

 **entertainment**

EST 1994

Annual Report

2025

For the Year ended 30 June 2025

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ASX-listed Entertainment Rewards Ltd (EAT) is the owner of Australia and New Zealand's Entertainment Membership App and corporate Frequent Values product. Entertainment builds communities where everyone wins, through experiences, savings, philanthropy and the building of businesses. Helping others is at the heart of what we do.

Entertainment is an iconic brand with a 31-year history providing one of the largest portfolios of lifestyle offers and loyalty content in the market.

There are over 65 Entertainment employees working across Australia and New Zealand, with headquarters in Gold Coast.

Members

A choice of Memberships provide access to thousands of 2-for-1 and up to 50% off offers from over 6,300 business partners in dining, travel, activities, and retail across over 12,000 partner locations in Australia and New Zealand. Offers are available across 20 major cities, regional areas, and country towns. Entertainment is about discovering new experiences and creating memories with family and friends all while helping a good cause.

Merchant partners

Entertainment drives new business and revenue growth through word of mouth and exclusive marketing programs for contemporary and casual dining Merchants, retail outlets, and travel and leisure partners.

Seamless Rewards

A unique B2B2C Card Linked Offers (CLO) platform enabling CLO-ready content services to CLO based loyalty programs. Entertainment technology provides seamless integration for the cash back programs across merchants offers, card issuers, and payment networks.

Fundraising groups

Entertainment Memberships allows savvy consumers to do more of what they value and love every day, while at the same time saving money and helping a good cause. With 20 per cent of Membership sales going directly to fundraisers, Entertainment has helped more than 8,000 charities, large and small, local primary and high schools, sports clubs and community groups reach their fundraising goals this financial year.

Enterprise clients

Entertainment's bespoke dining and leisure benefits product provides organisations and major brands with trusted and well-known loyalty programs, featuring always-on special offers across dining, takeaway, travel, and wellbeing to help retain existing customers, reduce lapsed customers, and acquire new ones. Over 20 corporate clients including household names such as Zurich and Budget Direct provide this offering to their clients.

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Chairman's Introduction



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Chairman's Introduction

Dear Shareholders,

On behalf of the Board of Directors of Entertainment, I am pleased to present the 2025 Annual Report.

In this financial year, Entertainment has continued its focus on re-invigorating the core business pillars that have made it the market leader in the loyalty and rewards space over the past 31 years.

Entertainment has continued its focus on instilling 'quality' across the entire business, primarily focused on the following five (5) pillars.

1. **Re-invigorating the valuable Fundraising Distribution Channel.**
2. **Meeting and exceeding the expectations of our Members.**
3. **Improving quality in terms of Merchant Offers.**
4. **Growing all areas of Enterprise revenue** including Frequent Values, Paid Advertising, PCLO and Gift Cards.
5. And most importantly, **returning to the habit of a winning culture** across the entire business.

Entertainment works to support the causes of literally thousands of fundraising organisations in Australia and New Zealand. The Company reached a milestone of raising over \$111 million for local community causes. This is an amazing achievement and is as a core value of our business now and onwards into the future.

We have seen continuing healthy growth with our Enterprise products, mostly supported by the Frequent Values Program, a white-labelled app-based solution in the B2B2C space. Loyalty marketing continues to play a critical role in many enterprise marketing strategies, and we are well-placed to service this need.

Broadly, our strategy is to deliver win-win partnerships, support our valued fundraisers and merchants, provide quality experiences and value and grow our business, as follows:

- Continue to build our **audience asset** through increasing member numbers linked to our Entertainment and Frequent Values Programs
- Strengthen our **network asset** including our invaluable fundraiser distribution channel, merchant partnerships and corporate client networks
- Grow **transaction linked revenues**, including through building a strong offer base for one of the largest card network platform and through travel, leisure and online retail offers to our audience base.

Our revenue totaled \$18.7 million in FY25, an increase of 12.6% compared to the prior year. This 12.6% increase reversed a 3.7% decline from the year before. We saw a strong performance in all core revenue streams including Enterprise sales, Paid Advertising, Gift Cards and Seamless Rewards. Memberships sold also rose by a pleasing 11.9%, reversing a decline of 30% recorded the year before.

The 2025 financial year was the first full year under the leadership of our new CEO, Heidi Halson. Heidi's unmatched knowledge of the business and passion for our core mission have been instrumental in driving the Company forwards.

We continue to be strongly supported by our majority shareholder, Suzerain Investment Holdings Limited and its associates. In August 2025, Entertainment secured an additional \$3.0 million unsecured loan facility to increase the funding available to meet investment and working capital requirements.

On behalf of the Board, I would like to acknowledge our executive leadership team and all employees, members and partners for their support and hard work through the past year. I would also like to thank our shareholders and debt providers for their continued support.

Finally, I would like to thank my colleagues on the Board for their contributions and guidance.



Dean Palmer
Chairman

CEO's Review

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CEO's Review

Dear Shareholders,

As we look back on FY25, I am pleased to present a summary of our journey at Entertainment Rewards Ltd across Australia and New Zealand, highlighting our achievements, challenges, and vision for the future.

FY25 was a defining year—one marked by greater clarity in both our product and strategic direction. United by a focus on growth and quality, we embedded a customer-obsessed mindset at every level, guiding our ambitious approach to membership growth.

Our commitment to growth extended beyond our goals; it shaped the way we operate. In recent years, we have successfully transitioned from printed books to a fully digital platform. We've continued to embrace a remote work force to significantly reduce our environmental impact.

Strategic Focus

Our mission has amplified our voice: transforming everyday experiences into extraordinary impact. Since 1994, this purpose has been the foundation of our business, allowing us to draw on 31 years of trusted brand heritage. We are now leveraging decades of goodwill and brand recognition—powerful assets that are being revitalised through thoughtful messaging and enhanced member experiences. Entertainment's distinctive value lies in our platform's support of local community fundraising. This stands out as a genuine advantage, particularly as people seek meaningful ways to contribute while also saving money.

Our commitment to support local community fundraising was deepened as we surpassed \$111 million raised for the community since 1994, a significant milestone. At the same time, we delivered exclusive offers for socially conscious consumers, saving them thousands on daily purchases with restriction-free offers.

To further expand on this mission, we invested significantly in technology this year, notably the development and launch of our popular travel portal, providing Members access to world best rates to over 200,000 hotels, resorts, cruises, rental cars and more. Our AI-powered concierge will enhance Member engagement and provide personalised recommendations across the platforms

Achievements and Financial Performance

We successfully expanded our offering, activating new national partners across hospitality, travel, and entertainment, and delivering even more value to our loyal Members. Despite a dynamic market landscape, our focused approach on premium quality enabled us to halt a 4-year decline and achieve robust member growth across all divisions.

From that, total revenue totalled \$ 18.7 million in FY25, an impressive increase of 12.6% compared to 3.7% decline in the prior year. This was driven by strong performance in Enterprise sales, Paid Advertising, Gift Cards, and Seamless Rewards results. Memberships sold also rose by 11.9%, reversing a decline of 30% recorded in the prior year. I expect the full impact of increased Memberships sold will be more reflected in FY26.

Loss before income tax increased to \$9.6 million in FY25 compared to loss of \$7.6 million in FY24 as management made a conscious decision to invest in hiring additional resources in the revenue generating roles and increase in the marketing costs to push Membership sales.

Cash Position

As of 30 June 2025, cash reserves totalled \$1.42 million. Further, \$3.0 million additional unsecured loan facility was signed in August 2025 to increase the funding available to meet the working capital requirements of the Company. As of the date of the annual report, the Company had undrawn remaining loan facility available of \$3.0 million.

Market and Industry Context

FY25 presented both opportunities and headwinds – from inflationary pressures to evolving consumer expectations. We remained adaptive, leveraging data-driven insights and industry collaborations to maintain our competitive edge. Dining, leisure, and fundraising demand are rebounding, and value-seeking behaviours are at all-time highs in Australia and New Zealand. As the hospitality and travel landscape continues to recover, our position as the leading member-driven rewards platform allows us to respond nimbly to emerging trends.

Our shift to digitisation favours our bold approach and creates more opportunities for customizable, updatable offers, personalized marketing, and deeper engagement on the horizon.

Looking Ahead

As we look to FY26, we will double down on our growth strategy:

- Scaling our content acquisition teams to expand our merchant network while always putting quality and exclusivity at the forefront.
- Further innovating our digital experience, with a focus on loyalty rewards, AI, Member moments and best-in-market offers.
- Continuing to reduce operating costs and increase value delivered to both members and partners.

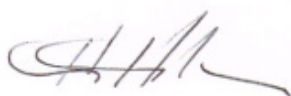
This coming year we will keep moving—adapt fast, innovate, and continue to bring energy to the business while using creativity and intelligence to grow. We are excited to continue to announce new partnerships with major hospitality, retail and travel brands and forthcoming enhancements that will elevate the Entertainment experience even further.

Looking ahead, we are exploring B-Corp certification, 1% for the Planet accreditation, and a climate target aligned with the Science Based Targets initiative (SBTi), while mapping our impact against the UN Sustainable Development Goals (SDGs) framework.

This progress would not be possible without the dedication of our extraordinary staff, the support of our partners, and the confidence of our shareholders and investors. Thank you for believing in our mission to transform everyday experiences into extraordinary impact.

Together, we are shaping the future of rewards, one remarkable customer experience at a time.

With gratitude,



Heidi Halson
Chief Executive Officer

The team stay true to their mission, actively supporting our fundraising events, from fun runs to charity galas, open days and more, helping to generate vital funds for the causes we champion.



We were proud to once again support the Restaurant & Catering Association's Awards for Excellence this financial year, celebrating the very best in Australian hospitality.





Throughout FY25, we had the privilege of hosting 'Fundraiser launch' events across the country to celebrate and acknowledge our remarkable fundraisers—the true lifeblood of our organisation. These occasions offered an important opportunity to extend our sincere gratitude for their unwavering support. Their dedication and passion remain central to our mission, and we look forward to building on this momentum and supporting the continued growth and success of our fundraising community in the year ahead.



We marked the re-launch of Entertainment Travel alongside our valued Merchant and Charity Partners, as well as key media and digital representatives. Guests enjoyed a memorable luncheon at Quay Restaurant, complemented by panoramic views of Sydney Harbour.



Financial Review



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Financial Review

Total revenue for FY2025 was \$18.71 million, underlying EBITDA for FY25 was a loss of \$6.81 million, negative operating cash flow of \$6.80 million, Net loss after tax (NLAT) was \$9.66 million. Australian revenue accounted for \$17.68 million, or 94.5 per cent (FY24: \$15.47 million, or 93.1 per cent), while New Zealand revenue accounted for \$1.03 million, or 5.5 per cent (FY24: \$1.14 million, or 6.9 per cent).

Revenue

Overall revenue for FY2025 was \$18.71 million compared to \$16.62 million in FY2024. This included \$5.59 million, or 29.9 per cent from Membership sales (FY2024: \$5.67 million), \$2.41 million, or 12.9 per cent from Enterprise client sales (FY2024: \$2.17 million), \$8.54 million, or 45.7 per cent from gift card sales (FY2024: \$7.18 million), and \$1.00 million, or 5.3 per cent from fee income and paid advertising (FY2024: \$0.88 million). The Company witnessed a significant increase in the Card Linked Offers (CLO) platform transactions with revenues of \$1.14 million (FY2024: \$0.65 million) for the transaction and management fees.

Memberships sold rose by 11.9%, from approximately 67.9k in FY2024 to 76.0k in FY2025, reversing a decline from the prior year of 30.0%. The reduction in membership revenues reflects timing differences from recognising revenue over the life of the memberships (12 to 24 months). The impact of increased memberships sold in FY2025 will be more fully reflected in FY2026. Similarly, new Enterprise contracts worth \$0.7 million were signed and invoiced in FY2025 with revenue to be reflected in FY2026.

The Seamless Rewards segment, launched in October 2022, recorded significant revenue growth during the year.

Earnings Before Interest Tax Depreciation and Amortisation

Earnings before interest tax depreciation and amortisation (EBITDA) in FY2025 was a loss of \$6.81 million compared to loss in FY2024 of \$4.45 million.

EBITDA is a non-IFRS financial measure and does not have a standardised meaning prescribed by IFRS. However, the Company believes that in combination with IFRS measures, it assists in providing investors with a comprehensive understanding of the underlying operational performance of the business.

The following table reconciles statutory loss to EBITDA.

Reconciliation of net loss after tax to EBITDA	FY2025 \$	FY2024 \$	Change \$	Change %
Net loss after tax	(9,655,005)	(7,640,572)	(2,014,433)	(26.4)
Adjustments:				
Depreciation and amortisation expense	417,163	155,655	(261,508)	
Finance costs	2,245,247	2,913,101	667,854	
Share based payment	196,811	146,035	(50,776)	
Interest received	(16,357)	(27,619)	(11,262)	
EBITDA	(6,812,141)	(4,453,400)	(2,358,742)	(53.0)

Net loss after tax and impairments

Reported net loss after tax (NLAT) from ordinary activities in FY2025 was \$9.66 million compared to a net loss after tax from ordinary activities in FY2024 of \$7.64 million.

Debt management

A. \$22.5 million convertible loan agreement amendment.

Key Highlights (Effective 31 December 2024):

- Conversion Rights: The Company now holds the discretion to convert the \$22.5 million principal into ordinary equity at a fixed price of 2.2 cents, leading to its reclassification from debt to equity on the Balance Sheet.
- Interest Rate: Reduced to 0% p.a. on both principal and accrued interest.
- Admin Fees: Reduced to Zero.
- Accrued Interest Payment Date: Extended from 31 Dec 2025 to 31 Dec 2026.
- Principal Settlement Date: Extended from 31 Dec 2025 to 31 Dec 2026, subject to shareholder approval at the next AGM.

B. \$5.0 million Suzerain Investment Holdings Loan Facility (Unsecured Loan)

- Deferment of the principal and interest repayment date from 31 December 2025 to 31 December 2026.
- Increase the total funding from 5.0 million to \$7.5 million in April 2024.
- Further \$3.0 million increase in the funding secured in August 2025.

C. \$0.5 million Interest Bearing Loan facility with Suzerain

- Deferment of the principal and interest repayment date from 31 December 2025 to 31 December 2026.

D. \$1.2 million Transformational capital facility with Skybound

- Deferment of the principal and interest repayment date from 31 December 2025 to 31 December 2026.

Dividends

No dividend has been declared in relation to the FY25 results. The Board of Directors of Entertainment Rewards do not expect to declare any dividends in FY26.

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The Leadership Team



Board of Directors

Meet Entertainment Rewards's Board of Directors – A group of knowledgeable business executives with a track record of growing and building businesses.



Dean Palmer
Chairman

Dean Palmer is a business professional with over 25 years' experience in finance, business building and funds management.

Dean is the Managing Director of Skybound Capital's operations in Australia. Dean is also the founder and CEO of Skybound Fidelis Investment Limited, a specialist finance, commercial credit and property funds management company which holds an Australian Financial Services Licence. Dean has held numerous senior executive positions both in Australia and the UK.

Dean has a Bachelor of Commerce, Bachelor of Laws and is a member of Chartered Accountants Australia.



Heidi Halson
Managing Director

Heidi Halson, a Washington State University graduate, has lived in Australia for over 30 years and is the Managing Director of Entertainment Publications. She leads the team behind Entertainment Memberships, which support community fundraising across 20 cities in Australia and New Zealand.

With more than 35 years in hospitality, strategy, and marketing, Heidi has guided the company from a printed book to a fully digital membership, helping connect communities with leading restaurants and businesses.



Charles Romito
Non-Executive Director

Charles Romito is an experienced management consultant and investment professional. He was previously in the London office of the global strategy consultancy McKinsey & Company and a co-founder of their Innovation & Growth Strategy practice. Charles is currently a Partner with Corpus Transformation Services in Sydney.

As a PE professional, Charles has held senior roles including the COO and General Operating Partner in a Venture and Growth Equity fund. He has 21+ year track record and has held Board positions in 5 countries.

Charles is also an accomplished management-academic with expertise in Business-Model Innovation, Growth Strategy and Business Transformation; he has published and presented at international conferences; and designed, developed and delivered Masters' level degree programs and Executive Education.

The Executive Team

Entertainment Rewards has an outstanding leadership team with a deep history in business and management, technology and marketing.



Heidi Halson
Chief Executive Officer

A graduate of Washington State University, Heidi Halson was involved with the establishment of Entertainment Publications in Australia back in 1994. Since establishing the business 31 years ago and running it till 2018, she has witnessed firsthand the evolution of the hospitality industry in Australia and New Zealand and is a key facilitator in evolving the Entertainment Book from its historical format, into a Digital Entertainment Membership as an App, released in 2014.

Heidi brings her 40 years of leadership in the hospitality industry, strategic planning, and marketing directorship.



Kunal Kapoor
CFO and Company Secretary

Kunal Kapoor brings in more than 22 years of Industry experience in Corporate Finance and Financial Control having worked across Australia, Asia, and Middle East in different industries like IT, Hospitality and Real Estate.

His role as CFO and Company Secretary is key to driving revenue and optimal cost control, along with finding opportunities for M&A and capital raising for the business.

Kunal is a graduate of AICD, and member of CPA (Australia) and CFA Institute (US).



Dean Vocisano
Chief Revenue Officer

Dean brings over 20 years experience in Sales and Marketing; specialising in emerging markets and helping scale international business's across the APAC region. With an entrepreneurial mindset he has a passion for start-ups, emerging technologies and people. Dean has a strong background in navigating businesses through print to digital transformations, ensuring profitability and long term sustainability.

With Dean's history, and the synergies in his career and Entertainments journey, he is in a strong position to drive the right revenue outcomes.



Louise Lee
Chief People Officer

Louise Lee has over 18 years of experience in strategic and operational human resource management across sport, education, travel and manufacturing.

Her role as Chief People Officer is key to leading the Company through transformational change, to optimise the organisation and ensure a people-centred approach. Louise has a focus on driving strong leadership, engagement, values alignment and inclusion.

Louise has a Bachelor of Business (Human Resource Management) from Swinburne University and a Postgraduate Diploma in Management (PDM) from Melbourne Business School.

Business Risks

Entertainment Rewards faces a number of business risks that may impact the Company's ability to achieve its strategic objectives and create shareholder value.

The Board considers the following to be the key risks currently facing the business.



Business Risks

Risk	Nature of Risk
Funding	Entertainment Rewards has negative operating cash flows in past few years and there is no certainty that the Company will remain sufficiently funded.
	Entertainment Rewards continually manages its cash position on daily basis and has \$3.0 million funding available as at 25 September 2025 out of \$10.5 million approved unsecured loan facility from Suzerain.
Macro-economic uncertainty due to inflation	The increased inflation in the recent past has an adverse impact on the discretionary spending power of the people. As Entertainment Rewards's business content is primarily focused around discretionary spend, it may impact B2C revenues of the Company.
	The Board and Management have implemented a revenue pivot strategy to increase the B2C revenues via better engagement with the fund raiser channel which can promote Entertainment memberships to their members while highlighting the costs savings possible through Entertainment membership.
Success of Investment	Management have invested in the Seamless Rewards platform. Entertainment Rewards's success in part is predicated on our ability to generate new customers and cash inflows from the above platform.
	Management and the Board reviews the results of all of our investments regularly which forms the basis of future investment decisions.
Personnel	Entertainment Rewards's success depends, in part, upon the continued performance, efforts, abilities and expertise of its key management personnel, as well as other management and technical personnel. The loss of the services of these personnel without replacement could have an adverse impact on the successful operation, management, and marketing of Entertainment Rewards's product/service offerings and platforms.
	The Board reviews the incentive structures of key personnel and senior management to ensure their remuneration is in line with the market, with a proportion deferred as a long-term/retention incentive. Management regularly undertakes succession planning analysis of key lead roles with the view to understand suitable internal talent and their readiness to assume these roles.

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Risk	Nature of Risk
<p style="text-align: center;">Technology</p>	<p>Entertainment Rewards's ability to consistently deliver high-quality services to its customers is increasingly dependent on maintaining modern, reliable, and secure technology. Any disruptions, whether from unexpected outages, upgrades that fail to meet current digital standards, or potential security breaches, could result in significant reputational and financial risks.</p>
	<p>To mitigate these risks and ensure its technology remains at the forefront of the digital landscape, Entertainment Rewards has strategically insourced the management of its core technology platforms.</p> <p>This approach provides the Company with greater control over its technology development roadmap, enhances its ability to proactively manage potential outages, and strengthens its capacity to address evolving security threats effectively.</p>
<p style="text-align: center;">Regulatory</p>	<p>Entertainment Rewards is subject to substantial regulatory and legal oversight. The agencies with regulatory oversight of Entertainment Rewards and its subsidiaries include, among others, the ASX and ASIC. Failure to comply with legal and regulatory requirements may have a material adverse effect on Entertainment Rewards and its reputation among customers and regulators, and in the market.</p>
	<p>Entertainment Rewards has compliance frameworks, policies, and procedures in place to manage the risk of non-compliance and is prepared to play an active role in consulting with regulators on changes that could impact the business.</p>
<p style="text-align: center;">Reputation</p>	<p>Reputation risk may arise through the actions of Entertainment Rewards or its employees and adversely affect perceptions of Entertainment Rewards held by the public, customers, shareholders, or regulators. These issues include appropriately dealing with product outages or issues, potential conflicts of interests, legal and regulatory requirements, ethical issues, privacy laws, information security policies and sales and trading practices. Damage to Entertainment Rewards's reputation may have an adverse impact on Entertainment Rewards's financial performance, capacity to source funding, cost of sourcing funding, and liquidity.</p>
	<p>Entertainment Rewards actively manages the above risks by regularly monitoring its market reputation amongst customers and shareholders, as well as keeping an open dialogue with regulators and financiers.</p>

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Risk	Nature of Risk
<p style="text-align: center;">Competition</p>	<p>New competitors are emerging in the loyalty and incentives markets, within which Entertainment Rewards operates. The loyalty space is particularly competitive, with many well-funded international competitors and platform managers. An inability to adapt to technological advancement, including further digitisation and flexibility of products, could negatively impact the ability to attract customers and have a material adverse effect on the business of Entertainment Rewards.</p>
	<p>To mitigate this, Entertainment Rewards's focus is squarely on its strengths: quality, technology and content. The ongoing investment in these areas provides Entertainment Rewards with differentiation in this noisy space.</p>
<p style="text-align: center;">Third Party Failure</p>	<p>Entertainment Rewards is reliant on several third-party contractors. These third parties provide essential services, on an outsourced basis, including software and/or product development activities.</p> <p>Accordingly, Entertainment Rewards is reliant on contractors properly performing their contractual obligations, and performance failures may have an adverse effect on Entertainment Rewards. Entertainment Rewards is also an extensive user of third party provided IT hardware and software platforms, systems, and infrastructure. Entertainment Rewards is reliant on these suppliers properly performing their contractual obligations, and performance failures or unreasonable price increases may have a material adverse impact on the Company. A failure by any of these suppliers to provide those services or a failure of their systems may adversely affect Entertainment Rewards's ability to provide services to its customers.</p>
	<p>To minimise these risks, Entertainment Rewards actively engages with its key third party providers on a regular basis and remains abreast of potential risks within these providers through regular interaction at the senior management level.</p>
<p style="text-align: center;">Intellectual Property Risk</p>	<p>Whilst every effort has been made to secure the technology supporting Entertainment Rewards's various platforms, Entertainment Rewards does not intend to apply to register patents for all the intellectual property associated with the Entertainment and Frequent Values platforms. Other parties may claim infringement of patents, or alternatively other parties may develop and patent other very similar, potentially substitutable products, processes, or technologies.</p>
	<p>Entertainment Rewards sees the unique value of its intellectual property, in the content of its Entertainment and Frequent Values platforms, as a mitigant to this risk.</p>

Director's Report

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Director's Report

Directors present their report on the consolidated entity Entertainment Rewards Ltd and its controlled entities (Entertainment Rewards) for the financial year ended 30 June 2025. The information in the Operating and Financial Review forms part of this Directors' report and should be read in conjunction with this section of the Annual Report.

General Information

Directors

The following people were Directors of Entertainment Rewards Ltd during or since the end of the financial year up to the date of this report:

- Dean Palmer (appointed 19 August 2019 and re-elected 30 November 2022)
- Charles Romito (appointed 28 June 2019 and re-elected 20 January 2022 & 30 November 2023)
- Heidi Halson (appointed 22 November 2024 and re-elected 29 November 2024)
- Ani Chakraborty (appointed 31 May 2023 and resigned 22 November 2024)

Particulars of each Director's experience and qualifications are presented later in this report..

Principal Activities

During the year the principal continuing activities of the group consisted of:

- a. providing members with special offers, discounts, promotions, and booking facilities through a paid membership subscription.
- b. developing and managing programs of special offers, discounts, promotions, and booking facilities for corporate customers.
- c. selling gift cards to members.
- d. placing advertisements and distributing offers and promotions on behalf of businesses.
- e. generating transaction-linked revenue through cardholder transactions with participating merchants.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the group during the financial year.

Review of operations and results

The Operational and Financial Review is contained on pages 8 to 16 of this report.

Dividends paid or declared

No dividends were paid or declared for payment during the financial year. Investors should note that the Board of Directors of Entertainment Rewards Ltd do not expect to declare dividends from the Company during the next financial year.

Indemnifying directors and officers

The Company has entered into a Deed of Access and Indemnity in favor of each Director and Officer of the Company. The indemnity operates so that officers are indemnified on a full indemnity basis and to the full extent permitted by law against liabilities and losses incurred as an officer of the Company.

During or since the end of the financial year, the Company has paid premiums to insure the Directors and officers against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of Directors or officers of the Company, other than conduct involving a

willful breach of duty in relation to the Company.

The insurance is in accordance with section 199B of the Corporations Act 2001 (Cth). In accordance with the terms of the policy, the policy prohibits disclosure of its terms, including the amount of the premium.

Proceedings on behalf of Company

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

Non-audit services

The Board of Directors, pursuant to advice from the Audit and Risk Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- All major non-audit services are reviewed and approved by the Audit and Risk Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants including Independence Standards set by the Accounting Professional and Ethical Standards Board.

The following fees were paid or payable to William Buck for non-audit services provided during the year ended 30 June 2025:

Taxation Services	\$14,300
Total	\$14,300

Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 June 2025 has been received and can be found on page 43 of the Annual Report.

Matters arising after the end of financial year

On 22 August 2025, the Group signed an amendment deed with Suzerain Investment Holdings to increase the existing loan facility by additional \$3.0 million.

Environmental regulation

The Group is not subject to any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Options/ Performance Rights

The Performance Rights approved during 2023 AGM for the former non-executive director Ani Chakraborty were exercised during the year ended 30 June 2025. Accordingly, fully paid ordinary shares of the Company were issued in October 2024. Further details are available in Note 13 to the financial statements.

Loan funded share plan

During the year ended 30 June 2025, shareholders approved loan funded share plan for non-executive chairman Dean Palmer. The relating 16,446,000 loan funded shares are still held in the escrow account as per the escrow deed signed between the Company and Dean Palmer. Further details are available in Note 13 to the financial statements.

INFORMATION RELATING TO DIRECTORS AND COMPANY SECRETARY

Dean Palmer - Chairman

Board Appointment	15 August 2019 and re-elected 30 November 2022. Appointed as Chairman 31 May 2023.
Interest in shares and options	<p>27,100,000 ordinary shares under Palmer Family Trust 16,446,000 loan funded shares under Palmer Family Trust</p> <p>Dean Palmer also has the following indirect interest in ordinary shares:</p> <ul style="list-style-type: none"> 861,845,725 ordinary shares are held by Suzerain Investments holdings Ltd 59,524,369 ordinary shares are held by Australian Fintech Plus Pty Ltd. <p>Dean Palmer is a Director & CEO of a related entity of Suzerain, and Dean Palmer's family trust is a unit holder in Australian Fintech Plus Pty Ltd ACN 619 156 099 as trustee of the Australian Fintech Trust.</p>
Special responsibilities	<p>Chairman of the Risk and Audit Committee Member of the Nominations and Remuneration Committee</p>
Directorships held in other listed entities during the three years prior to the current year	Nil
Qualifications	Bachelor of Laws (LLB) Bachelor of Commerce Member of Chartered Accountants Australia & New Zealand
Experience	Chartered accountant with more than 25 years of experience. Founder and CEO of Skybound Fidelis Investment Limited - a specialist finance, commercial credit, and property fund manager. Has held numerous senior executive roles both in Australia and the UK and is currently Managing Director of Skybound Capital in Australia.

Charles Romito - Non-Executive Director

Board Appointment	<p>28 June 2019 Re-elected 20 January 2022 and 30 November 2023</p>
Interest in shares and options	12,651,000 loan funded shares
Special responsibilities	<p>Chairman of the Nominations and Remuneration Committee Member of the Audit and Risk Committee</p>
Directorships held in other listed entities during the three years prior to the current year	Nil
Qualifications	Doctor of Philosophy (Ph.D) MSci, Physics

Experience	<p>Charles Romito is an experienced management consultant and investment professional. He was previously in the London office of the global strategy consultancy McKinsey & Company and a co-founder of their Innovation & Growth Strategy practice. Charles is currently a Partner with Corpus Transformation Services in Sydney.</p> <p>As a PE professional, Charles has held senior roles including the COO and General Operating Partner in a Venture and Growth Equity fund. He has 21+ year track record and has held Board positions in 5 countries.</p> <p>Charles is also an accomplished management-academic with expertise in Business-Model Innovation, Growth Strategy and Business Transformation; he has published and presented at international conferences; and designed, developed and delivered Masters' level degree programmes and Executive Education.</p>
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Heidi Halson – Managing Director

Board Appointment	Managing Director appointed on 22 November 2024 and relected on 29 November 2024
Interest in shares and options	420,000 ordinary shares
Special responsibilities	Member of the Audit and Risk committee and Nominations and Remuneration Committee
Directorships held in other listed entities during the three years prior to the current year	Nil
Qualifications	Graduate from Washington State University
Experience	<p>Heidi Halson was involved in the establishment of Entertainment Publications in Australia back in 1994. Since establishing the business 30 years ago and running it until 2018, she has witnessed firsthand the evaluation of the hospitality industry in Australia and New Zealand and is a key facilitator in evolving the Entertainment Book from its historical format, into a Digital Entertainment Membership as an App, released in 2014.</p> <p>Heidi brings to the Company her 40 years of leadership in the hospitality industry strategic planning and marketing directorship.</p>

Ani Chakraborty – Non-Executive Director (Part of the year)

Board Appointment	Managing Director - 31 May 2023 till 14 July 2024 Non- executive Director – 14 July 2024 till 22 November 2024
Interest in shares and options	4,250,000 ordinary shares

Special responsibilities	Member of the Audit and Risk committee and the Nominations and Remuneration Committee for the part of the year.
Directorships held in other listed entities during the three years prior to the current year	Nil
Qualifications	Bachelor of Technology (Electrical Engineering), MBA (Finance and Operations)
Experience	Ani Chakraborty brings more than 22 years of strategy and transformational experience in several different sectors such as digital operations, infrastructure, utilities and resources. He has served as an Investment Director at Hastings Funds Management and has a management consulting background, primarily with McKinsey & Company.

Company Secretary

Kunal Kapoor was appointed as Company Secretary with effect from 1 January 2024.

Mr. Kapoor is a Chartered Accountant and CPA with more than 22 years of Industry experience in Corporate Finance and Financial Control having worked across Australia, Asia, and Middle East in different industries like IT, Hospitality and Real Estate.

Meetings of directors

During the financial year, the following meetings of Directors (including committees of Directors) were held. Attendances by each Director during the year was as follows:

	Director's meetings		Audit and risk committee		Remuneration and nominations committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Dean Palmer	10	10	2	2	2	2
Charles Romito	10	10	2	2	2	2
Heidi Halson	6	6	1	1	1	1
Ani Chakraborty	4	4	1	1	1	1

This Directors' report, incorporating the Operating and Financial Review and the Remuneration report is signed in accordance with a resolution of the Board of Directors.

Dean Palmer
Chairman

25 September 2025

Remuneration Report

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Remuneration Report Framework

1. Key management personnel

KMP are those people who have authority and responsibility for planning, directing, and controlling the strategic activities of the Group, directly or indirectly, including any Group (the Board) or any individual acting under delegated authority.

KEY MANAGEMENT PERSONNEL FOR THE YEAR COMPRISED:

Non-Executive and Executive Directors as at 30 June 2025

Name	Position	Dates
Dean Palmer	Non-Executive Chairman	Full Financial Year
Charles Romito	Non-Executive Director	Full Financial Year
Heidi Halson	Executive Managing Director	22 November 2024 to 30 June 2025
Ani Chakraborty	Non-Executive Director	1 July 2024 to 22 November 2024

Key Management Personnel

Name	Position	Dates
Heidi Halson	CEO	Full Financial Year
Kunal Kapoor	CFO and Company Secretary	Full Financial Year

2. Remuneration policy

The remuneration policy of Entertainment Rewards has been designed to attract the most qualified and experienced KMP and align objectives with those of the business and shareholders. All executives receive a base salary which is based upon factors such as the length of service, experience, and skills, as well as superannuation as required by law. Executives may sacrifice part of their salary to increase payments towards superannuation.

The Company also has remuneration policy in relation to Short Term Incentive (STI) and Long-Term Incentive (LTI) for the Executives and Long-Term Incentive for the Directors.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval at the AGM. The maximum amount currently approved by shareholders is \$500,000 per annum.

3. Remuneration Committee and executive compensation

The Remuneration Committee has the responsibility for providing advice in relation to the remuneration packages of senior executives, non-executive, and executive directors. The Committee is also responsible for the design and oversight of any share option schemes, performance incentive packages, superannuation entitlements, and retirement and termination entitlements.

The Remuneration Committee reviews the compensation package for senior executives on an annual basis and makes recommendations to the Board for approval. Compensation packages are reviewed and determined based on current market rates and benchmarked against comparable roles and companies of a similar size. The Committee is chaired by Dr Charles Romito.

4. Remuneration objectives and principles

Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the Company's operations.

The Company's remuneration strategy is structured to:

- ensure employee remuneration is fair and reasonable;
- attract and retain high caliber executives;
- align performance with shareholder value; and,
- be easily understood by all stakeholders.

5. Remuneration framework

The Executive Remuneration Framework is characterised by Fixed Remuneration (base salary, superannuation plus other fixed benefits) and Variable/Performance Related Remuneration (including short-term incentive (STI) and long-term incentive (LTI) linked to performance).

Fixed compensation

This component is not performance linked and generally consists of salary and superannuation entitlements. The base amount is reviewed annually by the Remuneration Committee for the Chief Executive Officer and other senior executives. Any adjustments made during the year will either be because of market rate changes for the Company to remain competitive, or to reflect any changes in the level of responsibility in the event the role has expanded.

Performance related compensation

Performance-related compensation includes both short-term and long-term incentives and is designed to reward key management personnel for meeting or exceeding their financial and personal objectives. The STI is an 'At Risk' bonus provided in the form of cash and its calculation is based on the achievement of agreed KPIs and goals. LTI plan is provided in the form of the Company's shares on achievement of the agreed financial KPIs.

Short-term incentives (STI)

The STI performance arrangements in which executives are incentivised with KPI's and targets as set out on an annual basis, are board approved and do not constitute a formal scheme. Targets and KPI's can change each year depending on business priorities and are determined to increase business performance. Final payment amounts are subject to individual, divisional and group measurement metrics, and are reviewed and approved by the Board.

Long-term incentives (LTI)

Prior years approved LTI's were linked to the achievement of operational targets, and share price performance, and were provided to certain KMP, through a Loan Funder Share Plan, as part of their remuneration package, at the discretion of the Board. With the departure of those KMPs, all the unvested options under the Loan Funded Share Plan were forfeited.

A LTI for the non-executive chairman Dean Palmer was approved by the Board and Shareholders during the 2024 AGM, through a new Loan Funded Share Scheme (LFS) as part of his remuneration. Further details are available in Note 13 to the financial statements.

Non-Executive Directors' fees

There were no changes to the fixed fees of the Non-Executive Directors (including the Chairman) for the financial year.

6. Group performance and changes in shareholder wealth

The table below sets out summary information about the Company's performance and its impact on shareholder wealth for the five years to 30 June 2025:

	FY2025	FY2024	FY2023	FY2022	FY2021
Revenue (\$'000)	18,710	16,616	17,249	20,620	19,435
Revenue ex Gift Cards (\$'000)	10,167	9,431	9,198	12,013	12,110
Profit/(loss) for the period before tax (\$'000)	(9,655)	(7,641)	(20,389)	(15,631)	(8,588)
Dividends paid (\$'000)	-	-	-	-	-
Share price as of 30 June	\$0.003	\$0.003	\$0.007	\$0.007	\$0.024
Change in share price	-	(\$0.004)	-	(\$0.017)	(\$0.002)

7. Transactions with Directors and key management personnel

MOVEMENT IN SHARES

	Held on 01 July 2024	Movement	Held on 30 June 2025
DIRECTORS/ KMP			
Dean Palmer ¹	921,370,094	27,100,000	948,470,094
Charles Romito	-	-	-
Ani Chakraborty ²	-	4,250,000	4,250,000
Heidi Halson	420,000	-	420,000
Kunal Kapoor ²	-	2,125,000	2,125,000

1. The balance on 1 July 2024 is made up of 861,845,725 ordinary shares are held by Suzerain Investments holdings Ltd (Dean Palmer is a Director & CEO of a related entity of Suzerain Investments Holdings Ltd), and 59,524,369 ordinary shares held by Australia Fintech Pty Ltd as trustee for the Australia Fintech Trust (Dean Palmer is Director of Australia Fintech Pty Ltd and beneficiary of the Australia Fintech Trust). The movement relates to 27,100,000 fully paid ordinary shares issued to compensate Dean Palmer for additional services provided to the Company. These shares are held by the Palmer family Trust.

2. The movement relates to exercise of performance rights issued in fully paid ordinary shares.

	Held on 01 July 2023	Movement (Sales)	Held on 30 June 2024
DIRECTORS/ KMP			
Dean Palmer ¹	927,570,550	(6,200,456)	921,370,094
Charles Romito	-	-	-
Ani Chakraborty	-	-	-
Heidi Halson	420,000	-	420,000
Kunal Kapoor	-	-	-

1. The balance on 30 June 2024 is made up of 861,845,725 ordinary shares are held by Suzerain Investments holdings Ltd (Dean Palmer is a Director & CEO of a related entity of Suzerain Investments Holdings Ltd), and 59,524,369 ordinary shares held by Australia Fintech Pty Ltd as trustee for the Australia Fintech Trust (Dean Palmer is Director of Australia Fintech Pty Ltd and beneficiary of the Australia Fintech Trust).

Other transactions with key management personnel

Certain key management personnel (KMP), or their related parties, hold positions in other entities that result in them having control, or joint control, over the financial or operating policies of those entities. Some of these entities transacted with the Group during the year. The terms and conditions of the transactions with KMP and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis. Details of transactions with related entities are detailed in the tables below:

	2025 \$	2024 \$
Sales of goods and services		
Membership subscriptions ¹	2,310	9,409
Travel commission ²	-	14,350
Charging of salary ³	36,662	45,642
Purchases of goods or services		
Rent ⁴	732	1,268
Charging of travel expense ⁵	-	936
Charging of recruitment expenses ⁶	-	30,740

- Sales of Entertainment memberships to Leisurecom Group, a controlled entity of Suzerain.
- Travel commission from Leisurecom Group Pty Ltd, a controlled entity of Suzerain.
- Recharge of salary expenses to Ecruising Travel, a controlled entity of Suzerain.
- Gold Coast office space parking provided by Leisurecom Group Pty Ltd, a controlled entity of Suzerain
- Recharge of travel expenses by Ecruising Travel, a controlled entity of Suzerain.
- Recharge of recruitment expenses by Ecruising Travel, a controlled entity of Suzerain.

Outstanding balances arising from sales/purchases of goods and services:

	2025 \$	2024 \$
Current receivables		
Leisurecom Group ¹	-	891

1. Travel Commission provided to a related entity of Suzerain.

Outstanding balances arising from loan agreements:

	2025 \$	2024 \$
Borrowings		
Transformational capital facility	1,207,807	1,207,807
Interest bearing loan	836,712	766,997
Suzerain Investment Holdings Convertible Loan facility	4,567,126	25,536,953
Suzerain Investment Holdings Loan Facility (Unsecured Loan)	6,905,048	-

Significant loan and capital related transactions between the Group and related parties include the following:

Suzerain and Skybound, related parties to Dean Palmer (Chairman), have provided a total of \$31.7 million loan facilities to the Group. During the period, the Group drew \$6.6 million of the line of credit facility. See Note 10 for additional details.

Transformational capital facility

Principal Balance at 30 June 2025: \$1,200K.

Interest outstanding at 30 June 2025: \$7.8K

Interest charged during period: \$150K.

Interest paid during period: \$150K.

Line Fees charged during period: \$24K.

Line Fees paid during period: \$24K.

Terms and conditions: Interest rate of 12.5% per annum charged monthly.

Repayment date: 31/12/2026¹.

Security: Second ranking security over all the Group's present and future property.

¹Repayment terms were amended in December 2024 to defer the principal repayment date to 31 December 2026.

Interest bearing loan

Principal Balance at 30 June 2025: \$500K.

Interest outstanding at 30 June 2025: \$267K.

Interest charged during period: \$70K.

Interest paid during period: NIL.

Terms and conditions: Interest rate of 10% per annum charged monthly.

Repayment date: 31/12/2026¹.

Security: Security over all the Group's present and future property.

¹Repayment terms were amended in December 2024 to defer the principal repayment date to 31 December 2026.

Suzerain Investment Holdings Limited Convertible Loan Facility (Previously New Gold Coast Holdings Loan facility)¹

Principal Balance at 30 June 2025: NIL.

Interest outstanding at 30 June 2025: \$4,567K.

Interest charged during period: \$1,416K.

Interest paid during period: NIL.

Admin Fees charged during period: \$165K.

Admin Fees paid during period: \$193K.

Terms and conditions: Interest rate of 12.5% per annum charged monthly (NIL from 1 Jan 2025).

Repayment date: 31/12/2026.

Security: Second ranking security over all the Group's present and future property.

¹The Company executed a novation deed on 19 October 2024, transferring the loan facility to Suzerain Investment Holdings Limited under existing terms, as approved by shareholders at the 2024 AGM. Subsequent amendment deeds signed in January and February 2025 introduced key changes effective 31 December 2024, including a fixed conversion price of 2.2 cents per share for the principal amount, transfer of conversion rights to the Company, reduction of interest rate to 0%, and deferral of interest and principal repayment to 31 December 2026, subject to shareholder approval. Additionally, admin fees were reduced to nil.

Suzerain Investment Holdings Loan Facility (Unsecured Loan)¹

Principal Balance at 30 June 2025: \$6,500K

Interest outstanding at 30 June 2025: \$373K Interest charged during period: \$373K

Interest paid during period: NIL.

Line Fees charged during period: \$45K Line Fees paid during period: \$13K.

Terms and conditions: Interest rate of 13.0% per annum charged monthly.

Repayment date: 31/12/2026².

Security: Unsecured.

¹An amendment deed was executed to increase the existing loan facility by additional \$3.0 million in August 2025.

²Repayment terms were amended in December 2024 to defer the principal repayment date to 31 December 2026.

8. Details of remuneration (KMP)

Details of the remuneration of KMP of the consolidated entity are set out in the following tables.

2025	Short-term Benefits					Post Employment Benefits	Long-term Benefits	Shared Based Payments		Total	% of Remuneration Linked to Performance
	Cash Salary and Fees	Termination Benefits	Annual Leave	Bonus	Other	Superannuation	Long Service Leave	Rights and Options to be equity settled	Equity settled		
Directors											
Dean Palmer ¹	120,000	-	-	-	128,651	-	-	41,917	135,500	426,068	0%
Charles Romito ²	80,000	-	-	-	-	7,600	-	25,286	-	112,886	0%
Ani Chakraborty ³	32,375	-	-	-	-	-	-	-	-	32,375	0%
Executives											
Ani Chakraborty ⁴	60,395	124,313	-	-	40	2,345	-	-	-	187,093	0%
Heidi Halson	315,000	-	22,740	667	650	29,932	556	(5,892)	-	363,653	0.2%
Kunal Kapoor	271,475	-	8,906	9,000	9,964	29,409	366	-	-	329,120	2.7%

1. Directors' fees were paid to an associated entity of Dean Palmer and a related party of Entertainment Rewards Ltd. Other relates to reimbursement of tax owed on share based payments.

2. Directors' fees were paid to an associated entity of Charles Romito.

3. Directors' fees were paid to an associated entity of Ani Chakraborty until his resignation as non-executive director on 22 November 2024.

4. Ani Chakraborty was employed by Entertainment Rewards as an employee till 14th July 2024.

2024

	Short-term Benefits			Post Employment Benefits	Long-term Benefits	Shared Based Payments		
	Cash Salary and Fees	Annual Leave	Other	Superannuation	Long Service Leave	Rights and Options to be equity settled	Total	% of Remuneration Linked to Performance
Directors								
Dean Palmer ¹	120,000	-	-	-	-	-	120,000	0%
Charles Romito ²	80,000	-	9,680	7,600	-	33,593	130,873	0%
Ani Chakraborty ³	42,400	-	9,680	-	-	-	52,080	0%
Executives								
Ani Chakraborty ⁴	331,375	14,730	650	27,399	1,099	21,250	396,503	0%
Heidi Halson ⁵	107,407	4,181	100	5,064	109	5,892	122,753	0%
Kunal Kapoor ⁶	246,540	17,125	650	25,390	702	10,625	301,032	0%

1. Directors' fees were paid to an associated entity of Dean Palmer and a related party of Entertainment Rewards Ltd.
2. Directors' fees were paid to an associated entity of Charles Romito.
3. Directors' fees were paid to an associated entity of Ani Chakraborty.
4. Ani Chakraborty was employed by IncentiaPay as an employee till 14th July 2024.
5. Heidi Halson was appointed as a consultant to the Company effective 4th March 2024 till 30th April 2024 and as a CEO of the Company with effect from 1 May 2024. Of the total salary and fees paid, \$61,369 was paid as a consultancy fee to an associated entity of Heidi Halson.
6. Kunal Kapoor was appointed as CFO and Company Secretary of the Company with effect from 4th October 2023.

9. Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name	Heidi Halson
Title	Chief Executive Officer
Agreement commenced	1 May 2024
Term of engagement	Permanent Full Time
Details	<p>Termination of employment</p> <ul style="list-style-type: none"> • By either party on giving 6 months' notice; or • Immediately on payment in lieu of notice or if any of the conditions for termination for cause are met including serious misconduct, gross negligence, breach of duty, bankruptcy, charge with criminal conduct, or engaging in insider trading. <p>Excluding payment in lieu of notice and statutory entitlements to accrued leave, the contract does not specify any termination payment.</p>

Name	Kunal Kapoor
Title	Chief Finance Office and Company Secretary (4 October 2023 till date)
Agreement commenced	4 October 2023
Term of engagement	Permanent Full Time

Name	Kunal Kapoor
Details	<p>Termination of employment</p> <ul style="list-style-type: none"> • By either party on giving 13 weeks' notice; or • Immediately on payment in lieu of notice or if any of the conditions for summary terminations are met including serious misconduct, gross negligence, breach of contract, bankruptcy, charge with criminal conduct, or engaging in insider trading. <p>Excluding payment in lieu of notice and statutory entitlements to accrued leave, the contract does not specify any termination payment.</p> <p>Equity compensation</p> <ul style="list-style-type: none"> • 2,125,000 performance rights issued at NIL cost on 15th December 2023 to fully vest only if continuously remain employed by the Company from the issue date up to and including 1 July 2024. Each performance right was exercised into fully paid ordinary share of the Company on 4 October 2024.

10. Share based compensation

The shareholders approved a Loan Funded Share Scheme (LFS) for non- executive chairman Dean Palmer at the 2024 AGM, as outlined in Note 13 of the financial report, along with a one-time issuance of 27.1 million shares in recognition of additional services provided to the Company. The Performance Rights granted to key senior employees during FY2024, including former CEO Ani Chakraborty, were vested and settled in shares. The resolution to approve a LFS plan allocation to former Non-Executive Director Ani Chakraborty was withdrawn from the agenda of the 2024 Annual General Meeting, following his departure as a Key Management Personnel (KMP).

The key terms of the LFS scheme for Dean Palmer are as follows:

- a. Loan shares issued at \$0.004 being 30 trading day VWAP of EAT shares on ASX as on 4 December 2024.
- b. Shares to vest in 3 tranches only if Dean remains engaged by the Company as a non-executive director on or after each applicable vesting date. Vesting schedule is as follows:

Tranche	Number of Shares	Vesting Date
Tranche 1	5,482,000	4 December 2024
Tranche 2	5,482,000	1 July 2025
Tranche 3	5,482,000	1 July 2026

- c. The Company will provide an interest-free limited recourse loan to the non-executive chairman to fund the purchase of shares.
- d. If there is an outstanding amount owing under the Loan, all dividends, distribution, capital return declared and paid with respect to the shares (after deduction for tax payable in relation to those distributions) shall be applied to repaying the Loan, therefore the executives shall have no right to receive those distributions
- e. The non-executive chairman has the option to either repay the loan or return the shares at the loan repayment date, being 30 business days after the last vesting date;
- f. The loan shares will rank pari passu with existing shares.

Movement in loan funded shares

	Held on 01 July 2024	Issued	Held on 30 June 2025	Vested and Exercisable as of 30 June 2025
Charles Romito	12,651,000	-	12,651,000	-
Dean Palmer	-	16,446,000	16,446,000	-

	Held on 01 July 2023	Issued	Held on 30 June 2023	Vested and Exercisable as of 30 June 2024
Charles Romito ¹	-	12,651,000	12,651,000	-

¹The LFS scheme implemented in FY2024 for Charles Romito, Non-Executive Director, continues to vest.

	LFS Grant Date	Tranche	No. of LFS	Issued Value \$	Vested and Exercisable as of 30 June 2025	Fair Value \$	Vesting Condition	Vesting Date
Dean Palmer	04 Dec 2024	1	5,482,000	21,928	-	21,928	Continued appointment as Non-Executive Director	04 Dec 2024
	04 Dec 2024	2	5,482,000	21,928	-	13,280	Continued appointment as Non-Executive Director	1 Jul 2025
	04 Dec 2024	3	5,482,000	21,928	-	18,481	Continued appointment as Non-Executive Director	1 Jul 2026
Total Shares			16,446,000	65,784	-	53,689		

Performance Rights

The Performance Rights approved during 2023 AGM for the former CEO Ani Chakraborty and CFO/Company Secretary Kunal Kapoor were exercised during FY2025. Accordingly, fully paid ordinary shares of the Company were issued in October 2024.

Movements in the share based payment reserve

Share based payments reserve						
	Dean Palmer	Charles Romito	Ani Chakraborty	Kunal Kapoor	Other senior employees	Total
	\$	\$	\$	\$	\$	\$
Balance as at 1 July 2023	-	-	-	-	-	-
Vesting charge for the period	-	33,593	21,250	10,625	74,675	140,143
Balance as at 30 June 2024	-	33,593	21,250	10,625	74,675	140,143
Balance as at 1 July 2024	-	33,593	21,250	10,625	74,675	140,143
Vesting charge for the period	41,917	25,286	-	-	-	67,203
Exercised during the period	-	-	(21,250)	(10,625)	(74,675)	(106,550)
Balance as at 30 June 2025	41,917	58,879	-	-	-	100,796

For additional information see note 13 to the annual financial statements.

Auditor's Independence Declaration

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Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of Entertainment Rewards Ltd

As lead auditor for the audit of Entertainment Rewards Ltd for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Entertainment Rewards Ltd and the entities it controlled during the year.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136



N. S. Benbow
Director

Melbourne, 25 September 2025

Financial Statements



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ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Consolidated statement of profit or loss and other comprehensive income for year ended 30 June 2025

	Note	Consolidated Group	
		2025 \$	2024 \$
Revenue and other income	2	18,709,683	16,615,832
Cost of sales	3	(11,564,975)	(8,519,445)
Gross profit		7,144,708	8,096,387
Employee expenses	3	(11,180,548)	(9,812,193)
Marketing expenses		(786,867)	(685,304)
Website and communication		(825,533)	(777,153)
Legal and professional costs		(198,622)	(248,062)
Corporate and administrative expenses		(1,081,648)	(1,185,584)
Finance costs	3	(2,245,247)	(2,913,101)
Building occupancy expense		(41,951)	(34,631)
Bad debts reversals/(expenses)	3	(22,217)	74,724
Depreciation and amortisation expense		(417,163)	(155,655)
Loss before income tax		(9,655,088)	(7,640,572)
Tax benefit		83	-
Net loss for the period		(9,655,005)	(7,640,572)
Net loss attributable to members of the parent entity		(9,655,005)	(7,640,572)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss:</i>			
Gain/(loss) arising from translating foreign controlled entities	13	9,047	(2,825)
Total comprehensive loss for the period		(9,645,958)	(7,643,397)
Loss per share			
Basic loss per share (cents)	4	(0.77)	(0.62)
Diluted loss per share (cents)	4	(0.77)	(0.62)

The accompanying notes form part of these financial statements.

ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Consolidated statement of financial position
as at 30 June 2025

		Consolidated Group	
	Note	2025 \$	2024 (restated) \$
Current assets			
Cash and cash equivalents		1,425,445	1,968,186
Trade and other receivables	6	609,952	523,753
Contract assets	2	386,580	126,256
Inventories		110,054	72,177
Other assets	7	520,319	561,280
Total current assets		3,052,350	3,251,652
Non-current assets			
Plant and equipment		49,868	70,278
Intangible assets	8	478,027	855,727
Total non-current assets		527,895	926,005
Total assets		3,580,245	4,177,657
Current liabilities			
Trade and other payables	9	2,992,792	2,686,893
Borrowings	10	-	23,707,807
Deferred revenue	11	2,851,758	2,637,603
Provisions		411,155	402,043
Total current liabilities		6,255,705	29,434,346
Non-current liabilities			
Borrowings	5, 10	13,516,693	3,803,950
Deferred revenue	11	542	166,744
Provisions		33,670	55,727
Total non-current liabilities		13,550,905	4,026,421
Total liabilities		19,806,610	33,460,767
Net deficiency of assets		(16,226,365)	(29,283,110)
Equity			
Issued capital	12	132,383,265	132,141,215
Reserves	13	22,953,260	483,560
Accumulated losses		(171,562,890)	(161,907,885)
Total equity		(16,226,365)	(29,283,110)

The accompanying notes form part of these financial statements

ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Consolidated statement of changes in equity for year ended 30 June 2025

		Issued capital	Accumulated losses	Convertible note Reserve	Foreign currency translation reserve	Share based payments reserve	Total
	Note	\$	\$		\$	\$	\$
Balance at 1 July 2023		132,141,215	(154,267,313)	-	346,242	-	(21,779,856)
Comprehensive income							
Loss for the period		-	(7,640,572)	-	-	-	(7,640,572)
Other comprehensive income							
Exchange differences on translation of foreign operations		-	-	-	(2,825)	-	(2,825)
Total comprehensive income for period		-	(7,640,572)	-	(2,825)	-	(7,643,397)
Transactions with owners, in their capacity as owners and other transfers							
Vesting charge for share based payments	13	-	-	-	-	140,143	140,143
Total transactions with owners and other transfers		-	-	-	-	140,143	140,143
Balance at 30 June 2024		132,141,215	(161,907,885)	-	343,417	140,143	(29,283,110)

		Issued capital	Accumulated losses	Convertible note Reserve	Foreign currency translation reserve	Share based payments reserve	Total
	Note	\$	\$		\$	\$	\$
Balance at 1 July 2024		132,141,215	(161,907,885)	-	343,417	140,143	(29,283,110)
Comprehensive income							
Loss for the period		-	(9,655,005)	-	-	-	(9,655,005)
Other comprehensive income							
Exchange differences on translation of foreign operations		-	-	-	9,047	-	9,047
Total comprehensive income for period		-	(9,655,005)	-	9,047	-	(9,645,958)
Transactions with owners, in their capacity as owners and other transfers							
Shares issued during the period	12	135,500	-	-	-	-	135,500
Debt eligible to Equity conversion	10	-	-	22,500,000	-	-	22,500,000
Vesting charge for share based payments	13	-	-	-	-	67,203	67,203
Exercised charge for share based payments	12,13	106,550	-	-	-	(106,550)	-
Total transactions with owners and other transfers		242,050	-	22,500,000	-	(39,347)	22,702,703
Balance at 30 June 2025		132,383,265	(171,562,890)	22,500,000	352,464	100,796	(16,226,365)

The accompanying notes form part of these financial statements

ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Consolidated statement of cash flows for year ended 30 June 2025

	Note	Consolidated Group	
		2025 \$	2024 \$
Cashflows from operating activities			
Receipts from customers		19,393,651	16,507,284
Payments to suppliers and employees		(26,196,917)	(21,927,000)
Refund of security deposit	7	6,800	-
Net cash used in operating activities	5	(6,796,466)	(5,419,716)
Cashflows from investing activities			
Purchase of property, plant and equipment		(19,053)	(13,377)
Interest received		16,357	27,619
Proceeds from term investments		-	332,209
Net cash used in investing activities		(2,696)	346,451
Cashflows from financing activities			
Proceeds from borrowings	5, 10	6,641,268	5,930,000
Interest and other finance costs	5, 10	(379,003)	(477,945)
Principal element of lease payments		-	(233,178)
Net cash from financing activities		6,262,265	5,218,877
Net increase/(decrease) in cash held		(536,897)	145,612
Cash and cash equivalents at beginning of financial period		1,968,186	1,825,406
Effects of movements in exchange rates on cash and cash equivalents held		(5,844)	(2,832)
Cash and cash equivalents at the end of the year		1,425,445	1,968,186

The accompanying notes form part of these financial statements

ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Notes to the financial statements for the year ending 30 June 2025

Note 1 | Summary of material accounting policy information

Basis of preparation

These general-purpose financial statements for the year ended 30 June 2025 have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS). Consequently, this financial report is compliant with IFRS.

Entertainment Rewards Ltd is a listed public Company incorporated and domiciled in Australia. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

These audited consolidated financial statements were authorised for issue on the date of signing the attached directors' declaration.

Going concern

The consolidated financial report has been prepared on a going concern basis, which contemplates the continuation of normal business operations and the realisation of assets and settlement of liabilities in the normal course of business.

On 30 June 2025 the Group had cash on hand of \$1.42 million, net liabilities of \$16.23 million and a net current asset deficiency of \$3.2 million. During the year ended 30 June 2025, the Group incurred a net loss before tax of \$9.6 million and incurred net cash outflows from operating activities of \$6.8 million.

The Directors have prepared cash flow forecasts for the period from 1 July 2025 to 30 September 2026 that support the ability of the Group to continue as a going concern. Key assumptions contemplated in the forecast are listed below:

- Focus on growing key revenue areas through re-engagement of the Fund raiser channel, acquisition of new clients in B2B space and growing transaction linked revenues.
- Continuing the cost discipline as evidenced during last 2 years (change in IT vendor with significant costs savings, outsourcing of support function roles to Philippines) while continuing to invest in brand awareness.
- Continued support from the majority shareholder. The Company was able to secure additional \$2.5 million unsecured facility from Suzerain Investments in April 2025 and further \$3.0 million in August 2025.
- The Company obtained extensions on the Suzerain and Skybound Fidelis loans from 31 December 2025 to 31 December 2026.

The ongoing operations of the Group is critically dependent upon the Group continuing to access the Suzerain & related parties financing facilities and the success of the revenue growth strategies.

As of 30 June 2025, the Group had undrawn financing facilities from Suzerain and related parties totalling \$1 million. See note 10 for further information. Further to the company signing the amendment deed in August 2025 to increase the loan facility by additional \$3 million, this undrawn amount has increased to \$3.0 million at the date of the approval of this financial report.

Considering the financial results for the full year ended 30 June 2025, and the inherent uncertainty and highly sensitive assumptions present in the cash flow forecasts, there is a material uncertainty that may cast significant

ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Notes to the financial statements for the year ending 30 June 2025

doubt on the group's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

However, the Directors have reasonable grounds to believe that the ongoing financial support of Suzerain and its related entities is likely to continue and accordingly have prepared the financial report on a going concern basis.

Restatement of comparatives - classification of convertible notes

During the reporting period the entity adopted for the first time 2020-1 (2020-6 as amended): Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current, which became mandatory in the reporting period. The impact of the change related to the entity's convertible notes, which included conversion entitlements entitling the net investor to convert the notes to equity within 12 months of the reporting date being 30 June 2024, irrespective of the note's cash redemption date. Previously the entity classified such liabilities as non-current liabilities. As a consequence, the comparative balances of convertible note liabilities have been restated from non-current to current in the statement of financial position.

Key judgements and estimates

Revenue recognition on a principal basis for gift card sales

The Group recognises revenues from its gift card sales on a principal basis. Refer to Note 2 for further detail

Deferred tax assets "DTA"

The directors have not recognised any deferred tax assets for carry-forward tax losses or timing difference as it is uncertain as to when or if those timing differences or tax losses will be utilised under either loss carry-forward rules or through the derivation of assessable taxable income.

The Group has estimated a range of unutilised tax losses between \$66.34 million and \$88.84 million (30 June 2024: \$82.01 million), of which there is uncertainty regarding \$22.5 million of these losses due to events occurring in the financial year related to the renegotiation of the convertible note debt and its subsequent reclassification to equity (Refer to Note 10). These changes may potentially trigger a Commercial Debt Forgiveness (CDF) event under the Australian Taxation Office (ATO) guidelines. Additionally, there are other deductible temporary differences resulting in a net potential deferred tax asset position for the Group of approximately \$0.84 million (30 June 2024: \$0.91 million), calculated using the prevailing rate of Australia corporation tax of 30% for the Group. The Group has commenced the process to determine whether a CDF event has occurred. If such an event is identified, the Group will then evaluate its ability to utilise available tax losses, subject to compliance with applicable Australian tax legislation. This includes, but is not limited to, satisfying either the Continuity of Ownership Test or the Business Continuity Test, as administered by the ATO.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Group 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 Group 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. No specific impairment triggers were identified for the Group's non-financial assets for the financial year ended 30 June 2025.

ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Notes to the financial statements for the year ending 30 June 2025

Accounting for equity conversion entitlements in borrowing arrangements

As set out in Note 10, the Group has issued debt with variable conversion entitlements. In assessing this arrangement in the prior year, owing to the Company's share price relative to the floor price written into the conversion formula, the directors determined that any embedded derivative potentially applicable in the arrangement was not material to be separately disclosed or fair valued in the prior year, as the amortised cost of the underlying host contract materially equalled the fair value of the entire debt agreement.

During the current year, this debt was renegotiated and amended to a fixed-for-fixed conversion feature. Due to the modification of the convertible note being made with a party under common control, the fair value of the liability as at the date of modification was reclassified to equity. This assessment required significant judgement in evaluating the substance of the renegotiated terms, including consideration of the contractual features and whether, in aggregate, the revised arrangement met the definition of equity under AASB 132 Financial Instruments: Presentation.

Note 2 | Revenue

Accounting policy

Revenue from contracts with customers

Other than for a limited number of exceptions, including leases, the revenue model in AASB 15 applies to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity recognises revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective AASB 15 provides the following five-step process:

- Identify the contract(s) with a customer;
- Identify the performance obligations in the contract(s);
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract(s); and
- Recognise revenue when (or as) the performance obligations are satisfied.

The Group satisfies its obligations as services are rendered to its members during the period of membership. Benefits must be provided constantly throughout the period and Entertainment Publications has concluded that a straight-line basis is the most appropriate method.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Notes to the financial statements for the year ending 30 June 2025

Type of services	Nature and timing of satisfaction of performance obligations and revenue recognition policies
Fee income – Paid advertising	Revenue from Entertainment Publications marketing and merchant support fees through the placement of advertisements and the distribution of offers and promotions on behalf of businesses to members is recognised at point in time when the advertisement or offer is placed, distributed and invoiced. Revenue from the successful promotion of merchant offers is recognised when the transaction occurs which evidences the take up of the promotion.
Fee income – Travel booking	Revenue from commission receivable for bookings are recognised at point in time when the bookings are made, and it is paid for. Members have access to a range of discounts and deals from hotels, airlines and car rental companies through the Group's platform through which the Group acts as an agent on behalf of the hotels, airlines and car rental companies.
Membership subscriptions	The Entertainment membership is a digital product with a rolling subscription period ranging from 12 to 24 months upon activation. Special promotions may offer different subscription periods. Upon activation, Entertainment Publications commits to providing benefits like special offers and discounts throughout the membership period, recognising revenue over time. Deferred revenue is recorded for obligations not yet fulfilled. Payment is made before membership begins. Revenue from Gift with Purchase promotions is handled by recognising the standalone value of the gift immediately, with the remainder recognised over the membership's duration.
Enterprise sales	Entertainment Publications enters into contracts with corporate customers to develop a program of special offers, discounts, promotions and booking facilities for their customers or employees over the period of time applicable in the contract. Entertainment Publications has taken the view that the performance obligations defined in the contract should be bundled into one performance obligation centred around access to the program of benefits and revenue is recognised over the term of the contract.
Seamless Rewards - Success Fee	Under the Seamless Rewards program, the Seamless Rewards business receives transaction-linked revenue each time a cardholder transacts using a linked card at a Seamless Rewards merchant and that revenue earned is recognised in full as the performance obligation has been met.
Merchant Management Services	Seamless Rewards earns revenue from managing partners' existing merchants and also onboarding new merchants on their behalf. In order to ensure that the revenue is recognised over time, in a manner that depicts the entity's performance against the targets and obligations, management recognises revenue on a straight-line basis as the services are performed on an ongoing basis during the term of contract period.
Gift card sales	Revenue from the sale of gift cards to members is recognised at a point in time when the gift card is provided to the customer, and it is paid for. The Group is a principal in these transactions as it purchased the gift cards and obtains full control of them before selling them to members.

Payment terms are highly varied for the different sources of revenue, different customers and contract terms are individually negotiated.

ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Notes to the financial statements for the year ending 30 June 2025

Disaggregation of revenue from contracts with customers

The group derives revenue from the transfer of goods and services over time and at a point in time in the following revenue sources.

	Consolidated Group	
	2025 \$	2024 \$
Fee income-Paid advertising	994,502	859,444
Fee income-Travel booking	3,214	15,915
Membership subscriptions	5,594,469	5,673,702
Enterprise sales	2,410,869	2,170,204
Gift card sales	8,542,572	7,183,887
Seamless Rewards Success Fee	1,141,800	500,656
Merchant Management Services	-	151,106
Revenue from contracts with customers	18,687,426	16,554,914
Other income	5,900	33,299
Interest received	16,357	27,619
Total revenue and other income	18,709,683	16,615,832
Timing of revenue and other income recognition		
At a point in time	10,472,154	8,505,101
Over time	8,237,529	8,110,731
	18,709,683	16,615,832

Assets and liabilities related to contracts with customers

The group has recognised the following assets and liabilities related to contracts with customers.

Contract balances	Note	2025 \$	2024 \$
Current contract assets		386,580	126,255
Current contract liabilities - deferred revenue	11	2,851,758	2,637,603
Non-current contract liabilities - deferred revenue	11	542	166,744

The contract assets relate to accrued/unbilled revenue from Fee income-Paid advertising and Seamless Rewards - Success Fee, for which revenue is recognised a point of time.

The current and non-current contract liabilities - deferred revenue primarily relate to the advance consideration received from members for subscriptions and Enterprise customers, for which revenue is recognised over time. See note 11 for details.

Note 3 | Expenses

The group has identified the expenses which are material due to the significance of their nature and/or amount. These are listed separately here to provide a better understanding of the financial performance of the group.

ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Notes to the financial statements for the year ending 30 June 2025

		Consolidated Group	
		2025	2024
		\$	\$
	Note		
Cost of sales			
Amortisation of deferred commission	7	709,192	724,158
Gift with purchase		1,375,520	460,098
Gift cards		8,611,755	6,856,459
Other		868,508	478,730
Total		11,564,975	8,519,445
Employee expenses			
Employee related expenses		10,211,975	9,070,558
Superannuation expenses		771,762	595,600
Share-based payment expenses		196,811	146,035
Total		11,180,548	9,812,193
Finance costs			
Finance costs on borrowings	10	2,242,671	2,906,751
Interest expense on lease liabilities		-	1,762
Other finance costs		2,576	4,588
Total		2,245,247	2,913,101
Bad debts expenses/(reversals)			
Bad debts written off		935	17,617
Movement in expected credit losses	6	21,282	(92,341)
Total		22,217	(74,724)

Note 4 | Dividends, earnings per share and franking credit

		Consolidated Group	
		2025	2024
		\$	\$
a) Franking account			
Balance of franking account at year end adjusted for franking credits arising from:			
		6,504,523	6,504,523
Payments of income tax		-	-
Franking credits available for subsequent financial year		6,504,523	6,504,523

The Directors have advised that they do not intend to declare dividends for the 2025 financial year. The ability to utilise the franking credits is dependent upon the ability to declare dividends. In accordance with the tax consolidation legislation, Entertainment Rewards Ltd as the head entity in the tax consolidated group has also assumed the benefit of \$6.5m (2024: \$6.5m) franking credits.

ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Notes to the financial statements for the year ending 30 June 2025

	Consolidated Group	
	2025 \$	2024 \$
b) Reconciliation of earnings to profit or loss		
Loss for the period from operations	(9,655,005)	(7,640,572)
Earnings used to calculate basic EPS	(9,655,005)	(7,640,572)
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS ¹	1,261,563,179	1,231,279,015
Weighted average of dilutive convertible notes and equity instruments outstanding ²	-	-
Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS	1,261,563,179	1,231,279,015

¹ The 16,446,000 ordinary shares issued on 4 December 2024 at a price of \$0.005, and the 12,651,000 ordinary shares issued on 14 December 2023 at a price of \$0.007, each under the loan funded shares plan are still in escrow and as such not included in the weighted average number of ordinary shares as they are treated as in substance options for accounting purposes and would be considered anti-dilutive in nature.

² There is a convertible loan deed in place with Suzerain which is excluded as anti-dilutive.

Note 5 | Cash flow information

Reconciliation of loss after income tax to net cash flow from operations

	Consolidated Group	
	2025 \$	2024 \$
Loss after income tax	(9,655,005)	(7,640,572)
<u>Adjustments for:</u>		
Amortisation-intangibles	377,700	118,031
Depreciation-property plant and equipment	39,463	37,624
Share based payment expense	196,811	146,035
Net interest included within financing activities	2,245,247	2,913,101
<u>Operating assets and liabilities:</u>		
(Increase)/decrease in trade receivables	(346,523)	(130,619)
(Increase)/decrease in prepayments	40,961	247,574
(Increase)/decrease in inventories	(37,877)	(823)
Increase/(decrease) in trade payables and accruals	307,749	17,563
Increase/(decrease) in deferred income	47,953	(1,017,978)
Increase/(decrease) in provisions	(12,945)	(109,652)
Cash flow used in operating activities	(6,796,466)	(5,419,716)

ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Notes to the financial statements for the year ending 30 June 2025

Reconciliation of liabilities arising from cash flows from financing activities

	Interest bearing loan	Transformational capital facility	Suzerain Investment Holdings Convertible Loan facility	Suzerain Investment Holdings Loan Facility (Unsecured Loan)	Lease liabilities	Total
	\$	\$	\$	\$	\$	\$
Balance as at 1 July 2023	699,093	1,207,807	17,233,393	-	309,642	19,449,935
Drawn down	-	-	5,930,000	-	-	5,930,000
Repayment	-	-	-	-	(233,178)	(233,178)
Amortised	-	-	-	-	(77,195)	(77,195)
Admin fees paid	-	-	(302,500)	-	-	(302,500)
Admin fees	-	-	330,000	-	-	330,000
Interest paid	-	(150,414)	-	-	(1,031)	(151,445)
Interest accrued	67,904	150,414	2,346,060	-	1,762	2,566,140
Line fees paid	-	(24,000)	-	-	-	(24,000)
Line fees	-	24,000	-	-	-	24,000
Balance as at 30 June 2024	766,997	1,207,807	25,536,953	-	-	27,511,757
Balance as 1 July 2024	766,997	1,207,807	25,536,953	-	-	27,511,757
Drawn down	-	-	141,268	6,500,000	-	6,641,268
Admin fees paid	-	-	(192,500)	-	-	(192,500)
Admin fees	-	-	165,000	-	-	165,000
Interest paid	-	(150,003)	-	-	-	(150,003)
Interest accrued	69,715	150,003	1,416,405	372,548	-	2,008,671
Line fees paid	-	(24,000)	-	(12,500)	-	(36,500)
Line fees	-	24,000	-	45,000	-	69,000
Equity conversion transferred to convertible note reserve	-	-	(22,500,000)	-	-	(22,500,000)
Balance as at 30 June 2025	836,712	1,207,807	4,567,126	6,905,048	-	13,516,693

ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Notes to the financial statements for the year ending 30 June 2025

Note 6 | Trade and other receivables

	Consolidated Group	
	2025 \$	2024 \$
Current		
Trade receivables	654,756	547,276
Provision for allowance	(44,804)	(23,523)
Net trade receivables	609,952	523,753

The movement in the provision for loss allowance of receivables is as follows:

	Opening balance 1/07/2024	Loss allowance adjustment for year	Exchange differences on translation of foreign operations	Closing balance 30/06/2025
	\$	\$	\$	\$
Current trade receivables	(23,523)	(21,282)	1	(44,804)
Total	(23,523)	(21,282)	1	(44,804)
	Opening balance 1/07/2023	Loss allowance adjustment for year	Exchange differences on translation of foreign operations	Closing balance 30/06/2024
	\$	\$	\$	\$
Current trade receivables	(115,728)	92,341	(136)	(23,523)
Total	(115,728)	92,341	(136)	(23,523)

The Group impairs the value of individual trade debtors based on an assessment of the credit quality of the customer, the previous trading pattern of the customer and management's assessment of the likely recovery. All trade debtors which are not likely to be recovered are either written off or an impairment for lifetime expected credit losses is recognised. Minimal risk is expected in respect of recoverable which are not written off or provided against. The remainder of receivables, after credit losses, are of high credit quality.

The Group uses a "roll rate" method to calculate expected credit losses for trade receivables from individual customers that is made up of variable mix of number and size of balances. Loss rates are calculated based on the probability of receivables progressing through successive stages of delinquency to write off. Roll rates are calculated using an analysis of how balances change from one month to the next until they reach 90 days. Data over the last 12 months was reviewed to determine the level of recovery of those receivables older than 90 days. Combining these two measurements provided the Group with the ability to determine the loss allowance as of 30 June. As a result of recent economic variables such as cost of living, inflation and interest rates, the Group reviewed the expected credit loss allowance and determined that the adjusted loss rate for trade debtors past due over 90 days should be 100%, except where the group is highly likely to recover the debt.

ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Notes to the financial statements for the year ending 30 June 2025

On that basis, the expected credit loss allowance as at 30 June 2025 was determined as follows for trade receivables:

Report category	Days	Adjusted loss rate	Receivables balance as at 30 June 2025	Loss allowance at 30 June 2025
		%	\$	\$
Current	0-30	0.7	244,466	1,606
Past due 1-30	31-60	1.1	378,065	4,261
Past due 31-60	61-90	67.7	4,735	3,205
Past due 61-90	91-120	73.4	2,896	2,125
Past due over 90	121-150	0.0	-	-
Greater than over 90 days overdue	Greater than 150	87.1	24,594 ¹	33,607
		Total	654,756	44,804

¹ Receivables for Greater than over 90 days overdue includes an overpayment amount of -\$14K from one debtor. Excluding this credit amount, the receivable amount is \$39k.

The expected credit loss allowance as at 30 June 2024 was determined as follows for trade receivables:

Report category	Days	Adjusted loss rate	Receivables balance as at 30 June 2024	Loss allowance at 30 June 2024
		%	\$	\$
Current	0-30	0.2	391,438	704
Past due 1-30	31-60	0.5	126,657	592
Past due 31-60	61-90	3.1	1,496	47
Past due 61-90	91-120	76.7	5,381	4,125
Past due over 90	121-150	0.0	-	-
Greater than over 90 days overdue	Greater than 150	80.9	22,304	18,055
		Total	547,276	23,523

Credit risk

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically impaired. The class of assets described as "trade and other receivables" are the main source of credit risk related to the Group.

No collateral is held in respect of these exposures and there are no other credit enhancement arrangements. All trade receivables have been investigated and, other than those which have been written off or for which credit losses have been recognised, there are no indicators of poor credit quality for trade receivables. Securities in the form of personal guarantees from directors, or registered mortgages are regularly taken to support customer trading activities.

ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Notes to the financial statements for the year ending 30 June 2025

	Consolidated Group	
	2025 \$	2024 \$
Gross amount	654,756	547,276
Impaired (past due)	(44,804)	(23,523)
Total	609,952	523,753
Within initial trade terms	242,860	390,734
Past due not impaired – 30 days	373,804	126,066
60 days	1,530	1,448
90 days	771	1,256
90 days +	(9,013)	4,249
Total	609,952	523,753

Geographical credit risk

The Group has significant operations in Australia and New Zealand. The Group's exposure to credit risk for trade and other receivables at the end of the reporting period in these regions is as follows:

	Consolidated Group	
	2025 \$	2024 \$
Australia	584,203	494,422
New Zealand	25,749	29,331
Total	609,952	523,753

Note 7 | Other assets

Accounting policy

Other assets relate to prepaid fundraiser commission incurred as a result of the sale of memberships and short-term investments that relate to security deposits for the credit card facility. Prepayments are the right to receive future goods or services within the next 12 months.

	Consolidated Group	
	2025 \$	2024 \$
Current		
Short term investments ¹	102,461	109,261
Prepayments	125,753	138,545
Deferred commission ²	292,105	313,474
Total other assets	520,319	561,280

ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Notes to the financial statements for the year ending 30 June 2025

¹ Short-term investments are all deposits held with banks.

² Sales commission paid to fundraiser partners for the sale of Entertainment memberships is an incremental cost of obtaining contracts with customers and is initially recognised as prepayment on the balance sheet and subsequently amortised as an expense through the income statement in line with the recognition of revenue from associated membership sales.

The movement in the deferred commission is as follows:

	Deferred commission
	\$
30 Jun 2024	
Balance as at 1 July 2023	325,590
Commission deferred	712,042
Amortisation	(724,158)
Balance as at 30 June 2024	313,474
30 Jun 2025	
Balance as at 1 July 2024	313,474
Commission deferred	(730,561)
Amortisation	709,192
Balance as at 30 June 2025	292,105

Note 8 | Intangible assets

Accounting policy

Technology and software

Technology and software assets acquired separately are capitalised at cost. Where the technology and software assets have been acquired as part of a business acquisition, these assets are recognised at fair value as at the date of acquisition.

Amounts capitalised as part of internally developed intellectual property include the total cost of any external services and labour costs directly attributable to development of technology and software. Management judgement is involved in determining the appropriate internal costs to capitalise and the amounts involved. Research costs are expensed as incurred.

The useful lives of these assets are then assessed to be either finite or indefinite. Assets with a finite life are amortised over that life with the expense being recognised in profit and loss. Expenditure on the development of technology and software assets are capitalised until the software is ready for use and then amortised over their expected useful life of 5 years (2024: 9 yrs) (namely the CLO rewards platform which is the remaining asset in use). The total cost of the "ready for use" asset is based on the costs capitalised monthly. Any additional costs capitalised to the "ready for use" asset, are only those that will extend future economic benefits, and as such, will attract immediate amortisation.

These assets are tested for impairment at least annually as part of the value-in-use analysis associated with the cash-generating unit.

ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Notes to the financial statements for the year ending 30 June 2025

	Consolidated Group	
	2025	2024
	\$	\$
Technology and software		
Cost	10,265,024	10,265,024
Accumulated amortisation and impairment losses	(9,786,997)	(9,409,297)
Total	478,027	855,727

	Technology and software
	\$
Balance as at 1 July 2023	973,758
Amortisation charge	(118,031)
Balance as at 30 June 2024	855,727
Balance as at 1 July 2024	855,727
Amortisation charge	(377,700)
Balance as at 30 June 2025	478,027

Note 9 | Trade and other payables

	Consolidated Group	
	2025	2024
	\$	\$
Current		
Unsecured liabilities		
Trade payables	895,241	999,363
Other payables and accruals	2,097,551	1,687,530
Total current unsecured liabilities	2,992,792	2,686,893

Note 10 | Borrowings

Accounting policy

Borrowings are financial liabilities with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method. Gains or losses are recognised in profit or loss when the financial liability is derecognised.

Amortised cost is calculated as the amount at which the financial liability is measured at initial recognition less principal repayments and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest expense over the relevant period and is equivalent to the

ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Notes to the financial statements for the year ending 30 June 2025

rate that exactly discounts estimated future cash payments (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial liability. Revisions to expected future net cash flow will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

	Consolidated Group	
	2025 \$	2024(restated) \$
Current		
Transformational capital facility	-	1,207,807
Suzerain Investment Holdings Convertible Loan facility	-	22,500,000
Total current borrowings	-	23,707,807
Non-current		
Transformational capital facility	1,207,807	-
Interest bearing loan	836,712	766,997
Suzerain Investment Holdings Convertible Loan facility	4,567,126	3,036,953
Suzerain Investment Holdings Loan Facility (Unsecured Loan)	6,905,048	-
Total non-current borrowings	13,516,693	3,803,950
Total borrowings	13,516,693	27,511,757

ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Notes to the financial statements for the year ending 30 June 2025

	Interest bearing loan	Transformational capital facility	Suzerain Investment Holdings Convertible Loan facility	Suzerain Investment Holdings Loan Facility (Unsecured Loan)
	\$	\$	\$	\$
Facility limit	500,000	1,200,000	22,500,000	7,500,000
Available funds	-	-	-	1,000,000
Interest rate	10% per annum	12.5% per annum	12.5% per annum (N/A from 1 Jan 2025)	13.0% per annum
Line fees	N/A	2,000 per month	N/A	1% annually on the Outstanding Principal
Admin fees	N/A	N/A	27,500 per month (N/A from 1 Jan 2025)	N/A
Maturity date	31/12/2026 ¹	31/12/2026 ¹	31/12/2026 ²	31/12/2026 ¹
Security	Security over all the Group's present and future property	Second ranking security over all the Group's present and future property	Second ranking security over all the Group's present and future property	Unsecured
Equity conversion option	No	No	Yes, the Company can decide on the timing of conversion	No
Opening balance as at 1 July 2024	766,997	1,207,807	25,536,953	-
Drawn down	-	-	141,268	6,500,000
Interest expenses	69,715	150,003	1,416,405	372,548
Line fees	-	24,000	-	45,000
Admin fees	-	-	165,000	-
Interest repaid	-	(150,003)	-	-
Line fees repaid	-	(24,000)	-	(12,500)
Admin fees repaid	-	-	(192,500)	-
Equity conversion transferred to Convertible reserve (equity)	-	-	(22,500,000)	-
Closing balance as at 30 June 2025	836,712	1,207,807	4,567,126	6,905,048

¹ Repayment terms were agreed in December 2024 seeing a deferment in repayment until 31 December 2026.

² Cumulative Interest and Principal payment date deferred to 31 December 2026. The due date for the settlement of the principal component was extended from 31 December 2025 to 31 December 2026. This extension is subject to shareholders' approval.

ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Notes to the financial statements for the year ending 30 June 2025

Interest bearing loan

On 9 August 2019 the Group entered into a loan deed with Suzerain for total funding of \$19 million to support working capital requirements and to restructure the business.

The loan was to be repaid on 30 September 2020 with interest capitalised at 10% per annum. During the 2020 AGM, resolutions were passed to enter into a General Security Deed over the assets of the Group in the form attached to the Convertible Loan Deed and for the loan to be convertible to ordinary shares at the higher of \$0.047 per share or 30 days volume weighted average price prior to conversion.

Accordingly, \$19.3 million including accrued interest on the convertible loan was converted to equity with the issuance of 410,643,766 ordinary shares (4.7cent per share) in the Company. \$0.5m of the convertible loan was left in the loan in which Suzerain had the option to convert up until 30 June 2020. The option lapsed as the loan was not converted at 30 June 2020. The balance remaining on this loan is \$0.66m (Including interest) and will remain as a secured interest-bearing loan until repaid. The Interest-bearing loan matured on 30 September 2020. The Company signed an amendment deed in August 2023 to defer the Principal and Interest payment to 31 December 2024 and another amendment deed in December 2023 to defer the Principal and Interest payment to 31 December 2025. A third amendment deed was agreed in December 2024 to defer the Principal and Interest payment date to 31 December 2026.

Transformational capital facility

Skybound Fidelis Investment limited as trustee for the Skybound Fidelis Credit Fund (Skybound) (a related entity of Suzerain) provided the Group with a \$1.2 million facility for the transformational capital expenditures. During the AGM in December 2020, the resolutions were passed to enter into a second ranking security deed (ranking behind Suzerain). As at 30 June 2025 this loan facility has been fully drawn down.

The original repayment date for this loan was 11 February 2022, however, as part of the Group's debt management plans, the repayment date has been renegotiated and has been deferred to 31 December 2024. Updated repayment terms have been agreed post 30 June 2024 seeing a deferment in repayment until 31 December 2025 and another amendment deed in December 2024 to defer the principal repayment date to December 2026.

Suzerain Investment Holdings Limited Convertible Loan Facility (Previously New Gold Coast Holdings Loan facility)

New Gold Coast Holdings Limited (NGCH), a related party of Suzerain, provided a \$5 million Loan facility that was approved on 3 June 2021. The funds had been predominantly used to expedite the development of the company's technology and customer experience platforms and to provide contingent working capital due to seasonal cash inflows. During the AGM on the 20 January 2022, the resolutions were passed to enter a second ranking security deed (ranking behind Suzerain). During the EGM on 23 May 2022, Entertainment Rewards Ltd gained shareholder approval to enter a convertible loan deed with New Gold Coast Holdings Limited which extended the total facility to \$22.5m and deferring the repayment date to 31 December 2024. Convertible loan deed provided an option to NGCH to convert the principal outstanding under the facility into the shares of the company at higher of a) A\$0.022 per share or b) the volume weighted average price of Shares traded on ASX during the period of 30 trading days concluding on the trading day before the issue date of the relevant Conversion Shares, plus an additional 20%. As per the amendment to the main agreement, accrued interest is not convertible into equity

The Company signed an amendment deed signed in December 2023 to defer the principal and interest payment until 31 December 2025.

ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Notes to the financial statements for the year ending 30 June 2025

The Company signed a novation deed dated 19 October 2024, novating the loan facility in favour of Suzerain Investment Holdings Limited on the existing terms and conditions which was approved by the Company's shareholders in 2024 AGM. The Company signed two amendment deeds in January 2025 and February 2025 respectively, with the following amendments:

1. Conversion price for principal amount to be fixed at 2.2 cents per share.
2. Option to convert shifted from the lender to the Company
3. Interest rate reduced to 0% from 31 December 2024
4. Interest repayment date deferred to 31 December 2026.
5. Principal repayment/ conversion date deferred to 31 December 2026 subject to shareholder's approval.
6. The amendments were made with an effective date of 31 December 2024.
7. Admin fees removed from 31 December 2024

As the amendment deed removes variability in the number of shares to be issued in settlement of the liability and grants the Company discretion to repay the principal component through the issue of a fixed number of shares, the liability has been reclassified as equity in the statement of financial position. Although the amendment was finalised on 28 January 2025, the reclassification is effective from 31 December 2024, as specified in the deed. Consequently, 31 December 2024 is regarded as the point at which the liability was legally extinguished and reclassified as equity, consistent with the establishment of a fixed conversion criteria. Due to the modification of the convertible note being made with a party under common control, the fair value of the liability as at the date of modification was reclassified to equity.

Suzerain Investment Holdings Loan Facility (Unsecured Loan)

On 28 June 2024 the Group entered into a new loan agreement with Suzerain for total funding of \$5 million. The loan is unsecured with no convertible option. An amendment deed was signed in December 2024 to defer the principal and interest payment until 31 December 2026. On 30 April 2025 the Group signed an amendment to increase the total funding from 5.0 million to \$7.5 million. The undrawn portion of the facility as at 30 June 2025 was \$1.0 million.

Note 11 | Deferred revenue

Accounting policy

Deferred revenue constitutes contract liabilities under AASB 15, as it relates to performance obligations to the members of Entertainment Publications not yet satisfied. See note 2.

	Consolidated Group	
	2025	2024
	\$	\$
Current		
Deferred Revenue	2,851,758	2,637,603
Total current deferred revenue	2,851,758	2,637,603
Deferred revenue	542	166,744
Total non-current deferred revenue	542	166,744
Total deferred revenue	2,852,300	2,804,347

ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Notes to the financial statements for the year ending 30 June 2025

The movement in the deferred revenue is as follows:

	Deferred revenue \$
Year ended 30 June 2024	
Balance as at 1 July 2023	3,822,326
Revenue deferred	7,092,752
Revenue recognised	(8,110,731)
Year ended 30 June 2024	2,804,347
Year ended 30 June 2025	
Balance as at 1 July 2024	2,804,347
Revenue deferred	8,285,482
Revenue recognised	(8,237,529)
Year ended 30 June 2025	2,852,300

The contract liabilities primarily relate to cash receipts from membership and Enterprise sales, for which revenue is recognised over time.

Note 12 | Issued capital

	Consolidated Group			
	2025 shares	2024 shares	2025 \$	2024 \$
Ordinary shares - fully paid on issue	1,279,689,015	1,231,279,015	132,383,265	132,141,215
EAT has no limit to its authorised share capital.				
Movements in ordinary share capital	Date	Number of shares	Issue price \$	\$
Ordinary shares at beginning of the year		1,231,279,015		132,141,215
Issues during the year:				
	Less, costs of issues			
Balance as at 30 June 2024		1,231,279,015		132,141,215
Ordinary shares at beginning of the year		1,231,279,015		132,141,215
Issues during the year:	02-Oct-2024 ¹	21,310,000	0.005	106,550
	19-Dec-2024 ²	27,100,000	0.005	135,500
	Less, costs of issues	-	-	-
Balance as at 30 June 2025		1,279,689,015		132,383,265

ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Notes to the financial statements for the year ending 30 June 2025

1. On 2 October 2024, 21,310,000 fully paid shares were issued for the exercised Performance Rights issued to staff in FY2024.
2. On 19 December 2024, 27,100,000 fully paid shares were issued to compensate Dean Palmer, the Company's chairman, for additional services provided to the Company.

Ordinary shares participate in dividends and the proceeds on winding-up of the parent entity in proportion to the number of shares held. Shares have no par value.

At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Capital is also managed having regard to the Group's long-term growth requirements.

Employee and Executive Share Based Schemes

During the prior financial year, shareholders had approved in 2023 AGM a Loan Funded Share Scheme (LFS) for the non-executive director Charles Romito and Performance Rights for previous CEO, Ani Chakraborty. To incentivize key employees, Board had approved issuance of Performance Rights to key senior employees as detailed in Note 13. The share-based compensation was also approved for Heidi Halson on her appointment as CEO and for Ani Chakraborty on his appointment as non-executive director. Issuance of shares to Heidi Halson and Ani Chakraborty as non-executive director was subject to shareholders' approval in 2024 AGM.

In FY2025, the shareholders approved a Loan Funded Share Scheme (LFS) for Chairman Dean Palmer at the 2024 AGM, as outlined in Note 13, along with a one-time issuance of 27.1 million shares in recognition of additional services provided to the Company. The Performance Rights granted to key senior employees during FY2024, including former CEO Ani Chakraborty, were vested and settled in shares. The resolution to approve a LFS plan allocation to former Non-Executive Director Ani Chakraborty was withdrawn from the agenda of the 2024 Annual General Meeting, following his departure as a Key Management Personnel (KMP).

Note 13 | Reserves

Accounting policy

Share based payments

The fair value of unissued ordinary shares granted is recognised as a benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the recipients become unconditionally entitled to the equity-based incentive.

Upon the issue of shares, the balance of the share-based payments reserve relating to those equity-based incentives are transferred to share capital.

Shares issued under the loan funded share scheme is accounted for as in substance option and share based payments were measured using a Black-Scholes model.

Performance Rights issued to Key Management Personnel were measured at the grant-date fair value.

Foreign currency translation

Exchange differences arising from translation of the foreign controlled entity are recognised in other comprehensive income as a foreign currency translation reserve. The cumulative amount is reclassified to profit or loss when the net investment is disposed.

ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Notes to the financial statements for the year ending 30 June 2025

	Consolidated Group			
	Share based payments reserve	Convertible note Reserve	Foreign currency translation reserve	Total
	\$		\$	\$
Balance as at 1 July 2023	-	-	346,242	346,242
Vesting charge for the period	140,143	-	-	140,143
Movement during the period		-	(2,825)	(2,825)
Balance as at 30 June 2024	140,143	-	343,417	483,560
Balance as at 1 July 2024	140,143	-	343,417	483,560
Vesting charge for the period	67,203	-	-	67,203
Exercised during the period	(106,550)	-	-	(106,550)
Movement during the period	-	22,500,000	9,047	22,509,047
Balance as at 30 June 2025	100,796	22,500,000	352,464	22,953,260

Share based payments - Performance Rights

The Performance Rights approved during 2023 AGM for the former CEO Ani Chakraborty, CFO/Company Secretary Kunal Kapoor and other senior employees were exercised during FY2025. Accordingly, fully paid ordinary shares of the Company were issued in October 2024.

Movement in Performance Rights

KMP -Performance rights	Held on 1 July 2024	Exercised	Held on 30 June 2025	Vested and exercisable as of 30 June 2025
Ani Chakraborty	4,250,000	(4,250,000)	-	-
Kunal Kapoor	2,125,000	(2,125,000)	-	-
Other senior employees	14,935,000	(14,935,000)	-	-
Total	21,310,000	(21,310,000)	-	-

Share based payments - Loan funded shares

The Board and Shareholders approved a Loan Funded Share Scheme (LFS) for the Chairman Dean Palmer during 2024 AGM. The key terms of the LFS scheme for Dean Palmer are as follows:

- Loan shares issued at \$0.004 being 30 trading day VWAP of EAT shares on ASX as on 4 December 2024.
- Shares will vest in 3 tranches only if Dean remains engaged by the Company as a non-executive director on or after each applicable vesting date. Vesting schedule is as follows:

Tranche	Number of Shares	Vesting Date
Tranche 1	5,482,000	4-Dec-24
Tranche 2	5,482,000	1-Jul-25
Tranche 3	5,482,000	1-Jul-26

ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Notes to the financial statements for the year ending 30 June 2025

- The Company will provide an interest-free limited recourse loan (Loan) to the Chairman to fund the purchase of shares.
- If there is an outstanding amount owing under the Loan, all dividends, distribution, capital return declared and paid with respect to the shares (after deduction for tax payable in relation to those distributions) shall be applied to repaying the Loan, therefore the Chairman shall have no right to receive those distributions.
- The Chairman has the option to either repay the loan or return the shares at the loan repayment date, being 30 business days after the last vesting date.
- The Loan shares will rank pari passu with existing shares.

Key inputs used in valuing this LFS were as follows:

Grant date	4-Dec-2024
Start date	4-Dec-2024
Expiry date	1-Jul-2026
Share price at issue date	\$0.004
Exercise price	\$0.004
Expected life (years)	1.6
Volatility	223%
Risk free interest rate	4.35%
Distribution yield	-

The LFS scheme implemented in FY2024 for Charles Romito, Non-Executive Director, continues to vest.

Movement in loan funded shares

	Held on 1 July 2024	Granted	Held on 30 June 2025	Vested and exercisable as of 30 June 2025
Charles Romito	12,651,000	-	12,651,000	-
Dean Palmer	-	16,446,000	16,446,000	-
Total	12,651,000	16,446,000	29,097,000	-

	Held on 1 July 2023	Granted	Held on 30 June 2024	Vested and exercisable as of 30 June 2024
Charles Romito	-	12,651,000	12,651,000	-
Total	-	12,651,000	12,651,000	-

ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Notes to the financial statements for the year ending 30 June 2025

Movement in share based payment reserve

	Share based payments reserve					
	Dean Palmer	Charles Romito	Ani Chakraborty	Kunal Kapoor	Other employees	Total
	\$	\$	\$	\$	\$	\$
Balance as at 1 July 2023	-	-	-	-	-	-
Vesting charge for the period	-	33,593	21,250	10,625	74,675	140,143
Balance as at 30 June 2024	-	33,593	21,250	10,625	74,675	140,143
Balance as at 1 July 2024	-	33,593	21,250	10,625	74,675	140,143
Vesting charge for the period	41,917	25,286	-	-	-	67,203
Exercised during the period	-	-	(21,250)	(10,625)	(74,675)	(106,550)
Balance as at 30 June 2025	41,917	58,879	-	-	-	100,796

Note 14 | Key Management Personnel compensation

The total remuneration paid to KMP of the Group during the year was as follows:

	Consolidated Group	
	2025	2024
	\$	\$
Short-term employee benefits	1,059,862	984,518
Post-employment benefits	69,287	65,453
Long-term employee benefits	922	1,910
Termination benefits ¹	124,313	-
Share based payments	198,488	71,360
TOTAL KMP COMPENSATION	1,452,872	1,123,241

¹ These benefits were paid to former CEO Ani Chakraborty for termination of employment in Jul 24.

Note 15 | Auditor's remuneration

During the financial year, the following fees were paid or payable for the services provided by William Buck Audit (Vic) Pty Ltd, the auditor of the Company.

	Consolidated Group	
	2025	2024
	\$	\$
William Buck		
Auditing or reviewing the financial statements	105,370	94,000
Taxation services - compliance	14,300	9,255
Total auditor's remuneration	119,996	103,255

ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Notes to the financial statements for the year ending 30 June 2025

Note 16 | Interests in subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's principal place of business also reflects its country of incorporation.

Name of entity	Principal place of business	Ownership interest held by the Group	
		2025 %	2024 %
a) Information about Principal Subsidiaries			
Entertainment Publications of Australia Pty Ltd	Australia	100	100
Entertainment Publications Ltd	New Zealand	100	100
Entertainment Digital Pty Ltd (previously MobileDEN Pty Ltd)	Australia	100	100
Entertainment Trus Co Pty Ltd ¹	Australia	100	100
Entertainment Seamless Rewards Pty Ltd	Australia	100	100

¹The Employee share plan trust ("ESP") was established on 24 April 2020 to provide benefits to current employees, directors and contractors ("the Beneficiaries"). Under the employee shares scheme, the trustee, Entertainment Trus Co Pty Ltd will purchase the Company's shares currently held under the previous directors. The shares will be held until the vesting day for the benefit of the Beneficiaries, in such numbers or proportions that the trustee deem reasonable.

Subsidiary financial statements used in the preparation of these preliminary consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements, using the same accounting policies. There are no significant restrictions over the Group's ability to access or use the assets and settle liabilities of the Group.

ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Notes to the financial statements for the year ending 30 June 2025

Note 17 | Parent company information

Information relating to Entertainment Rewards Ltd (the Parent Entity):

	2025 \$	2024 (restated) \$
Statement of profit or loss and other comprehensive income		
Total loss	(4,509,988)	(4,485,562)
Total comprehensive income	(4,509,988)	(4,485,562)
Statement of financial position		
Assets		
Current assets	807,819	965,609
Non-current assets	8,248,752	3,858,342
Total assets	9,056,571	4,823,951
Liabilities		
Current liabilities		
Current liabilities	256,783	23,880,907
Non-current liabilities	15,326,017	5,661,988
Total liabilities	15,582,800	29,542,895
Equity		
Issued capital	132,382,822	132,140,772
Reserves	22,583,386	122,733
Accumulated losses	(161,492,437)	(156,982,449)
Total equity	(6,526,229)	(24,718,944)

Details of the contingent assets and liabilities of the Group are contained in Note 19.

Deed of cross guarantee

Entertainment Rewards Ltd, Entertainment Publications of Australia Pty Ltd, Entertainment Digital Pty Ltd and Entertainment Seamless Rewards Pty Ltd are parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into the deed, the wholly owned entities have been relieved from the requirement to prepare a financial report and directors' report under ASIC Corporations (Wholly owned Companies) Instrument 2016/785.

ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Notes to the financial statements for the year ending 30 June 2025

Set out below is a consolidated balance sheet as of 30 June 2025 of the parties to the Deed of Cross Guarantee.

Assets	2025	2024 (restated)
Current assets	\$	\$
Cash and cash equivalents	1,375,455	1,831,207
Trade and other receivables	584,203	495,105
Contract assets	383,032	123,352
Inventories	105,266	61,940
Other assets	470,603	502,762
Total current assets	2,918,559	3,014,366
Non-current assets		
Property, plant and equipment	49,868	70,278
Intangible assets	478,027	855,727
Total non-current assets	527,895	926,005
Total assets	3,446,454	3,940,371
Liabilities		
Current liabilities		
Trade and other payables	2,774,643	2,491,511
Borrowings	-	26,207,807
Deferred revenue	2,603,877	2,299,146
Provisions	405,556	394,693
Total current liabilities	5,784,076	31,393,157
Inter-company loan payables	971,615	959,171
Borrowings	13,516,693	3,803,950
Deferred revenue	458	147,208
Provisions	33,670	55,727
Total non-current liabilities	14,522,436	4,966,056
Total liabilities	20,306,512	36,359,213
Net deficiency of assets	(16,860,058)	(32,418,842)
Equity		
Issued capital	132,382,822	132,140,772
Reserves	22,922,895	462,242
Retained earnings	(172,165,775)	(165,021,856)
Total equity	(16,860,058)	(32,418,842)

See Note 18 for the Consolidated Statement of Profit or Loss for the year ended 30 June 2025 of the parties to the Deed of Cross Guarantee. All entities incorporated in Australia are the parties of Deed of Cross Guarantee.

ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Notes to the financial statements for the year ending 30 June 2025

Note 18 | Segment information

Accounting policy

Reportable segments are identified on the basis of internal reports on the business units of the Group that are regularly reviewed by the Board of Directors in order to allocate resources to the segment and assess its performance. Entertainment Rewards Ltd manages the Group as two segments, being the Entertainment business and Seamless Rewards business.

	Entertainment		Seamless Rewards		Total	
	Year ended		Year ended		Year ended	
	2025	2024	2025	2024	2025	2024
	\$	\$	\$	\$	\$	\$
Revenue and other income	17,567,883	15,964,069	1,141,800	651,763	18,709,683	16,615,832
Cost of sales	(10,903,860)	(8,221,123)	(661,115)	(298,322)	(11,564,975)	(8,519,445)
Employee expenses	(11,028,350)	(9,585,064)	(152,198)	(227,129)	(11,180,548)	(9,812,193)
Website and communication	(707,263)	(662,746)	(118,270)	(114,407)	(825,533)	(777,153)
Marketing expenses	(786,867)	(685,304)	-	-	(786,867)	(685,304)
Legal and professional costs	(198,301)	(248,062)	(321)	-	(198,622)	(248,062)
Corporate and administrative expenses	(1,081,528)	(1,185,464)	(120)	(120)	(1,081,648)	(1,185,584)
Finance costs	(2,245,247)	(2,913,101)	-	-	(2,245,247)	(2,913,101)
Building occupancy expense	(41,951)	(34,631)	-	-	(41,951)	(34,631)
Bad debts reversals/ (expenses)	(22,217)	74,724	-	-	(22,217)	74,724
Depreciation and amortisation expense	(39,463)	(37,624)	(377,700)	(118,031)	(417,163)	(155,655)
Segment profit/ (loss) before income tax	(9,487,164)	(7,534,326)	(167,924)	(106,246)	(9,655,088)	(7,640,572)
Segment total assets	2,710,103	4,179,289	870,142	(1,632)	3,580,245	4,177,657
Segment total non-current assets	49,868	927,637	478,027	(1,632)	527,895	926,005
Segment total liabilities	17,894,795	34,334,517	1,911,815	(873,750)	19,806,610	33,460,767

Geographical location

The profit and loss attributable to external customers is disclosed below based on the country in which the revenue is derived and billed.

ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Notes to the financial statements for the year ending 30 June 2025

	Australia		New Zealand		Total	
	Year ended		Year ended		Year ended	
	2025	2024	2025	2024	2025	2024
	\$	\$	\$	\$	\$	\$
Revenue and other income	17,682,326	15,477,628	1,027,357	1,138,204	18,709,683	16,615,832
Cost of sales	(11,092,787)	(8,170,301)	(472,188)	(349,144)	(11,564,975)	(8,519,445)
Employee expenses	(10,924,732)	(9,404,676)	(255,816)	(407,517)	(11,180,548)	(9,812,193)
Marketing expenses	(786,805)	(684,021)	(62)	(1,283)	(786,867)	(685,304)
Website and communication	(823,762)	(775,438)	(1,771)	(1,715)	(825,533)	(777,153)
Legal and professional costs	(198,622)	(247,247)	-	(815)	(198,622)	(248,062)
Corporate and administrative expenses	(1,059,034)	(1,176,179)	(22,614)	(9,405)	(1,081,648)	(1,185,584)
Finance costs	(2,245,253)	(2,924,728)	6	11,627	(2,245,247)	(2,913,101)
Building occupancy expense	(41,951)	(34,362)	-	(269)	(41,951)	(34,631)
Bad debts reversals/ (expenses)	(21,359)	57,554	(858)	17,170	(22,217)	74,724
Depreciation and amortisation expenses	(417,163)	(155,655)	-	-	(417,163)	(155,655)
Segment profit/ (loss) before income tax	(9,929,142)	(8,037,425)	274,054	396,853	(9,655,088)	(7,640,572)

Major customers

The Group has no major customers among all customers contributing to revenues.

Note 19 | Contingent liabilities and contingent assets

Security deposit

The parent entity has given the guarantee for a credit cards facility of \$0.1m as at 30 June 2025 and 30 June 2024.

Note 20 | Financial risk management

Accounting policy

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, leases and loans to related parties.

The totals for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments as detailed in the accounting policies to these financial statements, are as follows:

ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Notes to the financial statements for the year ending 30 June 2025

	Consolidated Group	
	2025 \$	2024 \$
Financial assets		
Cash and cash equivalents	1,425,445	1,968,186
Trade and other receivables	609,952	523,753
Other current assets	102,461	109,261
Total financial assets	2,137,858	2,601,200
Financial liabilities		
Trade and other payables	2,992,792	2,686,893
Borrowings	13,516,693	27,511,757
Total financial liabilities	16,509,485	30,198,650

Financial risk management policies

Senior management meet on a regular basis to review currency and interest rate exposure and to evaluate treasury management strategies where relevant, in the context of the most recent economic conditions and forecasts.

The overall risk management strategy seeks to assist the consolidated Group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the use credit risk policies and future cash flow requirements.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual liabilities interest payments and exclude the impact of netting agreements.

Maturity analysis	Contractual cash flows									
	2025 Carrying Value \$	2024 Carrying Value \$	Within 1 year		1-5 years		> 5 years		Total	
			2025 \$	2024 \$	2025 \$	2024 \$	2025 \$	2024 \$	2025 \$	2024 \$
Financial assets										
Cash	1,425,445	1,968,186	1,425,445	1,968,186	-	-	-	-	1,425,445	1,968,186
Trade debtors	609,952	523,753	609,952	523,753	-	-	-	-	609,952	523,753
Other current assets	102,461	109,261	102,461	109,261	-	-	-	-	102,461	109,261
Financial liabilities										
Trade and other payables	(2,992,792)	(2,686,893)	(2,992,792)	(2,686,893)	-	-	-	-	(2,992,792)	(2,686,893)
Borrowings	(13,516,693)	(27,511,757)	(279,307)	(452,924)	(14,972,326)	(30,546,871)	-	-	(15,251,633)	(30,999,795)

ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Notes to the financial statements for the year ending 30 June 2025

Accounting classifications and fair values

As at 30 June 2025 and 2024 all financial assets and liabilities had carrying values that approximated their fair values.

Specific financial risk exposures and management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk and foreign currency risk.

Market risk

a. Credit risk

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

i. Risk management

Credit risk is managed through the maintenance of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers, ensuring to the extent possible that customers to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Depending on the division within the Group, credit terms are generally 14 to 30 days from the invoice date.

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period excluding the value of any collateral or other security held, is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The Group has no significant concentration of credit risk with any single customer or group of customers. \$14.1 million of the revenue in Note 2 is from memberships and gift cards sales, they are cash on delivery, therefore, the Group has no significant credit risk.

ii. Impairment of financial assets

The Group has trade and other receivables that are subject to the expected credit loss model. Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed in note 6. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial because the Group deals with reputable banks with high credit ratings.

Trade and other receivables

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See Note 6.

b. Liquidity risk

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

ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Notes to the financial statements for the year ending 30 June 2025

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities
- monitoring undrawn credit facilities;
- obtaining funding from major financial institutions;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.
- Renegotiating maturity dates of key funding lines of credit to ensure liquidity is managed within acceptable and planned thresholds.

i. Financing arrangements

New Suzerain Investment Holdings Loan Facility of \$5 million was signed on 28th June 2024. The loan is unsecured with no convertible option. On 30 April 2025 the Group signed an amendment to increase the total funding from 5.0 million to \$7.5 million. At 30 June 2025 there was still \$1.0 million available to the company. See note 10 for more details.

ii. Maturities of financial liabilities

Interest bearing loan

Updated repayment terms have been agreed in FY2024 and the facility will now be repaid on 31 December 2026 (Previously 31 December 2025). See Note 10.

Transformational capital facility

Post 30 June 2024, the repayment date for the Transformational capital facility with Skybound was set to mature on 31 December 2025.

In December 2024, the company successfully renegotiated the repayment date to 31 December 2026. See note 10.

Suzerain Investment Holdings Limited Convertible Loan Facility (Previously New Gold Coast Holdings Loan facility)

Updated repayment terms have been agreed in FY2025 and the facility will now be repaid on 31 December 2026 subject to shareholders' approval. (Previously 31 December 2025). See Note 10.

Suzerain Investment Holdings Loan Facility (Unsecured Loan)

Updated repayment terms have been agreed in FY2024 and the facility will now be repaid on 31 December 2026 (Previously 31 December 2025). See Note 10.

c. Foreign exchange risk

The Group is exposed to foreign currency risk on the sale of memberships and other fee income from foreign entities and on the translation of its foreign subsidiaries. Senior management has not hedged foreign currency transactions as at 30 June 2025 as \$1.0 million of total revenue is in NZD and the foreign currency fluctuation between AUD and NZD is historically insignificant at 1.92% during the year. Foreign exchange risk was therefore considered insignificant. Senior management continue to evaluate this risk on an ongoing basis.

ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Notes to the financial statements for the year ending 30 June 2025

The exposure to foreign currency risk at the end of the reporting period, expressed in New Zealand dollar, was as follows:

	2025 NZD \$	2024 NZD \$
Trade debtors	29,222	33,626
Trade payables	(11,153)	(6,294)

At the end of the financial year, the effect on profit and equity as a result of changes in the foreign exchange rate with all other variables remaining constant would be as follows:

	Profit \$	Equity \$
Year ended 30 June 2025		
+/- 0.99% in foreign exchange rates	5,259	12,161
Year ended 30 June 2024		
+/- 0.5% in foreign exchange rates	2,918	(6,794)

d. Interest rate risk

The interest rate relating to the borrowings with Suzerain is capitalised at a fixed rate of 10% and 13% per annum and is expected to be repaid 31 December 2026.

Interest relating to the borrowings with Skybound is paid monthly at a fixed rate of 12.5% and repayable by 31 December 2026.

Note 21 | Related party transactions

Key Management Personnel

Any person having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether Executive or otherwise) of that entity, are considered key management personnel.

During the year certain remuneration entitlements of executive and non-executive directors were paid, upon request of the directors, to related entities or associates of those Directors.

See Note 14 for the value of the related party transactions above and remuneration report

Other related parties

Other related parties include entities controlled by the Company and entities over which key management personnel have joint control. Amounts disclosed in Note 21 include transactions with associated entities of key management personnel.

Transactions between related parties are on normal commercial terms and conditions that are no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties controlled by key management personnel:

ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Notes to the financial statements for the year ending 30 June 2025

	Consolidated Group	
	2025	2024
	\$	\$
Sales of goods and services		
Membership subscriptions ¹	2,310	9,409
Travel commission ²	-	14,350
Salary recharge ³	36,662	45,642
Purchases of services		
Rent and parking ⁴	732	1,268
Travel expense ⁵	-	936
Recruitment fee ⁶	-	30,740

¹ Sale of Entertainment memberships to Leisurecom Group, a related entity of Suzerain.

² Travel commission from Leisurecom Group Pty Ltd, a controlled entity of Suzerain.

³ Recharge of salary expenses to Leisurecom Group Pty Ltd, a controlled entity of Suzerain.

⁴ Gold Coast office and car park space provided by Leisurecom Group Pty Ltd, a controlled entity of Suzerain.

⁵ Recharge of travel expense from eCruising Travel, a controlled entity of Suzerain.

⁶ Recharge of recruitment fee from eCruising Travel, a controlled entity of Suzerain.

Outstanding balances arising from sales/purchases of goods and services:

	Consolidated Group	
	2025	2024
	\$	\$
Current receivables		
Leisurecom Group Pty Ltd ¹	-	891

¹ Travel Commission provided to a related entity of Suzerain.

Outstanding balances arising from loan agreements:

	Consolidated Group	
	2025	2024
	\$	\$
Borrowings		
Transformational capital facility	1,207,807	1,207,807
Interest bearing loan	836,712	766,997
Suzerain Investment Holdings Convertible Loan facility	4,567,126	25,536,953
Suzerain Investment Holdings Loan Facility (Unsecured Loan)	6,905,048	-

Transactions between the Company and controlled entities include loans, management fees and interest, which are eliminated on consolidation. Significant loan and capital-related transactions between the Group and related parties include the following:

- Suzerain and Skybound, related parties to Dean Palmer (Chairman), have provided a total of \$31.7 million loan facilities to the Group. During the period, the Group drew \$6.6 million of the line of credit facility. See Note 10 for additional details.

ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Notes to the financial statements for the year ending 30 June 2025

Note 22 | Events after the reporting period

On 22 August 2025, the Group signed an amendment deed with Suzerain Investment Holdings to increase the existing loan facility by additional \$3.0 million.

Other than the matter described above, no other matters or circumstances has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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ENTERTAINMENT REWARDS LTD AND CONTROLLED ENTITIES

Consolidated entity disclosure statement

As at 30 June 2025

Name of entity	Entity type	Body corporates		Tax residency	
		Place formed or incorporated	% of share capital held	Australian or foreign	Foreign Jurisdiction
Entertainment Rewards Ltd	Body corporate	Australia	N/A	Australian (i)	N/A
Entertainment Publications of Australia Pty Ltd	Body corporate	Australia	100	Australian (i)	N/A
Entertainment Publications Ltd	Body corporate	New Zealand	100	Foreign	New Zealand
Entertainment Seamless Rewards Pty Ltd	Body corporate	Australia	100	Australian (i)	N/A
Entertainment Digital Pty Ltd (previously MobileDEN Pty Ltd)	Body corporate	Australia	100	Australian (i)	N/A
Entertainment Trus Co Pty Ltd	Body corporate	Australia	100	Australian (i)	N/A

Basis of preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the Group as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

Determination of tax residency

Section 295 (3A)(vi) of the Corporation Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the Group has applied the following interpretations:

Australian tax residency

The Group has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency

Where necessary, the Group has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3A)(vii) of the Corporations Act 2001).

Partnerships and Trusts

None of the entities noted above were trustees of trusts within the Group, partners in a partnership within the Group or participants in a joint venture within the Group

Directors' Declaration



In accordance with a resolution of the Directors of Entertainment Rewards Ltd, the Directors of the Company declare that:

The financial statements and notes, as set out on pages 44 to 81, are in accordance with the Corporations Act 2001 (Cth) and:

- a. Comply with Australian Accounting Standards, which, as stated in the notes to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS) as disclose in Note 1; and,
- b. Give a true and fair view of the financial position as at 30 June 2025 and of the performance for the year ended on that date of the consolidated Group.

In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and:

- i. the consolidated entity disclosure statement set out on page 82 required by section 295(3A) of the Corporations Act 2001 is true and correct; and,
- ii. the Directors have been given the declarations required by s2 95A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer.



Dean Palmer
Chairman

25 September 2025

Entertainment Rewards Ltd ABN 43 167 603 992

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Independent Auditor's Report

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Independent auditor's report to the members of Entertainment Rewards Ltd

Report on the audit of the financial report

Our opinion on the financial report

In our opinion, the accompanying financial report of Entertainment Rewards Ltd (the Company) and its controlled entities (together, the Group) is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What was audited?

We have audited the financial report of the Group, which comprises:

- the consolidated statement of financial position as at 30 June 2025,
- the consolidated statement of profit or loss and other comprehensive income for the year then ended,
- the consolidated statement of changes in equity for the year then ended,
- the consolidated statement of cash flows for the year then ended,
- notes to the financial statements, including material accounting policy information,
- the consolidated entity disclosure statement, and
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a loss before tax of \$9,655,088 and net cash outflows from operating activities of \$6,796,466 during the year ended 30 June 2025 and, as of that date, the Group's current liabilities exceeded its current assets by \$3,203,355. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue recognition – cut-off of revenue	Area of focus (refer also to note 2)	How our audit addressed the key audit matter
	<p>The Group primarily generates its revenue through membership subscriptions, gift card sales, and various fees and commissions earned through contractual or partnership arrangements.</p> <p>Applying accounting standards to these revenue streams can be complex and may require judgment to determine whether the Group acts as an agent or principal in these transactions. It also involves assessing when performance obligations are satisfied and, consequently, the appropriate accounting period for revenue recognition at cut-off.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> — Obtaining an understanding of the revenue streams and evaluating the appropriateness of the Group's principles to ensure that revenue is recognised in accordance with the criteria outlined in AASB 15 <i>Revenue from Contracts with Customers</i>; — Understanding the management process for monitoring the recognition and deferral of revenue throughout the period; — Testing revenue transactions in the sales ledger on a sample basis through cash receipts and other supporting evidence; — Testing the deferred revenue recorded at year-end to ensure appropriate cut-off of revenue recognised during the year; — Assessing the appropriateness of the Group's accounting policies and disclosures in Note 2 of the financial report.

Accounting for amendments to convertible loan facility

Area of focus (refer also to notes 1 and 10)

As disclosed in Note 10 of the financial statements, on 31 December 2024 the Group executed a deed of amendment with Suzerain Investment Holdings (“Suzerain”), a related party, to vary the terms of its legacy convertible note facility. Amongst other things, the amendment removed the variability in the conversion price of the outstanding principal balance by fixing it at 2.2 cents per share, with the option to convert now exercisable at the Group’s discretion.

Management concluded that the removal of this variability resulted in the convertible loan facility meeting the definition of equity and accordingly reclassified the balance during the financial year.

The accounting for this amendment is inherently judgemental, requiring an assessment of the substance of the renegotiated terms, consideration of the contractual features, determination of whether Suzerain qualifies as an entity under common control, and other relevant factors in accordance with AASB 132 *Financial Instruments: Presentation*.

How our audit addressed the key audit matter

Our audit procedures included:

- Reading the Deed of Amendment (“Deed”) entered into by the Group with Suzerain on 31 December 2024 and analysing its key terms and accounting implications;
- Obtaining a direct confirmation from Suzerain validating the key changes as described in the Deed and confirming the outstanding loan balance as at the date of the Deed;
- Consulting with our technical accounting specialists to assess the appropriateness of management’s accounting position and compliance with AASB 132 *Financial Instruments: Presentation*.
- Assessing the appropriateness of the Group’s accounting policies and disclosures in Note 1 and Note 10 of the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group’s annual report for the year ended 30 June 2025 but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report



Our opinion on the Remuneration Report

In our opinion, the Remuneration Report of Entertainment Rewards Ltd, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

What was audited?

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2025.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

N. S. Benbow

Director

Melbourne, 25 September 2025

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Additional Information



ASX Additional Information

As at 23 September 2025

Distribution of equitable securities

Analysis of the number of equitable security holders by size of holding:

Range	No. of holders	% no. of holders	Securities	% Issued capital
1 to 1,000	65	14.91	4,670	0.00
1,001 to 5,000	25	5.73	84,011	0.01
5,001 to 10,000	3	0.69	28,402	0.00
10,001 to 100,000	177	40.60	9,921,894	0.76
100,001 and over	166	38.07	1,298,747,038	99.23
TOTAL	436	100.00	1,308,786,015	100.00

Unmarketable parcels

Based on the 23 September 2025 closing price of \$0.003, the number of security investors holding less than a marketable parcel of 166,667 securities (\$500) was 316 and they hold 16,019,205 securities.

Substantial holders

Rank	Name	Current balance	% Issued capital
1	SUZERAIN INVESTMENTS HOLDINGS LTD	861,845,725	65.85
2	AUSTRALIAN FINTECH PLUS PTY LTD	59,524,369	4.55

Top 20 Holders of fully paid ordinary shares (as at 23 September 2025)

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

Rank	Name	23 September 2025	% Issued capital
1	SUZERAIN INVESTMENTS HOLDINGS LTD	861,845,725	65.85
2	AUSTRALIAN FINTECH PLUS PTY LTD	59,524,369	4.55
3	MR DEAN PALMER & MRS LAURA PALMER	43,546,000	3.33
4	BNP PARIBAS NOMS PTY LTD	38,284,535	2.93
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	37,078,313	2.83
6	IT'S TAKEN PTY LTD	29,181,229	2.23
7	AFRICAN KLIP PTY LTD	16,440,091	1.26
8	DR CHARLES ROMITO	12,651,000	0.97
9	YOUTH TRAVEL PTY LTD	11,079,417	0.85
10	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	9,148,815	0.70

Rank	Name	23 September 2025	% Issued capital
11	BNP PARIBAS NOMINEES PTY LTD	8,164,996	0.62
12	MR DEVEN HARRISON	7,684,167	0.59
13	EVEREST MB PTY LTD	7,518,000	0.57
14	LEONORILDA EUGENIA ROBLES-VARGAS & SAMEER HANDA	7,300,000	0.56
15	MR DAVID RICHARD PALMER	6,506,132	0.50
16	MR LAWRENCE ALLAN PAPPIN	6,363,636	0.49
17	MR JEREMY KEVIN THORPE & MRS WENDY AILEEN THORPE	6,200,456	0.47
18	MR HENRY MICHAEL HOY JONES	4,986,667	0.38
19	YYM PTY LTD	4,771,629	0.36
20	STEPHEN HARRISON	4,754,285	0.36

Convertible Loan Security

The Company has one convertible loan security on issue that is unquoted and currently held by Suzerain Investments Holdings Limited, an associate of the Company's majority shareholder, Suzerain Investments Holdings Limited. There are no voting rights attached to the convertible loan security. For further information regarding the terms of the convertible loan security, please refer to the Appendix 3B, Appendix 3G and s708A(12C)(e) Cleansing Notice lodged by the Company to ASX on 23 May 2022.

Voting rights

The Company has 1,308,786,015 (including shares in voluntary escrow) fully paid ordinary shares on issue. Each ordinary share is entitled to 1 vote when a poll is called, otherwise each member present at a meeting, or by proxy, has 1 vote by a show of hands. There are no other classes of equity securities.

Voluntary escrow

The Company has 29,097,000 shares in the voluntary escrow until 1 July 2026.

On market by back

There is currently no on-market share buyback.

Corporate Directory

Directors

Mr. Dean Palmer Non-Executive Chairman
Dr Charles Romito Non-Executive Director
Mrs. Heidi Halson Managing Director

Company Secretary

Mr. Kunal Kapoor

Registered Office

The Wave, Suite 202, Level 2, 89-91 Surf Parade,
Broadbeach, QLD 4218

Principal place of business

The Wave, Suite 202, Level 2, 89-91 Surf Parade,
Broadbeach, QLD 4218

Share registry

Link Market Services
ACN 083 214 537
Level 12, 680 George Street
Sydney NSW 2000
+61 2 8280 7100

Auditor

William Buck Audit (Vic) Pty Ltd
Level 20, 181 William Street,
Melbourne VIC 3000

Legal advisers

Sundaraj & Ker
Level 36, Australia Square
264 George Street
Sydney NSW 2000

Bankers

Commonwealth Bank of Australia
Level 3, 240 Queen Street
Brisbane Qld 4000

Stock exchange listing

Entertainment Rewards Ltd shares are listed on the
Australian Securities Exchange (ASX code: EAT)

Website

www.entertainmentrewards.com.au

The Company's Corporate Governance Statement, which was approved by the Board at the same time as the Annual Report, sets out the corporate governance practices that were in operation during the financial period and identifies and explains any ASX Corporate Governance Principles and Recommendations that have not been followed. The Corporate Governance Statement for the year ended 30 June 2025 can be found on the Company's website at <https://www.entertainmentrewards.com.au/governance>



EST 1994

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