

25 February 2021

The Manager
Markets Announcements Office
ASX Limited
Level 4
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

Report on results and financial statements for the half-year ended 31 December 2020

Cashrewards Limited announces to the market its financial results for the half-year ended 31 December 2020.

The following documents are attached:

1. Appendix 4D – Half Year Report; and
2. Interim Report including financial statements for the half-year ended 31 December 2020.

This release has been authorised by the Cashrewards Board of Directors.

Yours faithfully



Danny Davies
Company Secretary
Encl.

1. Company details

Name of entity:	Cashrewards Limited
ABN:	95 615 084 654
Reporting period:	For the half-year ended 31 December 2020
Previous period:	For the half-year ended 31 December 2019

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	10.0% to	10,716,373
Loss from ordinary activities after tax attributable to the owners of Cashrewards Limited	up	212.7% to	(14,039,940)
Loss for the half-year attributable to the owners of Cashrewards Limited	up	212.7% to	(14,039,940)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the Group after providing for income tax amounted to \$14,039,940 (31 December 2019: \$4,489,951).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	39.71	(8.43)
Calculated as follows:		
	Consolidated 31 Dec 2020 \$	31 Dec 2019 \$
Net assets/(liabilities)	34,863,544	(465,186)
Less: Intangibles	(3,568,755)	(3,201,824)
Net tangible assets	31,294,789	(3,667,010)
Total shares issued (after share consolidation)	78,817,288	43,503,969

On 2 December 2020, as part of the Initial Public Offer, a share consolidation of 5:1 occurred. The above comparative total shares issued have been stated as though share consolidation had been in place since inception.

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of Cashrewards Limited for the half-year ended 31 December 2020 is attached.

12. Signed

Signed



Date: 25 February 2021

Brett Johnson
Chairman
Sydney

Cashrewards Limited

(Formerly known as Cashrewards Group Pty Limited)

ABN 95 615 084 654

Interim Report - 31 December 2020

Cashrewards Limited
(Formerly known as Cashrewards Group Pty Limited)
Contents
31 December 2020



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The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Cashrewards Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

Directors

The following persons were directors of Cashrewards Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Brett Johnson – Chairman	Appointed 28 August 2020
Andrew Clarke	
Rob Goudswaard	Appointed 27 January 2021
Rajeev Gupta	
Joshua Lowcock	Appointed 17 August 2020
Lauren Williams	Appointed 19 August 2020
Bernard Wilson	Appointed 13 August 2020
Benjamin Bruck	Resigned 14 August 2020
Iain Skelton	Resigned 13 August 2020

Principal activities

Cashrewards is a technology platform that provides rewards in the form of cash to members for transacting with online and in-store retail merchant partners. During the financial half-year the principal continuing activities of the Group consisted of receiving commissions from merchant partners and providing cashback to members when shopping through the Cashrewards platform.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of operations

The Group has continued to see strong growth in the number of Members which has increased to over 900,000 registered Members.

During the period under review the Group ceased selling Woolworths Gift Cards, which has historically been a major contributor to Total Transaction Volumes. However during this period the Group launched a new Gift Card Mall which provides a variety of gift cards for sale under the standard cashback model.

The increase in Members has resulted in double digit growth in revenues, although COVID-19 continues to adversely impact travel volumes due to the closure of international borders and state lockdowns.

The loss for the Group after providing for income tax amounted to \$14,039,940 (31 December 2019: \$4,489,951).

The loss has increased from the prior year due to ongoing investment in growth as outlined in the Prospectus.

Significant changes in the state of affairs

In August 2020 the Company issued \$5.65m in ordinary share capital as a Pre-IPO capital raise. The proceeds have been invested in key hires and Member acquisition in order to drive a successful IPO.

On 2 December 2020, the Company was admitted to the official list on the Australian Securities Exchange ('ASX') under ASX code CRW following a \$65,000,000 IPO including a sell down of shareholders of \$20,000,000, resulting in a net raise of \$45,000,000.

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

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Cashrewards Limited
(Formerly known as Cashrewards Group Pty Limited)
Directors' report
31 December 2020



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

On behalf of the directors



Brett Johnson
Chairman

25 February 2021
Sydney

25 February 2021

Cashrewards Limited
Level 3, Suite 306, 815 Pacific Hwy
Chatswood NSW 2067 Australia

Dear Board Members

Cashrewards Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Cashrewards Limited.

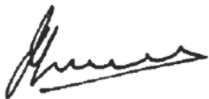
As lead audit partner for the review of the financial statements of Cashrewards Limited for the financial year half-year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (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.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Joshua Tanchel
Partner
Chartered Accountants

Cashrewards Limited
(Formerly known as Cashrewards Group Pty Limited)
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2020



		Consolidated	
	Note	31 Dec 2020	31 Dec 2019
		\$	\$
Revenue	4	10,716,373	9,744,591
Other income	5	459,866	351
Interest income		2,960	-
Expenses			
Cost of sales		(8,804,821)	(6,657,959)
Employee benefits expense		(6,246,332)	(2,758,090)
Depreciation and amortisation expense		(608,334)	(886,550)
Marketing expenses		(5,406,398)	(2,147,672)
General and administration expenses		(1,773,125)	(784,275)
Finance costs (Fair value loss on revaluation of warrants)	11	(427,144)	(758,328)
Finance costs		(278,016)	(242,019)
Operating loss		(12,364,971)	(4,489,951)
Initial Public Offer expenses		(1,442,833)	-
Loss before income tax expense		(13,807,804)	(4,489,951)
Income tax expense		(232,136)	-
Loss after income tax expense for the half-year attributable to the owners of Cashrewards Limited		(14,039,940)	(4,489,951)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive loss for the half-year attributable to the owners of Cashrewards Limited		<u>(14,039,940)</u>	<u>(4,489,951)</u>
		Cents	Cents
Basic earnings per share	14	(27.01)	(12.45)
Diluted earnings per share	14	(27.01)	(12.45)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Cashrewards Limited
(Formerly known as Cashrewards Group Pty Limited)
Consolidated statement of financial position
As at 31 December 2020



		Consolidated	
	Note	31 Dec 2020	30 Jun 2020
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	6	39,476,917	2,732,849
Trade and other receivables		1,824,539	2,254,067
Contract assets		4,224,007	2,586,027
Other assets		649,502	44,289
Total current assets		<u>46,174,965</u>	<u>7,617,232</u>
Non-current assets			
Property, plant and equipment		197,939	108,444
Intangibles		3,568,755	3,169,296
Deferred tax		729,938	962,074
Other assets		42,596	42,596
Total non-current assets		<u>4,539,228</u>	<u>4,282,410</u>
Total assets		<u>50,714,193</u>	<u>11,899,642</u>
Liabilities			
Current liabilities			
Trade and other payables		9,582,349	6,900,156
Borrowings	7	-	2,330,519
Derivative financial instruments		-	1,955,017
Employee benefits		369,395	246,386
Provisions	8	5,898,905	2,722,666
Total current liabilities		<u>15,850,649</u>	<u>14,154,744</u>
Total liabilities		<u>15,850,649</u>	<u>14,154,744</u>
Net assets/(liabilities)		<u>34,863,544</u>	<u>(2,255,102)</u>
Equity			
Issued capital	9	59,763,193	9,650,051
Reserves		2,968,367	1,922,923
Accumulated losses		(27,868,016)	(13,828,076)
Total equity/(deficiency)		<u>34,863,544</u>	<u>(2,255,102)</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Cashrewards Limited
(Formerly known as Cashrewards Group Pty Limited)
Consolidated statement of changes in equity
For the half-year ended 31 December 2020



Consolidated	Issued capital \$	Share-based payments reserve \$	Common control share equity reserve \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 July 2019	2,250,050	699,916	923,000	(7,196,104)	(3,323,138)
Loss after income tax expense for the half-year	-	-	-	(4,489,951)	(4,489,951)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive loss for the half-year	-	-	-	(4,489,951)	(4,489,951)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	7,200,001	-	-	-	7,200,001
Share-based payments	-	147,902	-	-	147,902
Balance at 31 December 2019	<u>9,450,051</u>	<u>847,818</u>	<u>923,000</u>	<u>(11,686,055)</u>	<u>(465,186)</u>

Consolidated	Issued capital \$	Share-based payments reserve \$	Common control share equity reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020	9,650,051	999,923	923,000	(13,828,076)	(2,255,102)
Loss after income tax expense for the half-year	-	-	-	(14,039,940)	(14,039,940)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive loss for the half-year	-	-	-	(14,039,940)	(14,039,940)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 9)	50,113,142	-	-	-	50,113,142
Share-based payments (note 15)	-	1,045,444	-	-	1,045,444
Balance at 31 December 2020	<u>59,763,193</u>	<u>2,045,367</u>	<u>923,000</u>	<u>(27,868,016)</u>	<u>34,863,544</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Cashrewards Limited
(Formerly known as Cashrewards Group Pty Limited)
Consolidated statement of cash flows
For the half-year ended 31 December 2020



		Consolidated	
	Note	31 Dec 2020	31 Dec 2019
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		9,635,052	10,167,176
Payments to suppliers and employees (inclusive of GST)		(14,117,686)	(6,610,261)
Payments of member disbursements		(4,114,878)	(5,675,534)
		(8,597,512)	(2,118,619)
Government grants (COVID-19)		459,866	-
Interest received		2,960	-
Other revenue		-	8,469
Interest and other finance costs paid		(278,016)	(242,019)
Income taxes refunded		944,506	-
Net cash used in operating activities		(7,468,196)	(2,352,169)
Cash flows from investing activities			
Payments for property, plant and equipment		(129,317)	(33,884)
Payments for intangibles		(967,971)	(819,483)
Proceeds from release of security deposits		-	40,200
Net cash used in investing activities		(1,097,288)	(813,167)
Cash flows from financing activities			
Proceeds from issue of shares, net of transaction costs	9	47,640,071	7,200,001
Repayment of borrowings		(2,330,519)	(786,528)
Net cash from financing activities		45,309,552	6,413,473
Net increase in cash and cash equivalents		36,744,068	3,248,137
Cash and cash equivalents at the beginning of the financial half-year		2,732,849	1,460,225
Cash and cash equivalents at the end of the financial half-year		<u>39,476,917</u>	<u>4,708,362</u>

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

Note 1. General information

The financial statements cover Cashrewards Limited ('Company' or 'parent entity') as a Group consisting of Cashrewards Limited and the entities it controlled at the end of, or during, the half-year (together referred to in these financial statements as the 'Group'). The financial statements are presented in Australian dollars, which is Cashrewards Limited's functional and presentation currency.

Cashrewards Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	Principal place of business
Level 16 1 Market Street Sydney NSW 2000	Level 3 Suite 306 815 Pacific Hwy Chatswood NSW 2067

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 February 2021.

Note 2. Significant accounting policies

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'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020, Cashrewards' Prospectus and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Note 3. Operating segments

Identification of reportable operating segments

The Group is organised into one operating segment as the Group operated in Australia and in one industry being the supply of a technology platform that provides cashback to members for transacting with online and in-store merchant partners. This assessment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. Accordingly, the information provided in this Interim Report reflects the one operating segment.

Note 4. Revenue

	Consolidated 31 Dec 2020 \$	31 Dec 2019 \$
<i>Revenue from contracts with customers</i>		
Commission	10,442,687	9,337,911
Gift card commission	233,366	253,864
Advertising	40,320	144,698
	<u>10,716,373</u>	<u>9,736,473</u>
<i>Other revenue</i>		
Other revenue	-	8,118
Revenue	<u>10,716,373</u>	<u>9,744,591</u>

Disaggregation of revenue

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

	Consolidated 31 Dec 2020 \$	31 Dec 2019 \$
<i>Major product lines</i>		
Commission - Online	10,353,885	9,314,728
Commission - In-store	88,802	23,183
Gift card commission	233,366	253,864
Advertising	40,320	144,698
	<u>10,716,373</u>	<u>9,736,473</u>
<i>Geographical regions</i>		
Australia	<u>10,716,373</u>	<u>9,736,473</u>
<i>Timing of revenue recognition</i>		
Services transferred at a point in time	<u>10,716,373</u>	<u>9,736,473</u>

Note 5. Other income

	Consolidated 31 Dec 2020 \$	31 Dec 2019 \$
Government grants (COVID-19)	459,866	-
Other income	-	351
Other income	<u>459,866</u>	<u>351</u>

Government grants (COVID-19)

During the period under review the Group has received JobKeeper support payments from the Australian Government amounting to \$367,000 which were passed on to eligible employees. These have been recognised as government grants in the financial statements and recorded as other income over the periods in which the related employee benefits are recognised as an expense. The Group was eligible for JobKeeper up to September 2020.

Note 5. Other income (continued)

During the half-year the Group received payments from the Australian Government amounting to \$92,866 as part of its 'Boosting Cash Flow for Employers' scheme in response to the Coronavirus ('COVID-19') pandemic. These non-tax amounts have been recognised as government grants and recognised as income once there is reasonable assurance that the Group will comply with any conditions attached. The Group is not eligible for more of this grant.

Note 6. Cash and cash equivalents

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
<i>Current assets</i>		
Cash on hand	250	250
Cash at bank	39,476,667	2,732,599
	<u>39,476,917</u>	<u>2,732,849</u>

Note 7. Borrowings

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
<i>Current liabilities</i>		
Related party loan - Andrew Clarke	-	1,286,077
Loan - Partners for Growth	-	1,044,442
	<u>-</u>	<u>2,330,519</u>

Loan - Andrew Clarke

The Company had a term loan outstanding of \$1,286,077 at 30 June 2020 which incurred interest at a rate of 12.75% with monthly interest only repayments and a maturity date of 12 April 2021. As part of the IPO, the loan was repaid during the half-year to 31 December 2020.

Loan - Partners for Growth

The Company's borrowing with its financier Partners for Growth of \$1,044,442 at 30 June 2020 had an interest rate of 12.75% and a maturity date of 12 April 2021 with monthly principal and interest repayments of \$131,060. Included in the loan agreement were exercisable warrants to acquire ordinary shares which were exercised and settled on IPO.

Note 8. Provisions

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
<i>Current liabilities</i>		
Member redemptions	<u>5,898,905</u>	<u>2,722,666</u>

Member redemptions

Member redemptions represent the Group's cashback obligations to members for transacting online or in-store but where a contractual obligation to deliver cash does not yet exist at balance date.

Note 8. Provisions (continued)

Movements in provisions

Movements in each class of provision during the current financial half-year, other than employee benefits, are set out below:

	Member redemptions \$
Consolidated - 31 Dec 2020	
Carrying amount at the start of the half-year	2,722,666
Net movements during the year	<u>3,176,239</u>
Carrying amount at the end of the half-year	<u><u>5,898,905</u></u>

Note 9. Issued capital

	31 Dec 2020 Shares	30 Jun 2020 Shares	Consolidated 31 Dec 2020 \$	30 Jun 2020 \$
Ordinary shares - fully paid	<u>78,817,288</u>	<u>218,721,050</u>	<u>59,763,193</u>	<u>9,650,051</u>

Movements in ordinary share capital

Details	Date	Shares	\$
Balance	1 July 2020	218,721,050	9,650,051
Pre IPO capital raise	20 August 2020	19,772,421	5,650,000
Issue of shares on conversion of PFG warrants (note 7)	23 October 2020	1,372,992	2,382,161
Share consolidation (5:1)	2 December 2020	(190,794,692)	-
Issued shares on IPO	2 December 2020	26,011,561	45,000,000
Issue of shares on conversion of options	2 December 2020	3,483,364	174,168
Donation of shares to Starlight	2 December 2020	250,592	-
Share issue transaction costs		-	(3,093,187)
Balance	31 December 2020	<u>78,817,288</u>	<u>59,763,193</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Note 10. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 11. Fair value measurement

Fair value hierarchy

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

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

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

Level 3: Unobservable inputs for the asset or liability

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Consolidated - 31 Dec 2020				
<i>Liabilities</i>				
Embedded derivative - warrants	-	-	-	-
Total liabilities	-	-	-	-
Consolidated - 30 Jun 2020				
<i>Liabilities</i>				
Embedded derivative - warrants	-	-	1,955,017	1,955,017
Total liabilities	-	-	1,955,017	1,955,017

There were no transfers between levels during the financial half-year.

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

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

Valuation techniques for fair value measurements categorised within level 2 and level 3

Warrants have been valued based on the warrants formula in the warrants agreement based on the fair market value of an ordinary share at each reporting date.

Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current financial half-year are set out below:

	Embedded derivative - warrants \$
Consolidated	
Balance at 1 July 2020	1,955,017
Net fair value loss on warrants	427,144
Converted to equity on IPO (note 9)	(2,382,161)
Balance at 31 December 2020	-

Note 12. Contingent liabilities

The Group has no contingent liabilities as at 31 December 2020 and 30 June 2020.

Note 13. Related party transactions

Parent entity

Cashrewards Limited is the parent entity.

Note 13. Related party transactions (continued)

Transactions with related parties

Interest was incurred on the related party loan.

During the half year ended 31 December 2020, the Company issued key management personnel Bernard Wilson 2,900,000 options and a cash IPO bonus of \$130,000 and Iain Skelton 740,000 options and a cash IPO bonus of \$130,000, as disclosed in the Prospectus.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
Non-current borrowings:		
Loan from director, Andrew Clarke*	-	1,286,077

* The loan was fully extinguished with proceeds from the IPO

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 14. Earnings per share

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$	\$
Loss after income tax attributable to the owners of Cashrewards Limited	<u>(14,039,940)</u>	<u>(4,489,951)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share*	<u>51,987,748</u>	<u>36,069,619</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share**	<u>51,987,748</u>	<u>36,069,619</u>
	Cents	Cents
Basic earnings per share	(27.01)	(12.45)
Diluted earnings per share	(27.01)	(12.45)

* Shares have been stated as though share consolidation had been in place since inception

** Options are excluded from the above calculation as their inclusion would be anti-dilutive.

Note 15. Share-based payments

Employee share option plan ('ESOP')

In July 2017, the Company set up an employee share option plan ('ESOP') to incentivise key employees with a view to retaining talent and aligning the Company's interest with those of the employees.

Note 15. Share-based payments (continued)

Set out below are summaries of options granted under the plan:

	<i>Number of options</i>	
	<i>31 Dec 2020</i>	<i>31 Dec 2019</i>
Outstanding at the beginning of the financial half-year	27,897,899	19,439,901
Granted	29,756,263	-
Exercised	(17,416,820)	-
Forfeited	(3,888,272)	(184,938)
Consolidation *	(29,079,255)	-
Outstanding at the end of the financial half-year	<u>7,269,815</u>	<u>19,254,963</u>
Exercisable at the end of the financial half-year	<u>-</u>	<u>15,560,862</u>

* Prior to IPO the Company completed a 5 to 1 share and option consolidation.

The Company has issued share options to employees which have been recorded as share-based payments expenses based on relevant vesting terms.

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$	\$
Share-based payments expense	<u>1,045,444</u>	<u>147,902</u>

Long-Term Incentive Plan ('New LTIP')

Prior to the Company listing on the ASX, the Company established the New LTIP to assist in the motivation, retention and reward of certain employees and Directors engaged by the Company or any of its subsidiaries ('Participants'). Awards granted under the New LTIP to Participants may be options or restricted shares.

After listing on the ASX the Company can make offers under the New LTIP of options to certain employees and Directors.

Note 15. Share-based payments (continued)

The terms and conditions relating to the New LTIP options are as follows:

Eligibility	Offers may be made at the Company's discretion to Non-Executive Directors, key management personal, and certain other key employees (including an Executive Director) and contractor, casual employee, officers or any other person the Company may determine to be eligible to receive a grant under the New LTIP Plan Rules.
Vesting	Vesting of any performance rights, options or shares issued under the New LTIP Plan Rules to each Participant is subject to vesting or performance conditions specified in the offer document for each grant and determined by the Company. Subject to the New LTIP Plan Rules and the terms of an offer document, an offer of performance rights, options or shares may lapse or be forfeited if such performance or vesting conditions are not satisfied. A Participant is required to pay any exercise price applicable on the exercise of an option.
Offers under the New LTIP Plan Rules	Subject to any requirements for shareholder approval or any applicable laws, the Company may make offers at its absolute discretion under the New LTIP Plan Rules. The Board will have the discretion to set the terms and conditions of each incentive offer it intends to make to eligible Participants.
Issue price and exercise price	The Board will determine the issue or exercise price for each grant of performance rights, options or shares allocated under the New LTIP Plan Rules. The present intention of the Company is that any future grant of options (not including the Initial LTIP Grant) will have an exercise price equal to the 30-day volume weighted average price ('VWAP') of the Company's shares on ASX.
Cessation of employment/ office	Under the New LTIP Plan Rules, the Board has broad discretion in relation to the treatment of entitlements on cessation of employment. It is intended that individual Offer documents will provide more specific information on how the entitlements will be treated if the Participant ceases employment.
Expiry	Options will lapse if certain vesting or performance conditions specified in the offer document are not met. Options will lapse five years after the start of the exercise period if not exercised or lapsed before this date.

The New LTIP Grant is designed to align the interests of officers and senior management more closely with the interests of shareholders by providing them an opportunity to receive the benefit of increases in the value of shares in the Company through the granting of options. The options will be subject to satisfaction of certain vesting conditions.

No options were granted under the New LTIP during the period.

Note 16. Events after the reporting period

No matter or circumstance has arisen since 31 December 2020 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.

In the directors' opinion:

- the attached financial statements and notes comply with the Accounting Standards, 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.

On behalf of the directors



Brett Johnson
Chairman

25 February 2021
Sydney

Independent Auditor's Review Report to the members of Cashrewards Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Cashrewards Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2020, and the condensed consolidated, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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 the Group 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 the *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 Half-year Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (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.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibilities 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

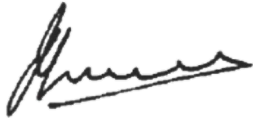
Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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*.

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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Joshua Tanchel
Partner
Chartered Accountants
Sydney, 25 February 2021