



Peppermint Innovation Limited

(ACN 125 931 964)

INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED

31 DECEMBER 2020

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COMPANY DIRECTORY

Directors

Mr Christopher Kain
Managing Director

Mr Anthony Kain
Executive Director

Mr Mathew Cahill
Non-executive Director

Mr Leigh Ryan
Non-executive Director

Company Secretary

Mr Anthony Kain

Registered Office

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300 Murray Street, Off Raine Lane
Perth WA 6000

Tel: +61 8 6255 5504

Web Address

www.pepltd.com.au

Auditors

RSM Australia Partners
Level 32 Exchange Plaza
2 The Esplanade
Perth, WA 6000

Solicitors

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth, WA 6000

Share Registry

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PIL

CONTENTS

CONTENTS	PAGE
Directors' Report	2
Auditor's Independence Declaration	4
Consolidated Statement of Profit or Loss and Other Comprehensive Income	5
Consolidated Statement of Financial Position	6
Consolidated Statement of Changes in Equity	7
Consolidated Statement of Cash Flows	8
Notes to the Financial Statements	9 – 15
Directors' Declaration	16
Independent Auditor's Review Report	17

DIRECTORS' REPORT

Your Directors submit the financial report of the Company, being Peppermint Innovation Limited, and the entities it controlled ("the Group"), for the half-year ended 31 December 2020. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names of Directors who held office during or since the end of the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Christopher Kain	Managing Director and CEO
Anthony Kain	Executive Director
Mathew Cahill	Non-executive Director

Review of Operations

The loss for the Group after providing for income tax amounted to \$1,087,111 (2019: \$1,019,836).

About Peppermint Innovation Limited

Peppermint Innovation Limited is an Australian company focused on the commercialisation, deployment and development of the proprietary Peppermint Platform, a white label mobile App banking platform and mobile App micro enterprise platform that offers payments, remittance, delivery and logistics and ecommerce services to the Philippines market with the aim of creating financial inclusion for the Filipino people who otherwise might not have access to these services. Peppermint currently operates the commercially proven and deployed Peppermint Platform by providing white label mobile App banking platforms to the Philippines banking sector, and by providing mobile App micro enterprise services via its own "bizmoto" agent network as well as through other third-party non-bank networks ("bizmoto" meaning "my business" in Filipino).

The bizmoto brand is emerging and Peppermint is firmly focused on its growth through the ongoing development and deployment across four fundamental business sectors covered by the Peppermint Platform namely:

- Payments;
- Delivery & Logistics;
- E-Commerce; and
- Financial Services.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial half-year.

Events After the Balance Sheet Date

Subsequent to reporting date:

- shareholders approved and the Company issued:
 - 250,000,000 shares at \$0.01 per share to raise \$2,500,000;

DIRECTORS' REPORT

- 40,500,000 options with an exercise price of \$0.01 on or before 31 March 2021;
 - 15,000,000 options with an exercise price of \$0.01 on or before 31 December 2021; and
 - 20,000,000 options with an exercise price of \$0.015 on or before 18 February 2024 and 20,000,000 options with an exercise price of \$0.025 on or before 18 February 2024 as part of the fee to the broker who arranged the funding of \$2,000,000 for the Company.
- Shareholders approved the change in the conversion price of the convertible note from \$0.025 to \$0.01;
 - 15,000,000 options with an exercise price of \$0.01 on or before 31 March 2021 were cancelled and
 - Convertible notes and accrued interest with a value of \$248,240.63 were converted into 24,824,063 ordinary shares.

Beginning in February 2020, governments worldwide issued increasingly stringent orders to contain the spread of COVID-19, including shelter-in-place orders and travel bans. In response to this travel was ceased for all employees and this lock down along with the capital constraints faced by the Company had a significant impact on our ability to build bizmoto and our business in 2020. The Group however continued to operate including enacting necessary precautions for essential staff attending offices in accordance with local restrictions, which also included staff working from home at times.

The COVID-19 pandemic is a new risk to human health and is a concern the Company's Board takes seriously and is confident appropriate procedures are in place to navigate the Group through this period. The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting period. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Apart from the items above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, RSM Australia Partners, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 4 and forms part of this Directors' report for the half-year ended 31 December 2020.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3)(a) of the Corporations Act 2001.



Mr Christopher Kain
Managing Director and CEO

Dated this 26th day of February 2021



RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Peppermint Innovation Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM AUSTRALIA PARTNERS

J A KOMNINOS
Partner

Perth, WA
Dated: 26 February 2021

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

HALF-YEAR ENDED 31 DECEMBER 2020

	Note	Half-year Ended 31/12/2020 \$	Half-year Ended 31/12/2019 \$
Revenue	5	1,244,530	1,169,980
Cost of sales		(1,121,534)	(1,076,867)
Gross profit		122,996	93,113
Other income		37,518	71
Administration expenses		(821,722)	(973,804)
Share based payment	10	(60,586)	-
Finance costs		(365,317)	(204,860)
Fair value adjustment		-	65,644
(Loss) before income tax expense		(1,087,111)	(1,019,836)
Income tax expense		-	-
(Loss) for the period		(1,087,111)	(1,019,836)
Other comprehensive income / (loss)			
<i>Items that may be reclassified to profit or loss:</i>			
- Nil		-	-
Total comprehensive (loss) for the period		(1,087,111)	(1,019,836)
Basic and diluted (loss) per share (in cents)	3	(0.10)	(0.10)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Note	31 December 2020 \$	30 June 2020 \$
ASSETS			
Current Assets			
Cash and cash equivalents		351,756	261,426
Trade and other receivables		198,394	124,891
Inventory		50,351	51,611
Total Current Assets		600,501	437,928
Non-current Assets			
Plant and equipment		-	2,581
Total Non-current Assets		-	2,581
TOTAL ASSETS		600,501	440,509
LIABILITIES			
Current Liabilities			
Trade and other payables		437,206	488,789
Provisions		161,889	152,737
Total Current Liabilities		599,095	641,526
Non-current Liabilities			
Financial liabilities	6	1,143,404	787,441
Total Non-current Liabilities		1,143,404	787,441
TOTAL LIABILITIES		1,742,499	1,428,967
Net Liabilities		(1,141,998)	(988,458)
EQUITY			
Issued capital	7	14,552,080	13,679,095
Reserves	7	1,061,929	1,285,343
Accumulated losses		(16,756,007)	(15,952,896)
TOTAL EQUITY		(1,141,998)	(988,458)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

HALF-YEAR ENDED 31 DECEMBER 2020

	Issued capital	Share based payment reserve	Convertible note reserve (Note 8)	Accumulated losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2020	13,679,095	284,000	1,001,343	(15,952,896)	(988,458)
(Loss) for the period	-	-	-	(1,087,111)	(1,087,111)
Total comprehensive loss for the period	-	-	-	(1,087,111)	(1,087,111)
<i>Transactions with owners in their capacity</i>					
<i>as owners:</i>					
Shares issued - placement	905,000	-	-	-	905,000
Share issue expenses	(32,015)	-	-	-	(32,015)
Expiry of options	-	(284,000)	-	284,000	-
Share based payment	-	60,586	-	-	60,586
	872,985	(223,414)	-	284,000	933,571
Balance at 31 December 2020	14,552,080	60,586	1,001,343	(16,756,007)	(1,141,998)
Balance at 1 July 2019	13,145,875	284,000	134,441	(14,683,961)	(1,119,645)
(Loss) for the period	-	-	-	(1,019,836)	(1,019,836)
Total comprehensive loss for the period	-	-	-	(1,019,836)	(1,019,836)
<i>Transactions with owners in their capacity</i>					
<i>as owners:</i>					
Shares issued – placement	125,000	-	-	-	125,000
Conversion of convertible note	164,220	-	-	-	164,220
Value of conversion rights on convertible notes	-	-	288,124	-	288,124
	289,220	-	288,124	-	577,344
Balance at 31 December 2019	13,435,095	284,000	422,565	(15,703,797)	(1,562,137)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

HALF-YEAR ENDED 31 DECEMBER 2020

Note	Half-year Ended 31/12/2020 \$	Half-year Ended 31/12/2019 \$
Cash flows from operating activities		
	1,242,530	1,167,980
	(2,015,849)	(2,128,754)
	18	71
	(9,354)	(2,165)
	<u>(782,655)</u>	<u>(962,868)</u>
Cash flows from financing activities		
	905,000	125,000
	(32,015)	-
	-	15,000
	-	852,500
	-	(32,221)
	<u>872,985</u>	<u>960,279</u>
	90,330	(2,589)
	261,426	82,379
	<u>351,756</u>	<u>79,790</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

It is recommended that the financial statements are read in conjunction with the annual financial report for the period ended 30 June 2020 and any public announcements made by the Company during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The interim financial statements have been approved and authorised for issue by the Board on 26 February 2021.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant or material change to the Group's accounting policies.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Functional and presentation currency

These financial statements are presented in Australian dollars, which is the functional currency of Peppermint Innovation Limited.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss of \$1,087,111 and had net cash outflows from operating activities of \$782,655 for the half-year ended 31 December 2020. As at that date the Group had net liabilities of \$1,141,998.

The Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the interim financial report due to the successful completion of transactions which raised \$2.5m through the issue of shares subsequent to year-end, as disclosed in Note 12 and the reinstatement onto the Australian Securities Exchange (ASX) on the 25 February 2021.

NOTES TO THE FINANCIAL STATEMENTS

2. SEGMENT REPORTING

The Group operates predominantly in the mobile banking, payment and remittance industry. For management purposes, the Group is organised into business units based on its services and has three reportable segments, as follows:

- mobile banking and payment services, presently operating in The Philippines;
- international remittances, presently operating in Australia; and
- corporate and head office.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Also, the Group's financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Half-year Ended 31 December 2020	Mobile Banking and Payment Services	International Remittance	Head Office	Total Segments	Adjustments and Eliminations	Consolidated
Revenue						
External customers	1,244,530	-	-	1,244,530	-	1,244,530
Inter-segment	-	-	-	-	-	-
Total revenue	1,244,530	-	-	1,244,530	-	1,244,530
Income/(expenses)						
Depreciation and amortisation	-	-	-	-	-	-
Segment profit	(70,256)	420	(1,017,547)	(1,087,383)	272	(1,087,111)
Total assets	274,258	8,007	2,865,334	3,147,599	(2,547,098)	600,501
Total liabilities	76,716	3,365	1,662,418	1,742,499	-	1,742,499

Half-year Ended 31 December 2019	Mobile Banking and Payment Services	International Remittance	Head Office	Total Segments	Adjustments and Eliminations	Consolidated
Revenue						
External customers	1,169,747	233	-	1,169,980	-	1,169,980
Inter-segment	-	-	-	-	-	-
Total revenue	1,169,747	233	-	1,169,980	-	1,169,980
Income/(expenses)						
Depreciation and amortisation	-	-	-	-	-	-
Segment profit	(197,843)	(5,155)	(819,329)	(1,022,327)	2,491	(1,019,836)
Total assets	156,703	4,602	2,288,470	2,449,775	(2,259,550)	190,225
Total liabilities	67,317	2,331	1,682,714	1,752,362	-	1,752,362

NOTES TO THE FINANCIAL STATEMENTS

3. LOSS PER SHARE

	Half-year Ended 31/12/2020	Half-year Ended 31/12/2019
	\$	\$
(Loss) for the period	(\$1,087,111)	(\$1,019,836)
Weighted average number of ordinary shares used in the (loss) per share calculations	1,077,338,700	990,883,341
Basic and diluted (loss) per share (cents)	(0.10)	(0.10)

4. DIVIDENDS PAID OR PROPOSED

No dividends were paid or declared during the half-year ended 31 December 2020.

5. REVENUE

	Half-year Ended 31/12/2020	Half-year Ended 31/12/2019
	\$	\$
<i>Revenue from contracts with customers</i>		
Sale of goods	1,195,887	1,118,197
Rendering of services	48,643	51,783
	<u>1,244,530</u>	<u>1,169,980</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Mobile Banking and Payment Services	International Remittance	Total
Half-year Ended 31 December 2020			
<i>Major product lines</i>			
ELoad sales	1,188,836	-	1,188,836
Software development services	48,643	-	48,643
System usage fees and commissions	7,051	-	7,051
	<u>1,244,530</u>	<u>-</u>	<u>1,244,530</u>
<i>Timing of revenue recognition</i>			
Goods transferred at a point in time	1,188,836	-	1,188,836
Services transferred at a point in time	7,051	-	7,051
Services transferred over time	48,643	-	48,643
	<u>1,244,530</u>	<u>-</u>	<u>1,244,530</u>
Half-year Ended 31 December 2019			
<i>Major product lines</i>			
ELoad sales	1,118,197	-	1,118,197
Software development services	43,464	-	43,464
System usage fees and commissions	8,086	233	8,319
	<u>1,169,747</u>	<u>233</u>	<u>1,169,980</u>
<i>Timing of revenue recognition</i>			
Goods transferred at a point in time	1,118,197	-	1,118,197
Services transferred at a point in time	8,086	233	8,319
Services transferred over time	43,464	-	43,464
	<u>1,169,747</u>	<u>233</u>	<u>1,169,980</u>

NOTES TO THE FINANCIAL STATEMENTS

6. FINANCIAL LIABILITIES

As at 31/12/2020	As at 30/06/2020
\$	\$

Financial liabilities – non-current

Convertible notes and accrued interest (a)

1,143,404	787,441
<u>1,143,404</u>	<u>787,441</u>

(a) Convertible notes

The convertible notes have a face value of \$1,673,358, which has been valued and has a carrying amount of \$1,143,404 as at 31 December 2020.

7. ISSUED CAPITAL

(a) Ordinary shares

As at 31/12/2020	As at 30/06/2020
\$	\$

Fully paid ordinary shares 1,133,504,461 (30 June 2020: 1,043,004,461)

14,552,080	13,679,095
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Movements in issued capital

	Number of Shares	\$
Balance 1 July 2020	1,043,004,461	13,679,095
Shares issued at \$0.01 (i)	90,500,000	905,000
Shares issue expenditure	-	(32,015)
Balance 31 December 2020	<u>1,133,504,461</u>	<u>14,552,080</u>

- (i) 40,500,000 shares were issued at \$0.01 with a free attaching option at an exercise price of \$0.01 on or before 31 March 2021, subject to shareholder approval which was obtained on 25 January 2021, and 50,000,000 shares were issued at \$0.01 with a free attaching option at an exercise price of \$0.01 on or before 31 December 2021 of which 35,000,000 were subject to shareholder approval which was obtained on 25 January 2021.
- (ii) Share issue expenditure includes the value of the options referred to in 7(a)(i) plus 15,000,000 options exercisable at \$0.01 on or before 31 March 2020 which granted to the former holder of a convertible note. See note 7(b) for further details.

The Company secured a commitment of \$2.5 million for a placement of 250,000,000 shares at \$0.01 per share, subject to shareholder approval which was obtained on 25 January 2021, with funds being released to the Company within 5 business days of the Company's securities being reinstated to trading on the Official List of the Australian Securities Exchange Limited. The fee due to the arranging broker is 6% of the funds raised, \$5,000 per month for 6 months, 20,000,000 options with an exercise price of \$0.015 on or before 18 February 2024 and 20,000,000 options with an exercise price of \$0.025 on or before 18 February 2024.

NOTES TO THE FINANCIAL STATEMENTS

(b) Options

The following options were issued during the period:

Number	Grant Date	Exercise Price	Expiry Date	Comments
15,000,000	1 Jul 2020	\$0.01	31 Mar 2021	Granted to the former holder of a convertible note.
40,500,000	19 Aug 2020	\$0.01	31 Mar 2021	Approved by shareholders on 25 January 2021.
50,000,000	15 Dec 2020	\$0.01	31 Dec 2021	The grant of 15,000,000 options was approved by shareholders on 25 January 2021 and 35,000,000 was without shareholder approval.
105,500,000				

Options are valued using a Black-Scholes Option Pricing Model. The following table lists the assumptions to the model used to value options issued.

Number	Grant Date	Exercise Price	Assumed Stock Price at Grant Date	Issue Price	Interest Rate	Volatility	Value Per Option
15,000,000	1 Jul 2020	\$0.01	\$0.011	nil	0.22%	100%	\$0.0040

The following unlisted options expired during the period:

Number	Exercise Price	Expiry Date	Exercise Condition
10,000,000	\$0.03	27 Aug 2020	After the 30 day volume weighted average price of fully paid ordinary shares exceeds 5 cents.
10,000,000	\$0.03	27 Aug 2020	After the 30 day volume weighted average price of fully paid ordinary shares exceeds 10 cents.
10,000,000	\$0.05	27 Aug 2020	After the 30 day volume weighted average price of fully paid ordinary shares share price exceeds 15 cents.
10,000,000	\$0.05	27 Aug 2020	After the 30 day volume weighted average price of fully paid ordinary shares share price exceeding 20 cents.
40,000,000			

The following unlisted options to acquire fully paid ordinary shares were on issue:

Number	Exercise Price	Expiry Date	Exercise Condition
94,500,000	\$0.01	31 Mar 2021	None
30,000,000	\$0.014	20 May 2021	None
35,000,000	\$0.01	30 May 2021	None
50,000,000	\$0.01	31 Dec 2021	None
209,500,000			

8. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their respective net fair values, determined in accordance with the Company's accounting policies. All financial instruments for which fair value is recognised or disclosed are categorised within the

NOTES TO THE FINANCIAL STATEMENTS

fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, is described as follows:

- Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Recognised fair value measurements

The following table presents the Group's liabilities measured at fair value at 31 December 2020 and 30 June 2020:

At 31 December 2020	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Convertible notes	-	1,143,404	-	1,143,404
Total	-	1,143,404	-	1,143,404

At 30 June 2020	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Convertible notes	-	787,441	-	787,441
Total	-	787,441	-	787,441

Fair value of other financial instruments not measured at fair value

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

9. RELATED PARTY TRANSACTIONS

There were no transactions with related parties during the half-year other than those that were on the same basis as stated in the 30 June 2020 Annual Report.

10. SHARE BASED PAYMENT

15,000,000 options exercisable at \$0.01 on or before 31 March 2021 were issued to the former holder of a convertible note. These options were valued at \$60,586 (see Notes 7(b) and 12) and were cancelled subsequent to year end.

11. CONTINGENT LIABILITIES

There are no contingent assets nor liabilities.

12. EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to reporting date:

- shareholders approved and the Company issued:
 - 250,000,000 shares at \$0.01 per share to raise \$2,500,000;
 - 40,500,000 options with an exercise price of \$0.01 on or before 31 March 2021;
 - 15,000,000 options with an exercise price of \$0.01 on or before 31 December 2021; and

NOTES TO THE FINANCIAL STATEMENTS

- 20,000,000 options with an exercise price of \$0.015 on or before 18 February 2024 and 20,000,000 options with an exercise price of \$0.025 on or before 18 February 2024 as part of the fee to the broker who arranged the funding of \$2,000,000 for the Company.
- Shareholders approved the change in the conversion price of the convertible note from \$0.025 to \$0.01;
- 15,000,000 options with an exercise price of \$0.01 on or before 31 March 2021 were cancelled; and
- Convertible notes and accrued interest with a value of \$248,240.63 were converted into 24,824,063 ordinary shares.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting period. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than the matters referred to above, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future financial years.

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Mr Christopher Kain
Managing Director
26th February 2021

RSM Australia Partners

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GPO Box R1253 Perth WA 6844

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
PEPPERMINT INNOVATION LIMITED**

We have reviewed the accompanying half-year financial report of Peppermint Innovation Limited which comprises the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Peppermint Innovations Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Peppermint Innovation Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

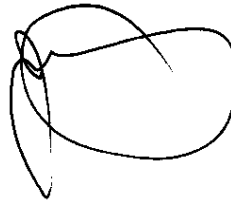
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Peppermint Innovation Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

RSM

RSM AUSTRALIA PARTNERS



JAMES KOMNINOS
Partner

Perth, WA
Dated: 26 February 2021

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