

# Appendix 4D

(Rule 4.2A.3)

## Half-year Report

Name of entity

Peppermint Innovation Limited	56 125 931 964
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### 1. Details of the Reporting Period and the Previous Corresponding Period

Financial period ended ("current period")	Financial period ended ("previous period")
31 December 2021	31 December 2020

### 2. Results for Announcement to the Market

					\$'000
2.1	Revenue from ordinary activities	down	25%	to	935
2.2	Loss from ordinary activities after tax attributable to members	up	52%	to	1,651
2.3	Net loss for the period attributable to members	up	52%	to	1,651
2.4	<b>Brief explanation of results</b>				
	<p>Peppermint delivered several significant achievements for the half-year ended 31 December 2021.</p> <p>The Company launched its alternative non-bank micro-enterprise loan offering – bizmoPay – after being granted a financial licence by the Philippines Securities Exchange ("PSX"); secured another cash-in, fund transfers and payments agreement with Dragonpay, one of the Philippines' largest and most reliable online gateway platforms and advanced to "Stage 3" of its Electronic Money Issuer (EMI) licence application with the PSX.</p> <p>Peppermint also successfully placed 250 million shares at \$0.02 per share to raise A\$5 million (before costs), with strong support received from existing and new investors.</p> <p>Peppermint ended the half-year period in a strong cash position, with \$6.9M at bank and is well funded to continue along its exciting growth trajectory, consider new opportunities that may present and satisfy all associated working capital requirements.</p> <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	(\$0.003)	(\$0.001)

### 4 Control gained or lost over entities having material effect

During the period the Group established Peppermint Financing Inc. in The Philippines, which has now started to work on pilots and different finance packages focused on providing short term loans to its agents to encourage utilisation of the Peppermint Platform.

### 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 2021.

### 9. Compliance Statement

This report should be read in conjunction with the attached Half Year Financial Report for the half-year ended 31 December 2021.

Signed here:



Date: 28 February 2022

Print name: Anthony Kain  
Executive Director



Peppermint Innovation Limited

(ACN 125 931 964)

INTERIM FINANCIAL REPORT  
FOR THE HALF-YEAR ENDED

31 DECEMBER 2021

## COMPANY DIRECTORY

### Directors

Mr Christopher Kain  
Managing Director

Mr Anthony Kain  
Executive Director

Mr Mathew Cahill  
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](http://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  
Level 11, 172 St Georges Terrace  
Perth WA 6000

Tel: +61 8 9323 2000  
Fax: +61 8 9323 2033

Web: [www.computershare.com.au](http://www.computershare.com.au)

### 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 2021. 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 \$1,651,443 (2020: \$1,087,111).

### *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

During the half-year period, the Group commenced a pilot to provide short term loans to its agents to encourage utilisation of the Peppermint Platform.

To finance the operations, 250,000,000 shares were issued in a private placement at \$0.02 per share providing \$5,000,000 of capital before costs. For each 3 participating shares, 1 option with an expiry price of \$0.03 on or before 30 June 2023 was issued. Shareholders were invited to participate on the same terms via a 1 for 10 short dated option, following the expiry of which \$48,731 was raised, before costs.

Other than these matters, 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 55,100,000 performance rights were issued to directors and employees. Each performance right converts into a fully paid ordinary share upon the following hurdles being achieved:

# DIRECTORS' REPORT

Tranche	Milestone	Expiry Date
Tranche A	Upon achievement of \$4,000,000 in Company revenue based on audited/reviewed financial reports	30 June 2023
Tranche B	Upon the Company breaking even as validated by audited/reviewed financial reports	30 June 2024
Tranche C	Upon achievement of \$1,000,000 in net income/profit as validated by audited/reviewed financial reports	30 June 2025

Subsequent to reporting date, 30,000,000 options with an exercise price of \$0.03 on or before 30 June 2023 which were granted on 25 November 2021, were issued to the broker who arranged a placement of 250,000,000 shares at \$0.02 which raised \$5,000,000, before costs, for the Company.

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 2021. 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 2021.

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 28<sup>th</sup> day of February 2022



**RSM Australia Partners**

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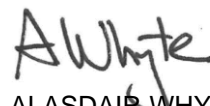
[www.rsm.com.au](http://www.rsm.com.au)

**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 2021, 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: 28 February 2022

**THE POWER OF BEING UNDERSTOOD**  
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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 2021

	Note	Half-year Ended 31/12/2021 \$	Half-year Ended 31/12/2020 \$
Revenue	5	934,865	1,244,530
Cost of sales		(847,761)	(1,121,534)
Gross profit		87,104	122,996
Other income		178	37,518
Administration expenses		(1,576,271)	(821,722)
Share based payment	10	(68,851)	(60,586)
Finance costs		(93,603)	(365,317)
Fair value adjustment		-	-
<b>(Loss) before income tax expense</b>		<b>(1,651,443)</b>	<b>(1,087,111)</b>
Income tax expense		-	-
<b>(Loss) for the period</b>		<b>(1,651,443)</b>	<b>(1,087,111)</b>
<b>Other comprehensive income / (loss)</b>			
<i>Items that may be reclassified to profit or loss:</i>			
- Nil		96	-
		96	-
<b>Total comprehensive (loss) for the period</b>		<b>(1,651,347)</b>	<b>(1,087,111)</b>
Basic and diluted (loss) per share (in cents)	3	<b>(0.09)</b>	<b>(0.10)</b>

The accompanying notes form part of these financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

		31 December 2021	30 June 2021
	Note	\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		6,924,339	3,112,411
Restricted cash		-	336,829
Trade and other receivables		47,933	92,317
Loans receivable		15,343	-
Other assets		49,182	55,113
<b>Total Current Assets</b>		<b>7,036,797</b>	<b>3,596,670</b>
<b>TOTAL ASSETS</b>		<b>7,036,797</b>	<b>3,596,670</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		355,644	353,799
Provisions		217,223	188,563
Financial liabilities	6	483,290	390,701
<b>Total Current Liabilities</b>		<b>1,056,157</b>	<b>933,063</b>
<b>TOTAL LIABILITIES</b>		<b>1,056,157</b>	<b>933,063</b>
<b>Net Assets</b>		<b>5,980,640</b>	<b>2,663,607</b>
<b>EQUITY</b>			
Issued capital	7	24,606,313	19,913,784
Reserves	7	728,485	452,538
Accumulated losses		(19,354,158)	(17,702,715)
<b>TOTAL EQUITY</b>		<b>5,980,640</b>	<b>2,663,607</b>

The accompanying notes form part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## HALF-YEAR ENDED 31 DECEMBER 2021

	Issued capital	Share based payment reserve	Convertible note reserve (Note 8)	Foreign Currency Translation Reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$	\$
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)
<i>Transactions with owners in their capacity</i>						
<i>as owners:</i>						
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
<b>Balance at 31 December 2021</b>	<b>24,606,313</b>	<b>465,851</b>	<b>262,538</b>	<b>96</b>	<b>(19,354,158)</b>	<b>5,980,640</b>
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
<b>Balance at 31 December 2020</b>	<b>14,552,080</b>	<b>60,586</b>	<b>1,001,343</b>	<b>-</b>	<b>(16,756,007)</b>	<b>(1,141,998)</b>

The accompanying notes form part of these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

HALF-YEAR ENDED 31 DECEMBER 2021

	Half-year Ended 31/12/2021 \$	Half-year Ended 31/12/2020 \$
	Note	
<b>Cash flows from operating activities</b>		
Cash receipts from customers	932,865	1,242,530
Payments to suppliers and employees	(2,356,458)	(2,015,849)
Interest received	178	18
Finance costs paid	(1,014)	(9,354)
Net cash (used in) operating activities	<u>(1,424,429)</u>	<u>(782,655)</u>
<b>Cash flows from financing activities</b>		
Net proceeds from issue of shares	5,248,731	905,000
Share issue expenses	(349,203)	(32,015)
Release of restricted cash	336,829	-
Net cash provided by financing activities	<u>5,236,357</u>	<u>872,985</u>
<b>Net increase (decrease) in cash held</b>	<b>3,811,928</b>	<b>90,330</b>
Cash and cash equivalents at the beginning of the period	3,112,411	261,426
Cash and cash equivalents at the end of the period	<u>6,924,339</u>	<u>351,756</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 2021 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 2021 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 28 February 2022.

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.

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.

## NOTES TO THE FINANCIAL STATEMENTS

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

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

### 3. LOSS PER SHARE

	Half-year Ended 31/12/2021	Half-year Ended 31/12/2020
	\$	\$
(Loss) for the period	(\$1,651,443)	(\$1,087,111)
Weighted average number of ordinary shares used in the (loss) per share calculations	1,749,045,715	1,077,338,700
Basic and diluted (loss) per share (cents)	(0.09)	(0.10)

### 4. DIVIDENDS PAID OR PROPOSED

No dividends were paid or declared during the half-year ended 31 December 2021.

## NOTES TO THE FINANCIAL STATEMENTS

### 5. REVENUE

	Half-year Ended 31/12/2021 \$	Half-year Ended 31/12/2020 \$
<i>Revenue from contracts with customers</i>		
Sale of goods	880,280	1,195,887
Rendering of services	54,585	48,643
	<u>934,865</u>	<u>1,244,530</u>

#### *Disaggregation of revenue*

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

	Mobile Banking and Payment Services	International Remittance	Total
<b>Half-year Ended 31 December 2021</b>			
<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>
<b>Half-year Ended 31 December 2020</b>			
<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>

### 6. FINANCIAL LIABILITIES

	As at 31/12/2021 \$	As at 30/06/2021 \$
<b>Financial liabilities – non-current</b>		
Convertible notes and accrued interest (a)	483,290	390,701
	<u>483,290</u>	<u>390,701</u>

#### (a) Convertible notes

The convertible notes have a face value of \$438,732, which has been valued and has a carrying amount of \$483,290 as at 31 December 2021.

# NOTES TO THE FINANCIAL STATEMENTS

## 7. ISSUED CAPITAL

### (a) Ordinary shares

	As at 31/12/2021 \$	As at 30/06/2021 \$
Fully paid ordinary shares 1,967,149,076 (30 June 2021: 1,694,712,510)	24,606,313	19,913,784

### Movements in issued capital

	Number of Shares	\$
Balance 1 July 2021	1,694,712,508	19,913,784
Shares issued at \$0.02 (i)	252,436,568	5,048,732
Options converted at \$0.01	20,000,000	200,000
Shares issue expenditure (ii)	-	(556,203)
<b>Balance 31 December 2021</b>	<b>1,967,149,076</b>	<b>24,606,313</b>

- (i) 252,436,568 shares were issued at \$0.02 with one free attaching option for each 3 participating shares at an exercise price of \$0.01 on or before 30 June 2023. The shares issued includes 2,436,568 shares which were issued pursuant to a short dated bonus option entitlement issue to shareholders, which has been accounted for as a placement.
- (ii) Includes \$207,000 for the issue of 30,000,000 options with an exercise price of \$0.01 on or before 30 June 2023 to the broker who arranged the placement referred to in Note 7(a)(i).

### (b) Options

The following options were issued during the period:

Number	Grant Date	Exercise Price	Expiry Date	Comments
2,500,000	1 Nov 2021	\$0.02	30 Jun 2024	Granted to a consultant as part of their remuneration.
2,500,000	1 Nov 2021	\$0.025	30 Jun 2024	
2,500,000	1 Nov 2021	\$0.03	30 Jun 2024	
2,500,000	1 Nov 2021	\$0.04	30 Jun 2024	
85,764,110	Dec 2021	\$0.03	30 Jun 2023	Attaching options to placements (see Note 7(a)(i))
30,000,000	25 Nov 2021	\$0.03	30 Jun 2023	Broker options (see Note 7(a)(ii))
<b>125,764,110</b>				



## NOTES TO THE FINANCIAL STATEMENTS

Options are valued using a Black-Scholes Option Pricing Model or Lattice 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
2,500,000	1 Nov 2021	\$0.02	\$0.018	nil	0.98%	80%	\$0.0084
2,500,000	1 Nov 2021	\$0.025	\$0.018	nil	0.98%	80%	\$0.0074
2,500,000	1 Nov 2021	\$0.03	\$0.018	nil	0.98%	80%	\$0.0065
2,500,000	1 Nov 2021	\$0.04	\$0.018	nil	0.98%	80%	\$0.0053
30,000,000	25 Nov 2021	\$0.03	\$0.02	nil	0.55%	100%	\$0.0069

The following unlisted options to acquire fully paid ordinary shares were exercised during the year:

Number	Exercise Price	Expiry Date	Exercise Condition
20,000,000	\$0.01	31 Dec 2021	None
<b>20,000,000</b>			

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

Number	Exercise Price	Expiry Date	Exercise Condition
20,000,000	\$0.015	18 Feb 2024	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
115,764,110(i)	\$0.03	30 June 2023	None
<b>165,764,110</b>			

- (i) Includes 30,000,000 options granted on 25 November 2021 which were issued subsequent to period end.

### 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 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.

## NOTES TO THE FINANCIAL STATEMENTS

### *Recognised fair value measurements*

The following table presents the Group's liabilities measured at fair value at 31 December 2021 and 30 June 2021:

<b>At 31 December 2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Convertible notes	-	483,290	-	483,290
<b>Total</b>	<b>-</b>	<b>483,290</b>	<b>-</b>	<b>483,290</b>

<b>At 30 June 2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Convertible notes	-	390,701	-	390,701
<b>Total</b>	<b>-</b>	<b>390,701</b>	<b>-</b>	<b>390,701</b>

### *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 2021 Annual Report.

## 10. SHARE BASED PAYMENT

The following options were issued to a consultant as part of the remuneration of the consultant:

Number	Exercise Price	Expiry Date	Exercise Condition
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
<b>10,000,000</b>			

These options were valued at \$68,851 (see Note 7(b)).

The following options were issued to a broker as part of the remuneration for arranging a capital raise:

Number	Exercise Price	Expiry Date	Exercise Condition
30,000,000	\$0.03	30 Jun 2023	None
<b>30,000,000</b>			

These options were valued at \$207,000 (see Note 7(b)).

# NOTES TO THE FINANCIAL STATEMENTS

## 11. CONTINGENT LIABILITIES

There are no contingent assets nor liabilities.

## 12. EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to reporting date 55,100,000 performance rights were issued to directors and employees. Each performance right converts into a fully paid ordinary share upon the following hurdles being achieved:

Tranche	Milestone	Expiry Date
Tranche A	Upon achievement of \$4,000,000 in Company revenue based on audited/reviewed financial reports	30 June 2023
Tranche B	Upon the Company breaking even as validated by audited/reviewed financial reports	30 June 2024
Tranche C	Upon achievement of \$1,000,000 in net income/profit as validated by audited/reviewed financial reports	30 June 2025

Subsequent to reporting date, 30,000,000 options with an exercise price of \$0.03 on or before 30 June 2023 which were granted on 25 November 2021, were issued to the broker who arranged a placement of 250,000,000 shares at \$0.02 which raised \$5,000,000, before costs, for the Company.

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 2021. 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.

## 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 2021 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  
28<sup>th</sup> February 2022



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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 2021, 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 2021 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 2021 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

*A Whyte*  
ALASDAIR WHYTE  
Partner

Perth, WA  
Dated: 28 February 2022