

MIE PAY LIMITED

ABN 629 754 874

Appendix 3

1. Details of the reporting period

Current Period: 1 April 2020 to 30 September 2020 ("HF2021")

Previous Corresponding Period: 1 April 2019 to 30 September 2019

2. Results for announcement to the market

Comparison to previous period		HY2021 (NZD)	HY2020 (NZD)	Change %
2.1	Revenue from continuing operations	147,831	172,879	-14%
2.2	Loss from ordinary activities after income tax attributable to members	- 1,359,997	- 1,160,557	17%
2.3	Net loss attributable to members	- 1,359,997	- 1,160,557	17%

2.4 Divided

No dividend declared during the period.

2.5 Explanation of Results

The explanation of the results is included in the Directors' Report.

3. Net tangible assets per ordinary share

	30/09/2020	30/09/2019
	Cents	Cents
Net tangible assets per ordinary share	0.02	0.02

Calculation based on ordinary shares issued of 319,957,144 as of 30 September 2020 and 257,666,667 as of 30 September 2019.

4. Details of entities over which control has been gained or lost during the period

No entity has been gained or lost during the period.

5. Dividend payment information

No dividend was paid during the period.

6. Dividend/distribution reinvestment plan

No dividend/distribution reinvestment plan was made during the period.

7. Investment in associates and joint ventures

There was no new investment in associates or joint ventures in HY2021.

8. Accounting standards

Australian Accounting Standards have been used in complying the information contained in Appendix 3

9. Audit qualification or review

The financial statements were subject to review by the auditors and the Auditor's Review Report is attached as part of Interim Financial Report

MIE Pay Limited

ABN 57 629 754 874

Interim Report - 30 September 2020

MIE Pay Limited
Directors' report
For the half-year ended 30 September 2020

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of MIE Pay 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 30 September 2020.

Directors

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

Lei (Andy) Zhang
Jack Zhong Yin
Chen Chik (Nicholas) Ong
Hing Chow (Tony) Leung
Roger James Kerr (resigned 25 September 2020)

Principal activities

The principal activities of the consolidated entity during the year were provision of digital payment solutions.

Review of operations

The Company is a technology driven payment company that facilitates online and offline commerce between retail merchants and end customers. Its operation is based in Auckland and Sydney.

Its primary business model is a fintech business building an innovative financial technology ecosystem, the core of which is an interactive payment platform which delivers an improved shopping or checkout experience with payments as a component. It is focused on lowering acceptance costs for merchants and aims to supplement the initial solution with value-added services.

During the half-year ended 30 September 2020, the loss of the consolidated entity amounted to NZD 1,316,529 (30 September 2019: NZD 1,160,557).

Management is aware of the group's financial position and believes it is consistent with the business strategy of achieving higher market dominance, which requires high outlay during the early phases of the business life cycle.

The impact of the COVID-19 pandemic up to 30 September 2020 has not been as severe as might have been expected. With both people working from home and students being home schooled, there was a general increase in eCommerce activities, leading to additional interest in IE Mall, with new merchants being added even during the lockdown period.

Despite there not being an overly significant impact on the consolidated entity, there remain uncertainties in the economy related to the COVID-19 outbreak and these uncertainties could further impact the consolidated entity's operations. As the situation is still evolving, the full effect of the outbreak is still uncertain. It is however reasonably possible that COVID-19 will have an adverse impact on the consolidated entity's future revenues and results for the next reporting year, the extent of which will depend on how long the outbreak lasts.

However, the results during the first half year of 2020, for both merchant acquisition and revenue achieved, do not show a significant adverse impact to date, in comparison with actual results in the same period in the previous year.

Significant changes in the state of affairs

Mie Pay Limited listed on the National Stock Exchange of Australia on 18 May 2020.

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

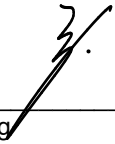
Auditor's independence declaration

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.

MIE Pay Limited
Directors' report
For the half-year ended 30 September 2020

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

On behalf of the directors



Lei Zhang
Director

14 December 2020

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Mie Pay Limited for the half year ended 30 September 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.

A handwritten signature in black ink that reads "RSM".**RSM AUSTRALIA PARTNERS**A handwritten signature in black ink that reads "David Talbot".

David Talbot
Partner

Sydney, NSW
Dated: 14 December 2020

MIE Pay Limited**Contents****For the half-year ended 30 September 2020**

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MIE Pay Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 30 September 2020

		Consolidated	
		30	30
	Note	September	September
		2020	2019
		NZ\$	NZ\$
Revenue	5	147,831	172,879
Government grants		124,190	-
Interest revenue		55	426
Expenses			
Commission expenses		(11,256)	-
Employees and consultants		(892,332)	(785,921)
Corporate overheads		(132,995)	(89,090)
Marketing and business development		(91,094)	(102,616)
Shared expenses from related parties		(86,373)	(206,869)
Depreciation and amortisation	6	(124,432)	(57,913)
IPO listing cost		(159,980)	-
Other expenses		-	(53,888)
Finance costs	6	(5,225)	(37,565)
Net foreign exchange gain/(loss)	6	(128,386)	-
Loss before income tax expense		(1,359,997)	(1,160,557)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of MIE Pay Limited		(1,359,997)	(1,160,557)
Other comprehensive income for the half-year, net of tax			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange difference in translation of operations		43,468	-
Total comprehensive loss for the half-year attributable to the owners of MIE Pay Limited		<u>(1,316,529)</u>	<u>(1,160,557)</u>
		Cents	Cents
Basic loss per share	7	(0.44)	(0.45)
Diluted loss per share	7	(0.44)	(0.45)

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

MIE Pay Limited
Consolidated statement of financial position
As at 30 September 2020

		Consolidated	
		30	31
		September	March
	Note	2020	2020
		NZ\$	NZ\$
Assets			
Current assets			
Cash and cash equivalents		1,795,463	430,044
Trade and other receivables		794,196	602,797
Prepayments		181,733	87,739
Total current assets		<u>2,771,392</u>	<u>1,120,580</u>
Non-current assets			
Property, plant and equipment		48,907	63,417
Intangibles		613,245	532,400
Total non-current assets		<u>662,152</u>	<u>595,817</u>
Total assets		<u>3,433,544</u>	<u>1,716,397</u>
Liabilities			
Current liabilities			
Trade and other payables		672,308	1,323,886
Income tax		44,485	42,592
Employee benefits		153,248	115,989
Total current liabilities		<u>870,041</u>	<u>1,482,467</u>
Non-current liabilities			
Borrowings	8	31,600	1,134,300
Other		11,950	7,350
Total non-current liabilities		<u>43,550</u>	<u>1,141,650</u>
Total liabilities		<u>913,591</u>	<u>2,624,117</u>
Net assets/(liabilities)		<u>2,519,953</u>	<u>(907,720)</u>
Equity			
Issued capital	9	6,753,134	2,008,932
Reserves		(140,592)	(184,060)
Accumulated losses		<u>(4,092,589)</u>	<u>(2,732,592)</u>
Total equity		<u>2,519,953</u>	<u>(907,720)</u>

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

MIE Pay Limited
Consolidated statement of changes in equity
For the half-year ended 30 September 2020

Consolidated	Issued capital NZ\$	Reserves NZ\$	Accumulated losses NZ\$	Total deficiency in equity NZ\$
Balance at 1 April 2019 – original	1,045,486	(202,388)	(32,587)	810,511
Adjustment for prior errors	22,597	-	(66,318)	(43,721)
Balance at 1 April 2019 – restated	1,068,083	(202,388)	(98,905)	766,790
Loss after income tax expense for the half-year	-	-	(1,160,557)	(1,160,557)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(1,160,557)	(1,160,557)
Foreign currency translation movements	-	10,632	-	10,632
IPO listing cost	-	7,670	-	7,670
Balance at 30 September 2019 - restated	<u>1,068,083</u>	<u>(184,086)</u>	<u>(1,259,462)</u>	<u>(375,465)</u>
Consolidated	Issued capital NZ\$	Reserves NZ\$	Accumulated losses NZ\$	Total equity NZ\$
Balance at 1 April 2020	2,008,932	(184,060)	(2,732,592)	(907,720)
Loss after income tax expense for the half-year	-	-	(1,359,997)	(1,359,997)
Other comprehensive income for the half-year, net of tax	-	43,468	-	43,468
Total comprehensive income for the half-year	-	43,468	(1,359,997)	(1,316,529)
IPO listing costs	(13,164)	-	-	(13,164)
Transactions with owners in their capacity as owners: Issue of shares	<u>4,757,366</u>	-	-	<u>4,757,366</u>
Balance at 30 September 2020	<u>6,753,134</u>	<u>(140,592)</u>	<u>(4,092,589)</u>	<u>2,519,953</u>

Adjustments in the comparative interim period relate to errors identified in the audit of the financial report for the year ended 31 March 2020 as detailed in note 3.

MIE Pay Limited
Consolidated statement of cash flows
For the half-year ended 30 September 2020

	Consolidated	
	30	30
	September	September
	2020	2019
	NZ\$	NZ\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	97,841	253,095
Receipts of government grants	124,190	-
Payments to suppliers and employees (inclusive of GST)	<u>(2,069,797)</u>	<u>(1,266,168)</u>
	(1,847,766)	(1,013,073)
Interest received	55	426
Other revenue	-	138,373
Interest and other finance costs paid	<u>-</u>	<u>(37,566)</u>
Net cash used in operating activities	<u>(1,847,711)</u>	<u>(911,840)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	-	(164,741)
Payments for software development costs	<u>(190,769)</u>	<u>-</u>
Net cash used in investing activities	<u>(190,769)</u>	<u>(164,741)</u>
Cash flows from financing activities		
Repayment of loans to related parties	(277,162)	-
Receipts of government loans	31,600	
Proceeds from convertible note	-	1,081,127
Proceeds from the issue of shares	<u>3,649,316</u>	<u>-</u>
Net cash from financing activities	<u>3,403,754</u>	<u>1,081,127</u>
Net increase in cash and cash equivalents	1,365,274	4,546
Cash and cash equivalents at the beginning of the financial half-year	430,044	514,557
Effects of exchange rate changes on cash and cash equivalents	<u>145</u>	<u>9,750</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>1,795,463</u></u>	<u><u>528,853</u></u>

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

MIE Pay Limited
Notes to the consolidated financial statements
For the half-year ended 30 September 2020

Note 1. General information

The financial statements cover MIE Pay Limited as a consolidated entity consisting of MIE Pay Limited and the entities it controlled at the end of, or during, the half-year. The functional currency of MIE Pay Limited is Australian dollars, which is predominately where economic activities of the group were undertaken as at 30 September 2020. The financial statements are presented in New Zealand dollars, which is MIE Pay Limited's presentation currency.

MIE Pay 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

Level 10
420 George Street
Sydney NSW 2000

Principal place of business

Level 10
420 George Street
Sydney NSW 2000

A description of the nature of the consolidated entity'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 14 December 2020.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 30 September 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 31 March 2020 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, except for the addition of the following:

Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

Critical accounting judgements, estimates and assumptions

The following note regarding critical accounting judgements, estimates and assumptions remains relevant for the current interim reporting period.

Coronavirus (COVID-19) pandemic:

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

MIE Pay Limited
Notes to the consolidated financial statements
For the half-year ended 30 September 2020

Going concern basis of preparation

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

As disclosed in the financial statements, the Company incurred a net loss of \$1,359,997 and net cash outflow of \$1,847,711 during the period ended 30 September 2020. However, as of that date, the company had total net assets of \$2,519,953.

These factors indicate a material uncertainty which may cast significant doubt as to whether the company will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The directors believe it is reasonably foreseeable that the company will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following:

- Revenue growth is anticipated from the new IE Mall franchising revenue stream. A letter of intent for an IE Mall franchise has been signed in November 2020. The prospective franchisee has expressed an interest in acquiring franchise rights to operate an IE Mall franchised business.
- In May 2020 the company completed its IPO which facilitated its listing on the NSX in the same month. The successful reaching of its target number of share applications is believed by the Directors to support the possibility of further capital raising events.

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

Note 3. Restatement of comparatives

Some restatements of comparative periods have occurred due to errors identified during the audit of the annual report for the year ended 31 March 2020, including;

- Apportionment of costs related to share issue
- Classification of wage recharges from related parties
- Classification of related party receivables
- Recording of income tax balances and adjustment to deferred tax asset

The impact on the consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position is as follows:

MIE Pay Limited
Notes to the consolidated financial statements
For the half-year ended 30 September 2020

	30 September 2019	Adjustment	30 September 2019 (Restated)
<i>Consolidated statement of profit or loss and other comprehensive income</i>			
Revenue	254,316	(81,437)	172,879
Expenses			
Employees and consultants	<u>(844,761)</u>	58,840	<u>(785,921)</u>
Loss before income tax expense	(1,137,960)	(22,597)	(1,160,557)
Income tax expense	<u>-</u>		<u>-</u>
Loss after income tax expense for the half-year attributable to the owners of MIE Pay Limited	(1,137,960)	(22,597)	(1,160,557)
Total comprehensive loss for the half-year attributable to the owners of MIE Pay Limited	<u>(1,137,960)</u>	(22,597)	<u>(1,160,557)</u>

MIE Pay Limited
Notes to the consolidated financial statements
For the half-year ended 30 September 2020

	30 September 2019	Adjustment	30 September 2019 (Restated)
<i>Consolidated statement of financial position</i>			
Assets			
Current assets			
Trade and other receivables	651,430	(168,742)	482,688
Amount due to related parties	35,641	168,742	204,383
Total current assets	<u>1,258,694</u>		<u>1,258,694</u>
Equity			
Issued capital	1,045,486	22,597	1,068,083
Accumulated losses	<u>(1,170,547)</u>	<u>(88,915)</u>	<u>(1,259,462)</u>
Total equity	<u>(309,147)</u>	<u>(66,318)</u>	<u>(375,465)</u>

MIE Pay Limited
Notes to the consolidated financial statements
For the half-year ended 30 September 2020

Note 4. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into two operating segments based on geographic locations. These operating segments are based on the internal reports that are reviewed and used by the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources to operating segments and assessing their performance.

Operating segment information

	Australia	New Zealand	Total
	NZ\$	NZ\$	NZ\$
Consolidated - 30 September 2020			
Revenue			
Sales to external customers	-	83,539	83,539
Share of cost recharge	-	64,292	64,292
Total segment revenue	-	147,831	147,831
<i>Unallocated revenue:</i>			
Interest revenue			55
Total revenue			147,886
EBITDA	(547,352)	(683,043)	(1,230,395)
Depreciation and amortisation			(124,432)
Interest revenue			55
Finance costs			(5,225)
Loss before income tax expense			(1,359,997)
Income tax expense			-
Loss after income tax expense			(1,359,997)
Assets			
Segment assets	88,078	1,550,003	1,638,081
<i>Unallocated assets:</i>			
Cash and cash equivalents			1,795,463
Total assets			3,433,544
Liabilities			
Segment liabilities	118,976	794,615	913,591
Total liabilities			913,591

MIE Pay Limited
Notes to the consolidated financial statements
For the half-year ended 30 September 2020

	Australia	New Zealand	Total
	NZ\$	NZ\$	NZ\$
Consolidated - 30 September 2019			
Revenue			
Sales to external customers	-	115,943	115,943
Share of cost recharge	-	138,373	138,373
Total segment revenue	-	254,316	254,316
<i>Unallocated revenue:</i>			
Interest revenue			426
Total revenue			254,742
EBITDA	(340,863)	(724,822)	(1,065,685)
Depreciation and amortisation			(57,913)
Interest revenue			426
Finance costs			(37,565)
Loss before income tax expense			(1,160,737)
Income tax expense			-
Loss after income tax expense			(1,160,737)
Assets			
Segment assets	51,277	1,152,791	1,204,068
<i>Unallocated assets:</i>			
Cash and cash equivalents			528,853
			23,726
Total assets			1,756,647
Liabilities			
Segment liabilities	114,299	834,522	948,821
Convertible loans			1,116,973
Total liabilities			2,065,794

MIE Pay Limited
Notes to the consolidated financial statements
For the half-year ended 30 September 2020

Note 5. Revenue

Disaggregation of revenue

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

	Consolidated	
	30	30
	September	September
	2020	2019
	NZ\$	NZ\$
Rendering of services	83,539	115,943
Share of cost recharge	64,292	56,936
	<u>147,831</u>	<u>172,879</u>
<i>Major service lines</i>		
Services fees	83,539	115,943
Other	64,292	56,936
	<u>147,831</u>	<u>172,879</u>
<i>Geographical regions</i>		
Australia	-	-
New Zealand	147,831	172,879
Rest of the World	-	-
	<u>147,831</u>	<u>172,879</u>
<i>Timing of revenue recognition</i>		
Services delivered point in time	147,831	172,879
Other	-	-
	<u>147,831</u>	<u>172,879</u>

Note 6. Expenses

	Consolidated	
	30	30
	September	September
	2020	2019
	NZ\$	NZ\$
Loss before income tax includes the following specific expenses:		
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	5,225	36,383
Interest and finance charges paid/payable on lease liabilities	-	1,182
	<u>128,386</u>	<u>-</u>
<i>Net foreign exchange loss</i>		
Net foreign exchange loss	128,386	-
	<u>124,432</u>	<u>57,913</u>
<i>Depreciation and amortisation</i>		
Depreciation and amortisation	124,432	57,913

MIE Pay Limited
Notes to the consolidated financial statements
For the half-year ended 30 September 2020

Note 7. Loss per share

	Consolidated	
	30	30
	September	September
	2020	2019
	NZ\$	NZ\$
Loss after income tax attributable to the owners of MIE Pay Limited	<u>(1,359,997)</u>	<u>(1,160,557)</u>
	Cents	Cents
Basic loss per share	(0.44)	(0.45)
Diluted loss per share	(0.44)	(0.45)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>306,768,761</u>	<u>257,666,667</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>306,768,761</u>	<u>257,666,667</u>

Note 8. Borrowings

	Consolidated	
	30	31
	September	March
	2020	2020
	NZ\$	NZ\$
Borrowings	<u>31,600</u>	<u>1,134,300</u>

On 11 April 2019, the consolidated entity entered into a convertible loan agreement pursuant to which it borrowed AU\$1 million with the following terms. Interest is payable at the rate of 8% per annum or in the event of default, at 12% per annum. The repayment date is 18 May 2020. The principal sum and interest accrued from the drawdown date of 18 April 2019 for 12 months may be converted to Shares at the lender's election on 1 May 2020. If the lender does not elect to convert, the borrower must repay the principal sum and interest accrued from the drawdown date for 13 months and capitalised on the repayment date.

On 15 November 2019, the Company entered into an amendment deed pursuant to which it was agreed that a total amount of AU\$1,110,000 (including 12 months interest calculated at 11% per annum) would be automatically converted into 15,857,143 shares at a conversion price of AU\$0.07 upon the Company receiving conditional approval from the NSX for admission to the NSX and being able to satisfy the conditions for admission including the minimum subscription condition under the Public Offer. This event was satisfied on 18 May 2020 and the convertible loan was exchanged for shares on that date. The Convertible Loan Agreement and Amendment Deed were governed by the law of the State of New South Wales.

MIE Pay Limited
Notes to the consolidated financial statements
For the half-year ended 30 September 2020

Note 9. Equity - issued capital

	30 September 2020 Shares	Consolidated 31 March 2020 Shares	30 September 2020 NZ\$	31 March 2019 NZ\$
Ordinary shares - fully paid	<u>319,957,144</u>	<u>271,000,000</u>	<u>6,753,134</u>	<u>2,008,932</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	NZ\$
Balance	31 March 2019	257,666,667		1,045,488
Incorporation	31 October 2019	5,000,000	NZ\$0.1100	543,020
Issue of shares	18 November 2019	8,333,333	NZ\$0.0600	543,020
Share issue costs		-	NZ\$0.0004	(122,596)
Balance	31 March 2020	271,000,000		2,008,932
Issue of shares	18 May 2020	15,857,143	NZ\$0.0759	1,202,818
Issue of shares	21 May 2020	33,100,001	NZ\$0.1086	3,554,548
Share issue costs		-	NZ\$0.0001	(13,164)
Balance	30 September 2020	<u>319,957,144</u>		<u>6,753,134</u>

On 21 May 2020 the consolidated entity completed its IPO and issued additional shares of AU\$3,316,625 (33,100,001 shares at AU\$0.10). Trading on the consolidated entity's securities after admission to the National Stock Exchange of Australia ("NSX") commenced on 25 May 2020.

Other issues of shares were the result of a debt to equity swap on convertible notes worth AU\$1,110,000 (to 15,857,143 shares at AU\$0.07) that occurred on 18 May 2020.

Share buy-back

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

Note 9. Equity – dividends

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

Note 10. Contingent assets and contingent liabilities

In the opinion of the Directors, the company did not have any contingencies at 30 September 2020 (30 September 2019 :None)

MIE Pay Limited
Notes to the consolidated financial statements
For the half-year ended 30 September 2020

Note 11. Related party transactions

a) Related parties

Name of entity	Principal activities	Country of incorporation
PAL Tech Limited (formerly IE Financial Services Limited)	Former holding company	New Zealand
IE Money Limited	Currency exchange services	New Zealand
IE Finance Limited	Lending and financing	New Zealand
IE Property Lending Limited	Lending and financing	New Zealand
IE Technology Limited	Software development	New Zealand
IE Management Services	Management services of the Pal Tech group	New Zealand

In December 2018 the MyPay New Zealand Limited, which was then a wholly owned subsidiary of IE Financial Services Limited (now PAL Tech Limited), was sold to MIE Pay NZ Limited, a wholly owned New Zealand subsidiary of an Australian holding company, MIE Pay Limited ("MIE Pay"). MIE Pay listed on the National Stock Exchange of Australia ("NSX") on 18 May 2020. PAL Tech Limited and its subsidiaries are related parties by virtue of common shareholders and management.

b) Balances with related parties

	30 September 2020	30 September 2019
<i>Related party receivables</i>		
Pal Tech Limited (common shareholders)	-	23,566
IE Finance Limited (common shareholders)	119,618	70,483
IE Money Limited (common shareholders)	160,873	110,813
Lei Zhang (shareholder)	1,340	-
	<u>281,831</u>	<u>204,862</u>
	30 September 2020	30 September 2019
<i>Related party payables</i>		
Pal Tech Limited (common shareholders)	85,618	82,045
IE Money Limited (common shareholders)	-	29,791
IE Technology Limited (common shareholders)	102,376	54,144
	<u>187,994</u>	<u>165,980</u>

c) Transactions with related parties

	30 September 2020	30 September 2019
<i>Income</i>		
Intercompany Recharge to IE Finance Limited	11,913	87,574
Intercompany Recharge to IE Money Limited	52,379	144,068
Intercompany Recharge to Pal Tech Limited	-	20,686
	<u>64,292</u>	<u>252,328</u>

MIE Pay Limited
Directors' declaration
For the half-year ended 30 September 2020

	30 September 2020	30 September 2019
<i>Expenses</i>		
Settlement of Expenses by Pal Tech on behalf of Mypay Limited	-	155,225
Settlement of Expenses by IE Money Limited on behalf of Mypay Limited	7,103	46,599
Settlement of Expenses by IE Technology Limited on behalf of Mypay Limited	79,270	134,303
Settlement of Expenses by IE Finance Limited on behalf of MyPay Limited	-	7,305
	<u>86,373</u>	<u>343,432</u>

Note 12. Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially detrimental for the consolidated entity up to 30 September 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. 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.

No other matter or circumstance has arisen since 30 September 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.


MIE Pay Limited
Directors' declaration
For the half-year ended 30 September 2020

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 consolidated entity's financial position as at 30 September 2020 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



Lei Zhang
Director

14 December 2020

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF MIE PAY LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Mie Pay Limited which comprises the consolidated statement of financial position as at 30 September 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement 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 entity 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 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Company incurred a net loss of NZD 1,359,997 and net cash outflow of NZD 1,847,711 during the period end 30 September 2020 and, as of that date, the Company's total assets exceeded its total liabilities by NZD 2,519,953. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 30 September 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Mie Pay 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.

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 Mie Pay Limited, would be in the same terms if given to the directors as at the time of this auditor's review 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 Mie Pay Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the entity's financial position as at 30 September 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



RSM AUSTRALIA PARTNERS



David Talbot
Partner

Sydney, NSW

Dated: 14 December 2020