

Appendix 4D

(Rule 4.2A.3)

Half-year Report

Name of entity

| | |
|-------------------------------|----------------|
| Peppermint Innovation Limited | 56 125 931 964 |
|-------------------------------|----------------|

1. Details of the Reporting Period and the Previous Corresponding Period

| Financial period ended ("current period") | Financial period ended ("previous period") |
|---|--|
| 31 December 2022 | 31 December 2021 |

2. Results for Announcement to the Market

| | | | | | \$'000 |
|-----|---|------|-----|----|--------|
| 2.1 | Revenue from ordinary activities | down | 72% | to | 263 |
| 2.2 | Loss from ordinary activities after tax attributable to members | down | 26% | to | 1,218 |
| 2.3 | Net loss for the period attributable to members | down | 22% | To | 1,289 |
| 2.4 | Brief explanation of results | | | | |
| | <p>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).</p> <p>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:</p> <ul style="list-style-type: none"> • Payments; • Delivery & Logistics; • E-Commerce; and • Financial Services. <p>For further details, please refer to the half-year report.</p> | | | | |

3. NTA Backing

| | Current period | Previous corresponding period |
|--|----------------|-------------------------------|
| Net tangible asset backing per ordinary security | (\$0.0019) | \$0.003 |

4 Control gained or lost over entities having material effect

Not applicable.

5. Dividends

There were no dividends declared or paid during the period and the do not recommend that any dividends be paid.

6. Dividend Reinvestment Plans

Not applicable.

7. Material interest in entities which are not controlled entities

Not applicable.

8. Independent Review Report

Refer to the attached Half Year Financial Report for the half-year ended 31 December 2022.

9. Compliance Statement

This report should be read in conjunction with the attached Half Year Financial Report for the half-year ended 31 December 2022.

Signed here: 

Date: 9 March 2023

Print name: Anthony Kain
Executive Director



Peppermint Innovation Limited

(ACN 125 931 964)

INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED

31 DECEMBER 2022



COMPANY DIRECTORY

Directors

Mr Christopher Kain
Managing Director

Mr Anthony Kain
Executive Director

Mr Neal Cross
Non-executive Director

Company Secretary

Mr Anthony Kain

Registered Office

Level 2 East, The Wentworth Building
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

Computershare Investor Services Pty Ltd
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ASX Code:

PIL

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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 2022. 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 and Chairman |
| Neal Cross | Non-executive Director |

Review of Operations

Highlights:

- Signed exclusive five-year agreement with the Philippines' largest regional co-operative, MASS-SPECC, for its 1.6 million members to use Electronic Money Issuer ("EMI") financial services via Peppermint's bizmoto platform
- Signed exclusive five-year agreement with Visa to significantly expand digital financial offering around the world, focussing initially on key markets of the Philippines, Singapore and Australia
- Continued to develop strong relationships with strategic partners with the aim of signing up additional EMI financial service agreements to use Peppermint's bizmoto platform
- Progressed plans to issue Visa pre-paid and debit cards to bizmoto users that are directly tied to a bizmoto wallet
- Worked on developing strategic partnerships and alliances to broaden Peppermint's operational area, with a primary focus on the ASEAN region.
- Launched bizmokarte pilot – a unique financial literacy knowledge sharing platform aimed at helping individuals and small-to-medium size business owners become more confident and successful in managing financial matters
- Rebranded bizmoPay to bizmoLoan and worked on developing a broader range of loan products to assist Filipinos access non-bank finance
- Went 'live' with bizmoto agents' access to ECPay via any 7-Eleven outlet across the Philippines

Overview:

The HY22 period was transformational for the Company with the award of its Electronic Money Issuer ("EMI") licence early in May '22, followed by the signing of its five-year agreement with Visa and its signing of a five-year EMI services agreement with the Philippines' largest regional co-operative, MASS-SPECC.

The Company also undertook significant technology improvements to the bizmoto mobile platform during the latter half of FY22, as well as integrating functionalities for InstaPay and PESONet and onboarding other entities such as ECPay, GCash, Paymaya, 7-Eleven, and the Bank of the Philippines.

DIRECTORS' REPORT

These commercial agreements, App refinements and platform integrations have been part of Peppermint's 'reset' strategy and they each present the Company with significant growth opportunities in 2023.

In 2023, the Company is aiming to capitalise on its 2022 achievements by identifying additional strategic opportunities to create partnerships to increase bizmoto user and platform engagement.

The Company has been working towards issuing bizmoto Visa pre-paid and debit cards to users that are directly tied to a bizmoto wallet. Once this occurs, users can transact via Visa's global payment infrastructure and directly transact with bizmoLoan's program and products – thereby empowering them to make regular e-commerce and online transactions.

The MASS-SPECC agreement will allow users to complete 'cash-in' and 'cash-out' transactions, transfer direct from the bizmoto wallet to another bank account, as well as access other e-wallet financial services – all directly from the bizmoto wallet.

MASS-SPECC has more than 1.6 million individual members representing 335 member co-ops. Peppermint is aiming to onboard circa 480,000 MASS-SPECC members and the more than 100 of its member co-ops in the first 12 months.

Further growth is forecast in the second and subsequent years, creating a significant opportunity to provide all new co-op members with the ability to access bizmoto's EMI financial services.

Peppermint and MASS-SPECC are already looking to promote co-op products and services through the bizmoto digital community which aims to build a particular network under the bizmoTinda and bizmoGo digital services.

During the HY22 period, the Company has been working to broaden its range of loan products to assist Filipinos access non-bank finances. In 2023, the company is aiming to offer a range of new loans that focus on new opportunities for Filipinos living in the Philippines, as well as overseas.

Peppermint has been working on identifying strategic partnerships and alliances to broaden its operational area, with a key focus on the ASEAN region. In a digital economy that is estimated to be worth anywhere up to US\$350 billion by 2025, Peppermint is looking to replicate its bizmoto digital community across the ASEAN region – delivering financial inclusion to people that are unbanked or underbanked.

The loss for the Group after providing for income tax amounted to \$1,217,909 (2021: \$1,651,443).

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).

DIRECTORS' REPORT

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

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 2022.

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 9th day of March 2023



RSM Australia Partners

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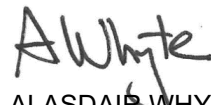
www.rsm.com.au

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 2022, 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
RSM AUSTRALIA PARTNERS


ALASDAIR WHYTE
Partner

Perth, WA
Dated: 9 March 2023

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

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

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

HALF-YEAR ENDED 31 DECEMBER 2022

| | Note | Half-year Ended 31/12/2022 \$ | Half-year Ended 31/12/2021 \$ |
|--|------|--|--|
| Revenue | 5 | 262,591 | 934,865 |
| Cost of sales | | (184,217) | (847,761) |
| Gross profit | | 78,374 | 87,104 |
| Other income | | 10,533 | 178 |
| Administration expenses | | (1,406,829) | (1,576,271) |
| Share based payment | 6(c) | 100,217 | (68,851) |
| Finance costs | | (204) | (93,603) |
| (Loss) before income tax expense | | (1,217,909) | (1,651,443) |
| Income tax expense | | - | - |
| (Loss) for the period | | (1,217,909) | (1,651,443) |
| Other comprehensive income / (loss) | | | |
| <i>Items that may be reclassified to profit or loss:</i> | | | |
| - Movement in foreign translation reserve | | (71,624) | 96 |
| | | (71,624) | 96 |
| Total comprehensive (loss) for the period | | (1,289,533) | (1,651,347) |
| Basic and diluted (loss) per share (in cents) | 3 | (0.06) | (0.09) |

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

| | Note | 31 December 2022 \$ | 30 June 2022 \$ |
|----------------------------------|------|---------------------------|-----------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | | 4,240,875 | 5,574,339 |
| Trade and other receivables | | 221,658 | 178,097 |
| Other assets | | 25,690 | 39,079 |
| Total Current Assets | | 4,488,223 | 5,791,515 |
| Non-current Assets | | | |
| Other non-current assets | | - | 28,219 |
| Total Non-current Assets | | - | 28,219 |
| TOTAL ASSETS | | 4,488,223 | 5,819,734 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade and other payables | | 440,635 | 418,444 |
| Provisions | | 345,370 | 309,292 |
| Total Current Liabilities | | 786,005 | 727,736 |
| TOTAL LIABILITIES | | 786,005 | 727,736 |
| Net Assets | | 3,702,218 | 5,091,998 |
| EQUITY | | | |
| Issued capital | 6 | 25,410,671 | 25,410,671 |
| Reserves | | 543,477 | 715,348 |
| Accumulated losses | | (22,251,930) | (21,034,021) |
| TOTAL EQUITY | | 3,702,218 | 5,091,998 |

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2022

| | Issued capital | Share based payment reserve | Convertible note reserve | Foreign Currency Translation Reserve | Accumulated losses | Total |
|---|-------------------|-----------------------------------|-----------------------------|---|-----------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2022 | 25,410,671 | 715,348 | - | - | (21,034,021) | 5,091,998 |
| (Loss) for the period | - | - | - | - | (1,217,909) | (1,217,909) |
| Movement in foreign currency translation reserve | - | - | - | (71,654) | - | (71,654) |
| Total comprehensive loss for the period | - | - | - | (71,654) | (1,217,909) | (1,289,563) |
| Movement in share based payment reserve | - | (100,217) | - | - | - | (100,217) |
| Balance at 31 December 2022 | 25,410,671 | 615,131 | - | (71,654) | (22,251,930) | 3,702,218 |
| Balance at 1 July 2021 | 19,913,784 | 190,000 | 262,538 | - | (17,702,715) | 2,663,607 |
| (Loss) for the period | - | - | - | - | (1,651,443) | (1,651,443) |
| Movement in foreign currency translation reserve | - | - | - | 96 | - | 96 |
| Total comprehensive loss for the period | - | - | - | 96 | (1,651,443) | (1,651,347) |
| Transactions with owners in their capacity as owners: | | | | | | |
| Shares issued | 5,248,732 | - | - | - | - | 5,248,732 |
| Share issue expenses | (556,203) | 207,000 | - | - | - | (349,203) |
| Share based payment | - | 68,851 | - | - | - | 68,851 |
| | 4,692,529 | 275,851 | - | - | - | 4,968,380 |
| Balance at 31 December 2021 | 24,606,313 | 465,851 | 262,538 | 96 | (19,354,158) | 5,980,640 |

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

HALF-YEAR ENDED 31 DECEMBER 2022

| | Half-year Ended 31/12/2022 \$ | Half-year Ended 31/12/2021 \$ |
|--|--|--|
| Note | | |
| Cash flows from operating activities | | |
| Cash receipts from customers | 260,591 | 932,865 |
| Payments to suppliers and employees | (1,604,410) | (2,356,458) |
| Interest received | 10,559 | 178 |
| Finance costs paid | (204) | (1,014) |
| Net cash (used in) operating activities | <u>(1,333,464)</u> | <u>(1,424,429)</u> |
| Cash flows from financing activities | | |
| Net proceeds from issue of shares | - | 5,248,731 |
| Share issue expenses | - | (349,203) |
| Release of restricted cash | - | 336,829 |
| Net cash provided by financing activities | <u>-</u> | <u>5,236,357</u> |
| Net increase (decrease) in cash held | (1,333,464) | 3,811,928 |
| Cash and cash equivalents at the beginning of the period | <u>5,574,339</u> | <u>3,112,411</u> |
| Cash and cash equivalents at the end of the period | <u><u>4,240,875</u></u> | <u><u>6,924,339</u></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 2022 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 2022 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 9 March 2023.

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.

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.

NOTES TO THE 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 2022 | Mobile Banking and Payment Services | International Remittance | Head Office | Total Segments | Adjustments and Eliminations | Consolidated |
|----------------------------------|-------------------------------------|--------------------------|------------------|--------------------|------------------------------|--------------------|
| Revenue | | | | | | |
| External customers | 262,591 | - | - | 262,591 | - | 262,591 |
| Inter-segment | - | - | - | - | - | - |
| Total revenue | 262,591 | - | - | 262,591 | - | 262,591 |
| Income/(expenses) | | | | | | |
| Segment profit | (253,494) | (273) | (964,142) | (1,217,909) | - | (1,217,909) |
| Total assets | 3,014,202 | 1 | 1,474,924 | 4,489,127 | (904) | 4,488,223 |
| Total liabilities | 312,402 | 3,208 | 491,235 | 806,845 | (20,840) | 786,005 |

| Half-year Ended 31 December 2021 | Mobile Banking and Payment Services | International Remittance | Head Office | Total Segments | Adjustments and Eliminations | Consolidated |
|----------------------------------|-------------------------------------|--------------------------|--------------------|--------------------|------------------------------|--------------------|
| Revenue | | | | | | |
| External customers | 934,865 | - | - | 934,865 | - | 934,865 |
| Inter-segment | - | - | - | - | - | - |
| Total revenue | 934,865 | - | - | 934,865 | - | 934,865 |
| Income/(expenses) | | | | | | |
| Segment profit | (371,060) | (1,915) | (1,265,235) | (1,638,210) | (13,233) | (1,651,443) |
| Total assets | 211,142 | 1 | 9,442,329 | 9,653,472 | (2,616,675) | 7,036,797 |
| Total liabilities | 246,117 | 3,260 | 805,233 | 1,054,610 | 1,547 | 1,056,157 |

NOTES TO THE FINANCIAL STATEMENTS

3. LOSS PER SHARE

| | Half-year Ended 31/12/2022 | Half-year Ended 31/12/2021 |
|--|----------------------------------|----------------------------------|
| | \$ | \$ |
| (Loss) for the period | (\$1,217,909) | (\$1,651,443) |
| Weighted average number of ordinary shares used in the (loss) per share calculations | 2,037,851,062 | 1,749,045,715 |
| Basic and diluted (loss) per share (cents) | (0.06) | (0.09) |

4. DIVIDENDS PAID OR PROPOSED

No dividends were paid or declared during the half-year ended 31 December 2022.

5. REVENUE

| | Half-year Ended 31/12/2022 | Half-year Ended 31/12/2021 |
|--|----------------------------------|----------------------------------|
| | \$ | \$ |
| <i>Revenue from contracts with customers</i> | | |
| Sale of goods | 171,383 | 880,280 |
| Rendering of services | 91,208 | 54,585 |
| | <u>262,591</u> | <u>934,865</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 2022 | | | |
| <i>Major product lines</i> | | | |
| ELoad sales | 171,383 | - | 171,383 |
| System usage fees and commissions | 91,208 | - | 91,208 |
| | <u>262,591</u> | <u>-</u> | <u>262,591</u> |
| <i>Timing of revenue recognition</i> | | | |
| Goods transferred at a point in time | 171,383 | - | 171,383 |
| Services transferred at a point in time | 91,208 | - | 91,208 |
| | <u>262,591</u> | <u>-</u> | <u>262,591</u> |
| Half-year Ended 31 December 2021 | | | |
| <i>Major product lines</i> | | | |
| ELoad sales | 880,280 | - | 880,280 |
| Software development services | 9,145 | - | 9,145 |
| System usage fees and commissions | 45,440 | - | 45,440 |
| | <u>934,865</u> | <u>-</u> | <u>934,865</u> |
| <i>Timing of revenue recognition</i> | | | |
| Goods transferred at a point in time | 880,280 | - | 880,280 |
| Services transferred at a point in time | 45,440 | - | 45,440 |
| Services transferred over time | 9,145 | - | 9,145 |
| | <u>934,865</u> | <u>-</u> | <u>934,865</u> |

NOTES TO THE FINANCIAL STATEMENTS

6. ISSUED CAPITAL

(a) Ordinary shares

| | As at 31/12/2022 \$ | As at 30/06/2022 \$ |
|---|---------------------------|---------------------------|
| Fully paid ordinary shares 2,037,851,062 (30 June 2022: 2,037,851,062) | 25,410,671 | 25,410,671 |

Movements in issued capital

| | Number of Shares | \$ |
|---|---------------------|------------|
| Balance at 1 July and 31 December 2022 | 2,037,851,062 | 25,410,671 |

(b) Options

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

| Number | Exercise Price | Expiry Date | Exercise Condition |
|--------------------|----------------|---------------|--------------------|
| 20,000,000 | \$0.015 | 30 March 2025 | None |
| 20,000,000 | \$0.025 | 18 Feb 2024 | None |
| 2,500,000 | \$0.02 | 30 Jun 2024 | None |
| 2,500,000 | \$0.025 | 30 Jun 2024 | None |
| 2,500,000 | \$0.03 | 30 Jun 2024 | None |
| 2,500,000 | \$0.04 | 30 Jun 2024 | None |
| 115,739,110 | \$0.03 | 30 June 2023 | None |
| 165,739,110 | | | |

NOTES TO THE FINANCIAL STATEMENTS

(c) Performance rights

The following performance rights were on issue:

| Vesting Condition | Number | | |
|---|------------|------------|------------|
| | Opening | Additions | Closing |
| Tranche A: To be awarded when the Company achieves \$4m annual revenue based on audited/reviewed financial reports on or before 30 June 2023 | 18,700,000 | 5,000,000 | 23,700,000 |
| Tranche B: To be awarded when the Company achieves Breakeven as validated against audited/reviewed financial reports on or before 30 June 2024 | 18,200,000 | 5,000,000 | 23,700,000 |
| Tranche C: To be awarded when the Company achieves \$1m net income/profit as validated against audited/reviewed financial reports on or before 30 June 2025 | 18,200,000 | 5,000,000 | 23,700,000 |
| | 55,100,000 | 15,000,000 | 70,100,000 |

The achievement of vesting conditions for the performance rights issued in prior financial year is not probable, resulting in a writeback to the share-based payment expense of \$100,217 during the period.

At the Annual General Meeting of Shareholder held on 30 November 2022 approval was given for 15,000,000 performance rights, being 5,000,000 of each of Tranches A, B and C, to be issued to director, Mr Neal Cross. At the date of this report, these performance rights had not been issued.

The achievement of vesting conditions for the performance rights issued in current half-year is not probable, resulting in no expenditure being recorded during the period.

7. 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 2022 Annual Report.

8. CONTINGENT LIABILITIES

The Group's subsidiary in The Philippines has been issued with an income tax assessment notice totalling PHP 14.9m (~A\$426,000). Following review of the claim by the Group's tax accountants and legal council in The Philippines, management have assessed the probability of the claim being enforced as low.

There were no other contingent assets nor liabilities.

9. EVENTS AFTER THE BALANCE SHEET DATE

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.

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 2022 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
9th March 2023



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

Report on the Half-Year Financial Report

Conclusion

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 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the 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 consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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 consolidated entity's financial position as at 31 December 2022 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*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the consolidated entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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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.

Directors' Responsibility of the Half-Year Financial Report

The directors of the Peppermint Innovation Limited 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 for the Review of the Financial Report

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 consolidated entity's financial position as at 31 December 2022 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*.

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.

RSM
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ALASDAIR WHYTE
Partner

Perth, WA
Dated: 9 March 2023