the Employee Options will vest on 30 September 2022;
- v. Tranche 7 of the Employee Options will vest on 31 December 2022;
- vi. Tranche 8 of the Employee Options will vest on 31 March 2023; and
- vii. Tranche 9 of the Employee Options will vest on 30 June 2023.

f. Option Exercise Form

When exercising Options, an Option holder must give the Company a completed Option Exercise Form (**Option Exercise Form**) and effect payment of the Exercise Price for each Option being exercised by paying to the Company, in immediately available funds, an amount equal to the Exercise Price multiplied by the number of Options being exercised.

g. Exercise Date

An Option Exercise Form is only effective on and from the later of the date of receipt of the Option Exercise Form and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

h. Cashless exercise

If the Company is listed and if approved by the Company, the Company may, in lieu of paying the aggregate Exercise Price, permit an Option holder to elect to receive, without payment of cash or other consideration, upon surrender of the applicable portion of exercisable Options to the Company, a number of Shares determined in accordance with the following formula:

$$A = [B \times (C - D)] / C$$

where:

A = the number of Shares (rounded down to the nearest whole number) to be issued to the Option holder;

B = the number of Shares otherwise issuable upon the exercise of the Option or portion of the Options being exercised;

C = the closing price of Shares on ASX on the trading day immediately preceding the date of delivery of the Option Exercise Form; and

D = the Option Exercise Price.

i. Timing of issue of Shares on exercise

Within ten Business Days after the Exercise Date, the Company will:

- i. issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Option Exercise Form and for which cleared funds have been received by the Company;
- ii. if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the



Shares does not require disclosure to investors; and

- iii. if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (i) or (ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

j. Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

k. Reconstruction of capital

If at any time the issued share capital of the Company is reconstructed (including consolidation, sub-division, reduction or return), all rights of an Option holder (including the number of Options to which each option holder is entitled and the exercise price) are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

l. Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in any new issues of securities offered to existing Shareholders during the currency of the Options without exercising the Options.

m. Change in exercise price

- i. If the Company makes a bonus issue of Shares or other securities to Shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and no Share has been issued in respect of an Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Option is exercisable is increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for determining entitlements to the issue, in accordance with the Listing Rules (to the extent they apply) or otherwise as determined by the Company.
- ii. If the Company makes a pro-rata issue of Shares (except a bonus issue) to existing Shareholders (except an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the Option before the record date for determining entitlements to the issue, the exercise price of each Option is reduced in accordance with the Listing Rules (to the extent they apply) or otherwise as determined by the Company.

n. Transferability

The Options are not transferable unless the transfer is expressly approved by the Board of Directors of the Company and subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.



11.4 Terms of the CES Options

Set out below are the terms and conditions of the Director Options:

- a. **Entitlement:** Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- b. **Exercise Price:** Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.30 (**Exercise Price**).
- c. **Expiry Date:** Each Option will expire at 5:00 pm (AEST) on the date that is three (3) years from the date of issue of the Options (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- d. **Exercise Period:** The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- e. **Notice of Exercise:** The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- f. **Exercise Date:** A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
- g. **Timing of issue of Shares on exercise:**

Within five Business Days after the Exercise Date, the Company will:

- i. issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- ii. if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- iii. if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options,

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than twenty (20) Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

- h. **Shares issued on exercise:** Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
- i. **Reconstruction of capital:** If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.



- j. **Participation in new issues:** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- k. **Change in exercise price:** An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.
- l. **Transferability:** The Options are not transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

11.5 Employee Incentive Plan

The Company has adopted an Employee Incentive Plan (**Employee Incentive Plan**) to allow eligible participants to be granted Securities in the Company. The principle terms of the Employee Incentive Securities Plan are summarised below:

- a. **Eligibility:** Participants in the Plan may be:
 - ii. a full or part time employee of a Group Company (including a Director employed in an executive capacity);
 - iii. a non-executive Director of a Group Company;
 - iv. a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (Class Order); or
 - v. a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii) or (iii) above,

who is declared by the Board to be eligible to receive grants of Incentive Securities (**Securities**) under the Plan (**Eligible Employees**).
- b. **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to invite any Eligible Employees to participate in a grant of Incentive Securities, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines.
- c. **Plan limit:** The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Securities offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.
- d. **Issue price:** Unless the Securities are quoted on the ASX, Securities issued under the Plan will be issued for no more than nominal cash consideration.
- e. **Exercise price:** The Board may determine the Securities exercise price (if any) for Securities offered under that offer in its absolute discretion. To the extent the Listing Rules specify or require a minimum price, the Securities exercise price must not be less than any minimum price specified in the Listing Rules.
- f. **Vesting conditions:** A Security may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Securities (**Vesting Conditions**).
- g. **Vesting:** A performance right (**Right**) or Option will only vest where each Vesting Condition,



and all other relevant conditions advised to the Eligible Employee by the Board have been satisfied or otherwise waived by the Board.

- h. Lapse of Rights:** A Right will lapse upon the earlier to occur of:
- i. The Right lapsing in accordance with a provision of the Incentive Plan (including in accordance with a term of an Offer);
 - ii. failure to meet a Vesting Condition or any other condition applicable to the Right within the Vesting Period; or
 - iii. the receipt by the Company of a notice in writing from a Participant to the effect that the Participant has elected to surrender the Right.
- i. Prohibited Dealings:** Subject to the Securities Dealing Policy, any Dealing in respect of an Incentive Security is prohibited unless the Board determines otherwise, or the Dealing is required by law and the Participant has provided satisfactory evidence to the Company of that fact.
- j. Shares:** Any Shares issued under the Plan will rank equally in all respects with other Shares for the time being on issue by the Company, except in relation to any rights attaching to such Shares by reference to a record date prior to the date of their issue.
- k. Sale restrictions:** The Board may, in its discretion, determine at any time up until exercise of Securities, that a restriction period will apply to some or all of the Shares issued to a Participant on exercise of those Securities (**Restriction Period**). In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such Restriction Period.
- l. Quotation:** Options and Rights will not be quoted on ASX. Application will be made to ASX for official quotation of any Shares issued under the Plan to the extent required by the ASX Listing Rules if the Shares are listed on ASX at the time.
- m. No participation rights:** There are no participation rights or entitlements inherent in the Securities and Participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Securities without exercising the Securities.
- n. Change in exercise price of number of underlying securities:** An issue of Securities under the Plan does not confer the right to a change in exercise price or in the number of underlying Shares over which the Securities can be exercised.
- o. Change of Control:** Where there is a takeover bid for Shares or another transaction, event or state of affairs, that in the Board's opinion, is likely to result in a change in the Control of the Company or should otherwise be treated in accordance with this rule, the Board may, in its absolute discretion, determine that all or a specified number of a Participant's Incentive Securities Vest or cease to be subject to restrictions.
- p. Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a Participant are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reorganisation.
- q. Amendments:** Subject to express restrictions set out in the Plan and complying with the Corporations Act, Listing Rules and any other applicable law, the Board may, at any time, by resolution amend or add to all or any of the provisions of the Plan, the terms or conditions of any Security granted under the Plan including giving any amendment retrospective effect or suspend or terminate the operation of the plan in its entirety.



- r. **Maximum Number of Securities:** The maximum number of equity securities proposed to be issued under the Employee Incentive Securities Plan is 22,324,884 Securities (being 10% of the issued capital of the Company on a fully diluted basis assuming the Full Subscription is raised). It is not envisaged that the maximum number of Securities will be issued immediately.

11.6 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

- a. the formation or promotion of the Company;
- b. any property acquired or proposed to be acquired by the Company in connection with:
 - i. its formation or promotion; or
 - ii. the Offer; or
- c. the Offer,
and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:
- d. as an inducement to become, or to qualify as, a Director; or
- e. for services provided in connection with:
 - i. the formation or promotion of the Company; or
 - ii. the Offer.

11.7 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- a. person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- b. promoter of the Company; or
- c. underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

- d. the formation or promotion of the Company;
- e. any property acquired or proposed to be acquired by the Company in connection with:
 - i. its formation or promotion; or
 - ii. the Offer; or
- f. the Offer,
and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:
- g. the formation or promotion of the Company; or
- h. the Offer.



Frost & Sullivan has acted as Independent Market Expert and has prepared the Industry Overview Report, which is included in Section 5 of this Prospectus. The Company estimates it will pay Frost & Sullivan \$18,000 (excluding GST) for these services. During the 24 months precedent lodgement of this Prospectus with ASIC, Frost & Sullivan has received \$18,000 in fees from the Company.

RSM Corporate Australia Pty Ltd has acted as Investigating Accountant and has prepared the Investigating Accountant's Report which is included in Annexure A. The Company estimates it will pay RSM Corporate Australia Pty Ltd a total of \$65,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, RSM Corporate Australia Pty Ltd has not received fees from the Company for any other services.

RSM Australia Pty Ltd is the Company's auditor and has performed certain audit services in relation to the financial information included in Section 7. The Company estimates it will pay RSM Australia Pty Ltd a total of \$30,000 for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, RSM Australia Pty Ltd has not received fees from the Company for any other services.

Barclay Pearce will receive those fees set out in Section 4.5 following the successful completion of the Offer for its services as Lead Manager to the Offer. Barclay Pearce will be responsible for paying all capital raising fees that Barclay Pearce and the Company agree with any other financial service licensees. Refer to Section 10.1.1 for a summary of the terms of the Lead Manager Mandate with Barclay Pearce. During the 24 months preceding lodgement of this Prospectus with ASIC, Barclay Pearce received \$127,214.93 in fees from the Company for pre-IPO capital raising services.

Steinepreis Paganin has acted as the legal advisers to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$150,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with ASIC, Steinepreis Paganin has not received fees from the Company for any other services.

11.8 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors, any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- a. does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- b. in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- c. has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

RSM Corporate Australia Pty Ltd has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Investigating Accountant's Report in



Annexure A in the form and context in which the information and report is included.

RSM Australia Pty Ltd has given its written consent to being named as auditor of the Company in this Prospectus and the inclusion of the audited financial information of the Company included in Section 7 and to the information in the Investigating Accountants Report included in Annexure A to this Prospectus in the form and context in which it appears.

Gillards Pty Ltd (the Company's previous auditor) has given its written consent to being named in this Prospectus and to the inclusion of the historical audited financial information included in Section 7 and to the references in the Investigating Accountant's Report in the form and context in which they appear.

Frost & Sullivan has given its written consent to being named as the Independent Market Expert in this Prospectus and to the inclusion of the Industry Overview Report in Section 5 in the Prospectus in the form and context in which the information and report is included.

Steinepreis Paganin has given its written consent to being named as the legal advisers to the Company in relation to the Offer in this Prospectus.

Barclay Pearce has given its written consent to being named as the Lead Manager to the Company in this Prospectus.

Boardroom Pty Ltd has given its written consent to being named as the share registry to the Company in this Prospectus.



11.9 Expenses of the Offer

The total estimated expenses of the Offer (excluding GST) are \$708,984 under the Minimum Subscription and \$851,245 under the Full Subscription and are expected to be applied towards the items set out in the table below:

Item of Expenditure¹	Minimum Subscription (\$5,000,000)	Full Subscription (\$7,000,000)
ASIC fees	\$3,206	\$3,206
ASX fees	\$108,778	\$111,039
Lead Manager Fees ²	\$350,000	\$490,000
Legal Fees ³	\$150,000	\$150,000
Investigating Accountant's Fees ⁴	\$65,000	\$65,000
Auditor's Fees ⁵	\$30,000	\$30,000
Printing and Distribution	\$2,000	\$2,000
TOTAL	\$708,984	\$851,245

Notes:

1. Expenses may include GST to the extent that the GST component is not claimable by the Company.
2. Payable to Barclay Pearce, who will receive the fees set out in Sections 4.5 and 10.1.1 in consideration for their services as Lead Manager.
3. Payable to Steinepreis Paganin who has acted as legal advisers to the Company.
4. Payable to RSM Corporate Australia Pty Ltd in consideration for its services as Investigating Accountant.
5. Payable to RSM Australia Pty Ltd in consideration for its services as auditor.





section 12

Directors' Authorisation

myrewards

12. Directors' Authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC.



David Vinson

Executive Chairman

For and on behalf of

My Rewards International Limited





section 13

Glossary

myrewards

13. Glossary

Term	Meaning
\$	\$ means an Australian dollar.
Active Members	Active Members means Members who have registered via the website or App and created an account.
AEDT	AEDT means Australian Eastern Daylight Time as observed in Sydney, New South Wales.
AEST	AEST means Australian Eastern Standard Time as observed in Sydney, New South Wales.
AI	AI means artificial intelligence.
App	App means mobile application available to download from Google and Apple App Store.
Application Form	Application Form means the application form attached to or accompanying this Prospectus relating to the Offer.
ASIC	ASIC means the Australian Securities & Investments Commission.
ASX	ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.
ASX Listing Rules	ASX Listing Rules means the official listing rules of ASX.
AWS	AWS means Amazon Web Services.
B2B	B2B means Business to Businesses.
B2C	B2C means Business to Customers.
B2E	B2E means Business to Employees.
Board	Board means the board of Directors as constituted from time to time.
Business Days	Business Days means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.
Cashback	Cashback means the amount paid to a Member for a purchase through the My Rewards platform.
CES Options	CES Options means Options issued to Connected Energy Solutions Pty Ltd, exercisable at \$0.30 each, on or before 3 years from the date of issue of the Options.
CHESS	CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement.
Closing Date	Closing Date means the closing date of the Offer as set out in the indicative timetable in the Key Offer Information Section (subject to the Company reserving the right to extend the Closing Date or close the Offer early).



Company or My Rewards	Company or My Rewards means My Rewards International Limited (ACN 095 009 742).
Conditions	Conditions has the meaning set out in Section 4.6.
Constitution	Constitution means the constitution of the Company.
Convertible Notes	Convertible Notes means the Initial Convertible Notes and the Investors Convertible Notes.
Convertible Note Holders	Convertible Note Holders means the Initial Convertible Note Holders and the Investors Convertible Note Holders.
Convertible Note Holder Offer	Convertible Note Holder Offer means the offer of a total of 22,265,887 Shares to the Initial Convertible Note Holders and Investors Convertible Note Holders, as set out in Section 4.10.
Corporations Act	Corporations Act means the Corporations Act 2001 (Cth).
Coupon Codes	Coupon Codes means Paper a voucher entitling the holder to a discount off a particular product or service at a participating Supplier.
Digital Wallet	Digital Wallet means a My Rewards mobile App which allows Members to make payments at participating Suppliers' stores using QR codes which are linked to their points balance or a payment card (e.g. Visa, Mastercard, AMEX credit or debit card).
Directors	Directors means the directors of the Company at the date of this Prospectus.
E-Coupons	E-Coupons means a voucher that can be viewed on a website or App entitling the holder to a discount off a particular product.
Equity Incentive Plan	Equity Incentive Plan has the meaning set out in Section 11.4.
Employee Engagement and Customer Loyalty Programs or Employee Engagement Program or Customer Loyalty Program or Programs	Employee Engagement and Customer Loyalty Programs or Employee Engagement Program or Customer Loyalty Program or Programs means employee benefits, rewards and recognition programs and/or customer loyalty programs designed, built and managed by My Rewards for Program Sponsors.
Exercise Period	Exercise Period has the meaning given in Section 11.3(d).
Exercise Price	Exercise Price has the meaning given in Section 11.3(b).
Expiry Date	Expiry Date has the meaning given in Section 11.3(c)(a).
Exposure Period	Exposure Period means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.
Full Subscription	Full Subscription means the maximum amount to be raised under the Offer, being \$7,000,000.



Initial Convertible Notes	Initial Convertible Notes means the 10 convertible notes in the Company held by the Initial Convertible Note Holders on the terms set out in Section 10.1.2.
Initial Convertible Note Holders	Initial Convertible Note Holders means the note holders who hold the Initial Convertible Notes.
Investors Convertible Notes	Investors Convertible Notes means the 1,613,900 convertible notes in the Company held by the Investor Convertible Note Holders on the terms set out in Section 10.1.3.
Investors Convertible Note Holders	Investors Convertible Note Holders means the note holders who hold the Investors Convertible Notes.
Lead Manager or Barclay Pearce	Lead Manager or Barclay Pearce means Barclay Pearce Capital Pty Ltd (ACN 634 843 735) authorised representative of Barclay Pearce Capital Management Pty Ltd (Australian Financial Services Licence No. 503261).
Lead Manager Mandate	Lead Manager Mandate means the mandate between the Company and the Lead Manager summarised in Section 10.1.1.
Minimum Subscription	Minimum Subscription means the minimum amount to be raised under the Offer, being \$5,000,000.
Members	Members means each person with an open account with My Rewards.
My Rewards App or App	My Rewards App or App means the mobile application as operated by My Rewards and available to download from the Google Play Store and the Apple App Store.
My Rewards Aus	My Rewards Aus means My Rewards Pty Ltd (ACN 120 267 316), a wholly owned subsidiary of the Company, formerly known as Pegasus Group Australia Pty Ltd.
My Rewards My Way	My Rewards My Way means My Rewards new Business to Customer (B2C) online marketplace.
My Rewards Platform	My Rewards Platform means the proprietary technology platform accessible via websites and App built by My Rewards to provide customised solutions in the Loyalty and Rewards market.
My Rewards (USA)	My Rewards (USA) means My Rewards (USA) Inc. (an entity incorporated in Delaware), a wholly owned subsidiary of the Company.
Offer	Offer means the offer of Shares pursuant to this Prospectus as set out in Section 4.1.
Official List	Official List means the official list of ASX.
Official Quotation	Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.
Option	Option means an option to acquire a Share.
Option holder	Option holder means a holder of an Option.
Pay My Way	Pay My Way means the “Buy Now Pay Later” facility as provided by My Rewards and is branded Pay My Way.



Payment Gateway	Payment Gateway means a merchant service provided by an e-commerce application service provider that authorizes credit card or direct payments online or instore.
Perx Rewards	Perx Rewards means Perx Rewards Pty Ltd (ACN 625 344 023).
Perx Rewards Acquisition Agreement	Perx Rewards Acquisition Agreement means the agreement entered into between the Company, Ilya Frolov (as vendor) and Perx Rewards, under which the Company has agreed to acquire 100% of the issued capital of Perx Rewards.
Prospectus	Prospectus means this prospectus.
Program Sponsor	Program Sponsor mean companies or businesses that engage My Rewards to provide custom solutions to their employees, members or customers via the My Rewards Employee Engagement and Customer Loyalty Programs.
Recommendations	Recommendations has the meaning set out in Section 9.6.
RIA	RIA means Ria Money Transfer, a global leader in the money transfer industry, offering their services at 435,000+ locations across 160+ countries. Ria is a Program Sponsor and uses My Rewards Platform to offer a Loyalty program to its customers.
Section	Section means a Section of this Prospectus.
Securities	Securities means Shares and Options.
Share	Share means a fully paid ordinary share in the capital of the Company.
Shareholder	Shareholder means a holder of Shares.
Suppliers	Suppliers means businesses offering goods and services to Members through the My Rewards Platform.
Tranche 1 Employee Options	Tranche 1 Employee Options means Options, exercisable at \$0.10 each, on or before 5 years from the date of issue of the Options.
Tranche 2 to 5 Employee Options	Tranche 2 to 5 Employee Options means Options, exercisable at \$0.24 each, on or before 5 years from the date of issue.
Tranche 6 to 9 Employee Options	Tranche 6 to 9 Employee Options means Options, exercisable at \$0.28 each, on or before 5 years from the date of issue.
US	US means United States of America.





Annexure A

Investigating Accountants Report

myrewards

A. Investigating Accountants Report



2 November 2021

The Board of Directors
My Rewards International Ltd
G02/181 St Kilda Rd,
St Kilda VIC 3182

RSM Corporate Australia Pty Ltd
Level 21, 55 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007
T +61 (0) 3 9286 8000
F +61 (0) 3 9286 8199
www.rsm.com.au

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

Independent Limited Assurance Report on My Rewards International Ltd's and Perx Rewards Pty Ltd's statutory historical financial information and My Rewards International Ltd's pro forma historical financial information

We have been engaged by My Rewards International Limited ("My Rewards" or "the Company") to report on certain statutory historical financial information and pro forma financial information for inclusion in a Prospectus dated on or about 2 November 2021.

The Prospectus relates to the Company's proposed Initial Public Offering of 25,000,000 Shares at an issue price of \$0.20 per Share to raise \$5.0 million ("Offer"), before costs of the Offer, listing of the Company's shares on the Australian Securities Exchange, together with the associated acquisition of Perx Rewards Pty Ltd ("Perx Rewards"). Oversubscriptions of up to a further 10,000,000 Shares at an issue price of \$0.20 per Share may be accepted to raise up to a further \$2.0 million.

Expressions and terms defined in the Prospectus have the same meaning in this report.

Scope

Statutory Historical Financial Information

You have requested RSM Corporate Australia Pty Ltd ("RSM") to review the statutory historical financial information of My Rewards and Perx Rewards included in Section 7 of the Prospectus, comprising:

- My Rewards' statutory historical consolidated income statements for FY2019, FY2020 and FY2021;
- My Rewards' statutory historical consolidated cash flow statements for FY2019, FY2020 and FY2021;
- My Rewards' statutory historical consolidated statement of financial position as at 30 June 2021;
- Perx Rewards' statutory historical income statements for FY2019, FY2020 and FY2021;
- Perx Rewards' statutory historical cash flow statements for FY2019, FY2020 and FY2021; and
- Perx Rewards' statutory historical statement of financial position as at 30 June 2021,

collectively "the Statutory Historical Financial Information".

THE POWER OF BEING UNDERSTOOD AUDIT | TAX | CONSULTING

RSM Corporate Australia Pty Ltd is beneficially owned by the Directors of RSM Australia Pty Ltd. RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 Australian Financial Services Licence No. 255847



A. Investigating Accountants Report



My Rewards' Statutory Historical Financial Information

The Statutory Historical Financial Information for FY2019, FY2020 and FY2021 for My Rewards has been derived from the FY2019, FY2020 and FY2021 audited general purpose financial statements of My Rewards.

My Rewards' FY2019 and FY2020 general purpose financial statements

The general purpose financial statements of My Rewards for FY2019 and FY2020 were audited by Gillards Pty Ltd in accordance with Australian Auditing Standards.

Gillards Pty Ltd issued a qualified audit opinion for FY2019 and FY2020. The Basis of Qualified Opinion for each financial year is copied below.

Basis of Qualified Opinion – FY2019

As reflected in Note 2 (c) of the Notes to The Financial Statements and as mentioned in the 2019 Audit, the economic entity has a quantifiable going concern issue which gives rise to a material uncertainty and consequently we are unable to provide an unqualified report.

The Entity has a poor liquidity emphasized in the financial ratio analysis which reflects a potential inability to meet its short-term requirements. This has a direct impact on going concern.

The directors are continuing to put various measures in place to rectify the situation however, we at this stage are not in a position to change our audit opinion.

The valuation of Pegasus Group Australia Pty Ltd (a 100% owned subsidiary) as part of the Goodwill on Acquisition figure in the Financial Statements will also be qualified. The directors of My Rewards International Limited adopted an independent valuation prepared exclusively for the directors and have used this valuation for acquisition purposes and have maintained this valuation in the Financial Statements. We are unable to provide an opinion as to the accuracy of this valuation and its holding cost.

Basis of Qualified Opinion – FY2020

As reflected in Note 2 (c) of the Notes to the Financial Statements, the Company has a quantifiable going concern issue which gives rise to a material uncertainty and, consequently, we are unable to provide an unqualified report.

The Company has a poor liquidity emphasized in the financial ratio analysis which reflects a potential inability to meet its short-term requirements. This has a direct impact on going concern.

The directors are continuing to put various measures in place to rectify the situation however, we, at this stage, are not in a position to change our audit opinion.

The valuation of Pegasus Group Australia Pty Ltd (a 100% owned subsidiary) as part of the Goodwill on Acquisition figure in the Financial Statements will also be qualified. The directors of My Rewards International Limited adopted an independent valuation prepared exclusively for the directors and have used this valuation for acquisition purposes and have maintained this valuation in the Financial Statements. We are unable to provide an opinion as to the accuracy of this valuation and its holding cost.



A. Investigating Accountants Report



My Rewards' FY2021 general purpose financial statements

The general purpose financial statements of My Rewards for FY2021 were audited by RSM Australia Pty Ltd in accordance with Australian Auditing Standards.

RSM Australia Pty Ltd issued an unqualified audit opinion for FY2021.

Without modification of its audit opinion, RSM Australia Pty Ltd's audit report included a paragraph drawing attention to the fact that there were events or conditions, along with other matters disclosed in the financial statements indicating that a material uncertainty existed that may cast doubts on My Rewards' ability to continue as a going concern.

At the date of signing the accounts on 19 October 2021, the Directors considered there was reasonable grounds to believe My Rewards would be able to continue as a going concern and that it was appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors as disclosed in the My Rewards FY2021 financial statements:

- On 14 May 2021, My Rewards appointed Barclay Pearce Capital Pty Ltd as Lead Manager for its upcoming listing on the ASX whereby a minimum of 25,000,000 shares will be offered at an issue price of \$0.20 per share to raise \$5,000,000 and oversubscriptions to raise a further \$2,000,000 may be accepted;
- On listing, My Rewards will convert convertible notes (liabilities) with a face value of \$2,021,033 into fully paid ordinary shares in the company;
- My Rewards will acquire a 100% interest in Perx Rewards Pty Ltd shortly after listing as contemplated by a signed heads of agreement, with this purchase expected to be cash accretive;
- Subsequent to 30 June 2021, My Rewards had raised \$2,036,255 in funds from investors as a pre-IPO capital raise;
- My Rewards is expecting continued growth in revenue and profits through expansion in Australian and overseas markets off the back of recent sales contracts, including Ria Money Transfer, which contemplates the rollout of services in an initial six countries; and
- My Rewards is able to scale back activities to preserve cash should it become necessary.

Perx Rewards' Statutory Historical Financial Information

The Statutory Historical Financial Information for FY2019 and FY2020 for Perx Rewards has been derived from the FY2019 and FY2020 audited special purpose financial statements of Perx Rewards.

The Statutory Historical Financial Information for FY2021 for Perx Rewards has been derived from the FY2021 audited general purpose financial statements of Perx Rewards.

The special purpose financial statements of Perx Rewards for FY2019 and FY2020 and the general purpose financial statements of Perx Rewards for FY2021 were audited by MVA Bennett in accordance with Australian Auditing Standards.

MVA Bennett issued an unqualified audit opinion for each of FY2019, FY2020 and FY2021.

The Statutory Historical Financial Information of My Rewards and Perx Rewards has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and My Rewards' and Perx Rewards' adopted accounting policies.

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A. Investigating Accountants Report



The Statutory Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all the presentation and disclosures required by Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro Forma Historical Financial Information

You have requested RSM to review the pro forma historical financial information included in Section 7 of the Prospectus and comprising:

- My Rewards' pro forma historical consolidated income statements for FY2019, FY2020 and FY2021;
- My Rewards' pro forma historical consolidated cash flow statements for FY2019, FY2020 and FY2021;
- My Rewards' pro forma historical consolidated statement of financial position as at 30 June 2021; and
- the pro forma adjustments as described in Section 7 of the Prospectus,

collectively referred to as "the Pro Forma Historical Financial Information".

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of My Rewards and Perx Rewards, adjusted for the transactions/adjustments summarised in Section 7 of the Prospectus. The stated basis of preparation is the recognition and measurement requirements of Australian Accounting Standards and My Rewards' adopted accounting policies applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in section 7 of the Prospectus, as if those events or transactions had occurred as at the date of the Historical Financial Information.

Due to its nature, the Pro Forma Historical Financial Information does not represent My Rewards' actual or prospective financial position or financial performance.

The Pro Forma Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all the presentation and disclosures required by Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Directors' responsibility

The directors of the Company are responsible for:

- the preparation and presentation of the Statutory Historical Financial Information; and
- the preparation and presentation of the Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Statutory Historical Financial Information and included in the Pro Forma Historical Financial Information.

This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Statutory Historical Financial Information and the Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.



A. Investigating Accountants Report



Our responsibility

Our responsibility is to express a limited assurance conclusion on the Statutory Historical Financial Information and Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

We made such enquiries, primarily of persons responsible for financial and accounting matters, and performed such procedures as we, in our professional judgment, considered reasonable in the circumstances including:

- a consistency check of the application of the stated basis of preparation, to the Statutory Historical Financial Information and Pro Forma Historical Financial Information;
- a review of My Rewards' and Perx Rewards' work papers, accounting records and other supporting documents;
- enquiry of directors, management personnel and advisors; and
- the performance of analytical procedures applied to the Statutory Historical Financial Information and Pro Forma Historical Financial Information.

A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as source of the financial information.

Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information of My Rewards and Perx Rewards, as described in Section 7 of the Prospectus, and comprising:

- My Rewards' statutory historical consolidated income statements for FY2019, FY2020 and FY2021;
- My Rewards' statutory historical consolidated cash flow statements for FY2019, FY2020 and FY2021;
- My Rewards' statutory historical consolidated statement of financial position as at 30 June 2021;
- Perx Rewards' statutory historical income statements for FY2019, FY2020 and FY2021;
- Perx Rewards' statutory historical cash flow statements for FY2019, FY2020 and FY2021; and
- Perx Rewards' statutory historical statement of financial position as at 30 June 2021,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 7 of the Prospectus.



A. Investigating Accountants Report



Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, as set out in Section 7 of the Prospectus, and comprising:

- My Rewards' pro forma historical consolidated income statements for FY2019, FY2020 and FY2021;
- My Rewards' pro forma historical consolidated cash flow statements for FY2019, FY2020 and FY2021; and
- My Rewards' pro forma historical consolidated statement of financial position as at 30 June 2021; and
- the pro forma adjustments as described in Section 7 of the Prospectus,

is not presented fairly in all material aspects, in accordance with the stated basis of preparation, as described in Section 7 of the Prospectus.

Restriction on Use

Without modifying our conclusions, we draw attention to Section 7.2, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Consent

RSM Corporate Australia Pty Ltd has consented to the inclusion of this assurance report in the public document in the form and context in which it is included.

Declaration of Interest

RSM Corporate Australia Pty Ltd does not have any interest in the outcome of this transaction other than the preparation of this report for which normal professional fees will be received.

Yours faithfully

A handwritten signature in blue ink that reads 'A. Clifford'.

RSM CORPORATE AUSTRALIA PTY LTD

Andrew Clifford
Director





Annexure B

Significant Accounting Policies

myrewards

B. Significant Accounting Policies

1 General Information

1.1 Basis of preparation

The Financial Information has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities.

The Financial Information is presented in Australian dollars, which is My Rewards' and Perx Rewards' functional and presentation currency and is rounded to the nearest thousand dollars.

Historical cost convention

The Financial Information has been prepared under the historical cost convention.

2 Summary of Significant Accounting Policies

2.1 Revenue Recognition

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the entity, 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.

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.

Membership Revenue

Revenue from membership fees is recognised across the membership period.

Commissions

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

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.

Other revenue

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



2.2 Income tax

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

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

2.3 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 company'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 company'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.

Deferred tax assets and liabilities are always classified as non-current.

2.4 Cash and cash equivalents

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.

Trade and other receivables

Trade receivables are initially recognised 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 entity has applied the simplified approach to measuring 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.

2.5 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, direct labour, import duties and other taxes. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

2.6 Derivative financial instruments

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 each reporting date. 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.

2.7 Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

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:

- a. Plant and equipment 3 – 30 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting period.

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

2.8 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 comprises the initial amount of the 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 the shorter. Where the consolidated entity 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 remeasurement of lease liabilities.

The consolidated entity 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.

2.9 Intangible assets

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

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 consolidated entity is able to use or sell the asset; the consolidated



entity has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 2.5 years.

Patents and trademarks

Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 2.5 years.

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 2.5 years.

2.10 Impairment of non-financial assets

Goodwill and other 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 non-financial assets are reviewed 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.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

2.11 Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial period and 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.

2.12 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.

2.13 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.

2.14 **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.

2.15 **Provisions**

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity 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.

2.16 **Employee benefits**

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

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. 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.

2.17 **Defined contribution superannuation expense**

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

2.18 **Issued capital**

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.

2.19 **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.

2.20 **Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the 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 tax authority is included in other receivables or other payables in the 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 tax authority, are presented as operating cash flows.

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

3 **Critical accounting judgements, estimates and assumptions**

The preparation of the Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts in the Financial Information. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

3.1 **Fair value measurement hierarchy**

The consolidated entity is required to classify all assets and liabilities, measured 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 indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

3.2 **Estimation of useful lives of assets**

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down. Goodwill and other indefinite life intangible assets

The company tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

3.3 **Income tax**

The company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The company recognises liabilities for anticipated tax audit issues based on the company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

3.4 **Lease term**

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and



conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

3.5 **Incremental borrowing rate**

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

3.6 **Employee benefits provision**

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.



Declaration By submitting this Application Form with your Application Monies, I/we declare that I/we:

- ✓ have read the Prospectus in full;
- ✓ have received a copy of the electronic Prospectus or a print out of it;
- ✓ have completed this Application Form in accordance with the instructions on the form and in the Prospectus.
- ✓ declare Form and declare that all details and statements made by me/us are complete and accurate;
- ✓ agree and consent to the Company collecting, holding, using and disclosing my/our personal information in accordance with the Prospectus;
- ✓ where I/we have been provided information about another individual, warrant that I/we have obtained that individual's consent to the transfer of their information to the Company;
- ✓ acknowledge that once the Company accepts my/our Application Form, I/we may not withdraw it;
- ✓ apply for the number of Shares that I/we apply for (or a lower number allocated in a manner allowed under the Prospectus);
- ✓ acknowledge that my/our Application may be rejected by the Company in its absolute discretion;
- ✓ authorise the Company and their respective officers and agents to do anything on my/our behalf necessary (including the completion and execution of documents) to enable the Shares to be allocated to me/us;
- ✓ am/are over 18 years of age;
- ✓ agree to be bound by the constitution of the Company;
- ✓ acknowledge that neither the Company nor any person or entity guarantees any particular rate of return on the Shares, nor do they guarantee the repayment of capital;
- ✓ represent, warrant and agree that I/we have not received this Prospectus outside Australia and am/are not acting on behalf of a person resident outside Australia.
- ✓ represent, warrant and agree that I/we am/are not in the United States or a US Person and am/are not acting for the account or benefit of a US Person; and

Guide to the Application Form

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

Please complete all relevant sections of the appropriate Application Form using BLOCK LETTERS. These instructions are cross-referenced to each section of the Application Form.

Instructions

- A** If applying for Shares insert the **number** of Shares for which you wish to subscribe at Item **A** (not less than 10,000 Shares representing a minimum investment of \$2,000.00). Multiply by A\$0.20 to calculate the total Application Monies for Shares and enter the **A\$amount** at Item **B**.
- C** Write your **full name**. Initials are not acceptable for first names.
- D** Enter your **postal address** for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- E** If you are sponsored in CHESS by a stockbroker or other CHESS participant you may enter your CHESS HIN if you would like the allocation to be directed to your HIN. **NB: your registration details provided must match your CHESS account exactly.**
- F** Enter your Australian **tax file number** (TFN) or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN/ABN of each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of your TFN or ABN is not compulsory and will not affect your Application Form.
- G** Complete **cheque details** as requested. Make your cheque payable to "My Rewards International Limited". Cross it and mark it 'Not negotiable'. Cheques must be in Australian currency, and must be drawn on a bank or financial institution in Australia. **Alternatively you can apply online at www.myrewardsinternational.com/investors and pay by BPAY. If you apply online, you do not need to complete a paper Application Form. See below.**
- H** Enter your **contact details**, including name, phone number and e-mail address, so we may contact you regarding your Application Form or Application Monies.
By providing an e-mail address you are electing to receive notices of meetings, annual reports and other communications from the Company electronically to the provided e-mail address.

Payment by BPAY

You may apply for Shares online and pay your Application Monies by BPAY. Applicants wishing to pay by BPAY should complete the online Application Form accompanying the electronic version of the prospectus available at www.myrewardsinternational.com/investors and follow the instructions on the online Application Form. When completing your BPAY payment please ensure you use the specific Biller Code and Unique CRN provided in the online Application Form and confirmation e-mail. If you do not use the correct Biller Code and CRN your Application will not be recognised as valid. It is your responsibility to ensure payment is received by 5:00pm (Sydney Time) on the Closing Date. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and should therefore take this into consideration when making payment. Neither Boardroom Pty Limited nor My Rewards International limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments.

Correct Form of Registrable Title

Note that ONLY legal entities can hold the Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Individual	Mr John David Smith	J D Smith
Company	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased Estates	Mr Michael Peter Smith <Est Lte John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation Funds	John Smith Pty Limited <J Smith Super Fund A/C>	John Smith Superannuation Fund

Lodgment

Mail or deliver your completed Application Form with your cheque(s) or bank draft attached to one of the following addresses:

Mailing address:

My Rewards International Limited
C/-Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

Delivery address:

My Rewards International Limited
C/-Boardroom Pty Limited
Level 12, 225 George Street
SYDNEY NSW 2000

The Offer closes at 5:00 p.m. (Sydney Time) on 29 November 2021, unless varied in accordance with the Corporations Act and ASX Listing Rules.

It is not necessary to sign or otherwise execute the Application Form.

If you have any questions as to how to complete the Application Form, please contact Boardroom Pty Limited on 1300 737 760 within Australia and +61 2 9290 9600 outside Australia.

Privacy Statement

My Rewards International Limited advises that Chapter 2C of the Corporations Act requires information about its shareholders (including names, addresses and details of Shares held) to be included in the Company's share register. Information is collected to administer your security holding and if some or all of the information is not collected then it might not be possible to administer your security holding. Your personal information may be disclosed to the Company. To obtain access to your personal information or more information on how the Company collects, stores, uses and discloses your information please contact the Company at the address or telephone number shown in the Prospectus.