CASHREWARDS™

ASX Announcement

ASX:CRW

29 October 2021

ASX Market Announcements Office
Exchange Centre
20 Bridge Street
Sydney NSW 2000

2021 Annual Report

We attach a copy of the 2021 Annual Report for Cashrewards Limited.

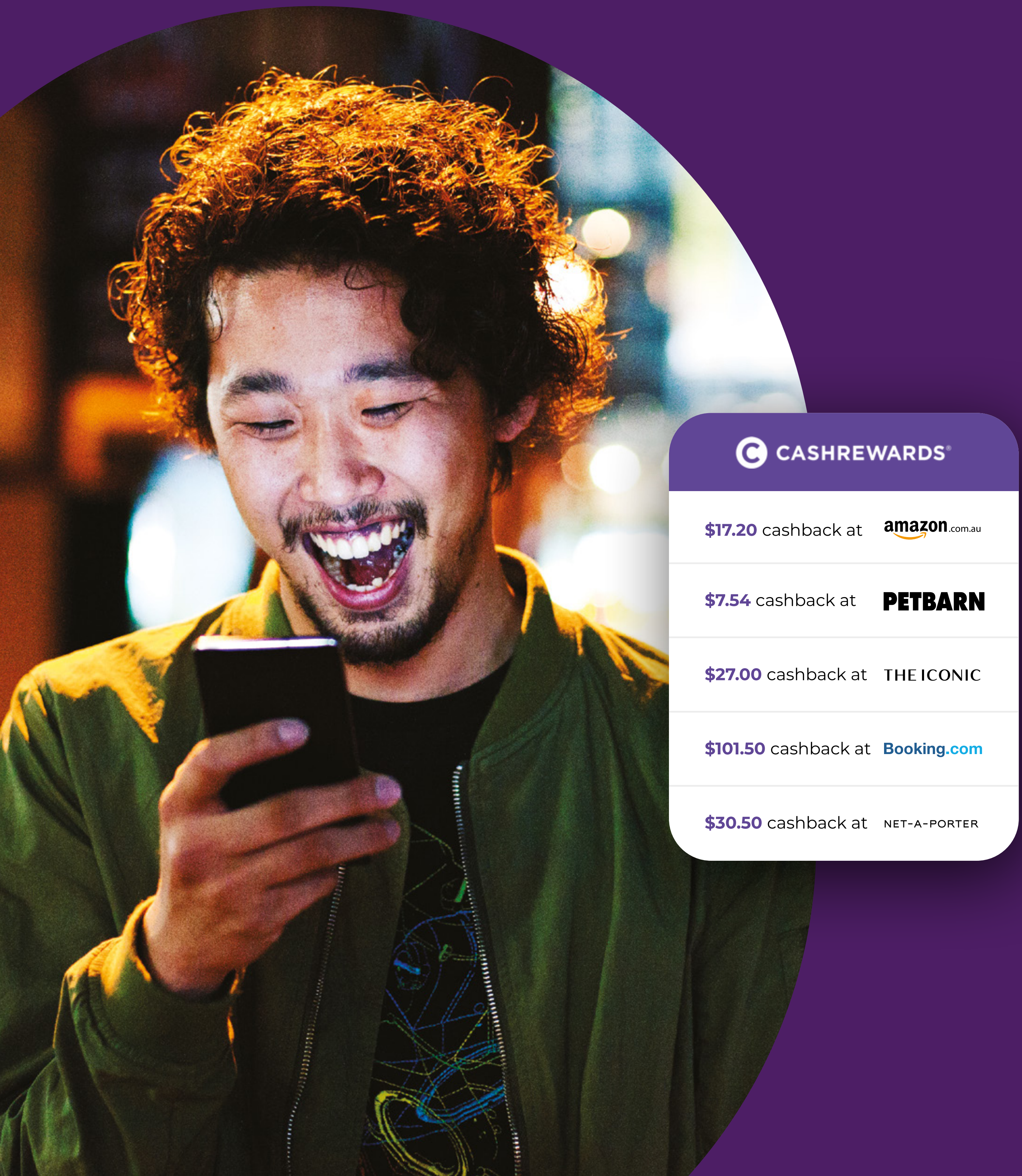
This document was authorised for lodgement with ASX by Cashrewards' Board

Yours faithfully

Danny Davies
Company Secretary

CASHREWARDS®

Annual Report 2021



Contents

Welcome to our 2021 annual report

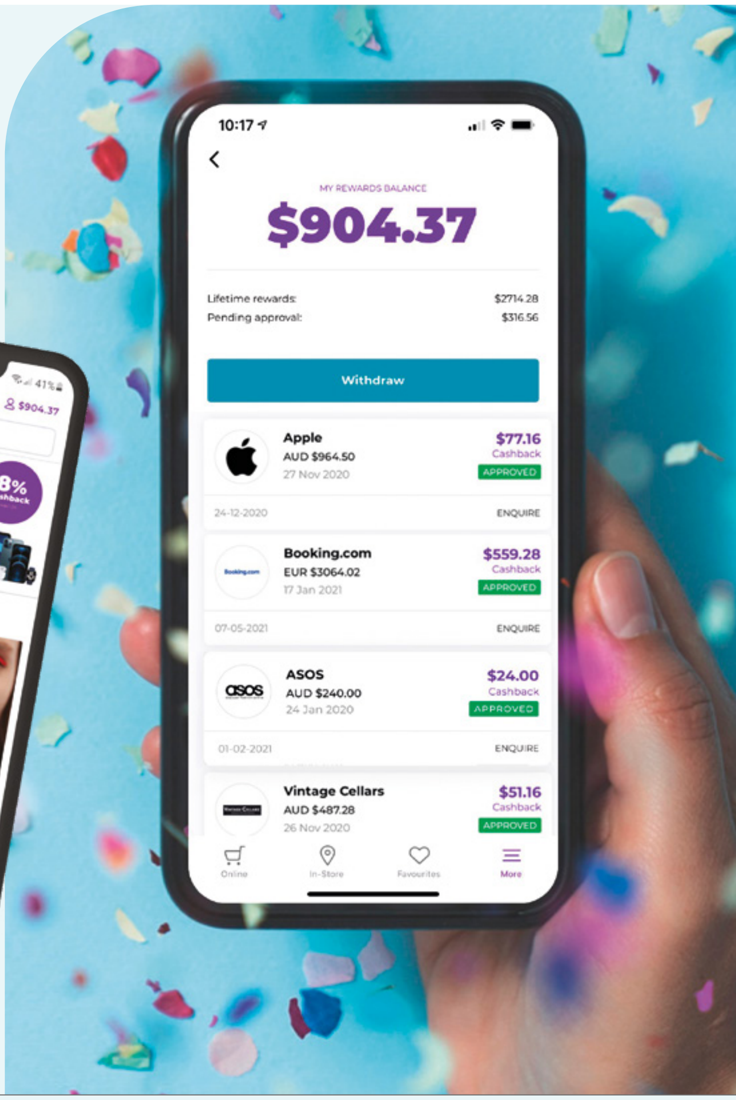
Australian-owned and operated, Cashrewards is the leading Australian cashback ecosystem, where Members browse brands and offers and receive cashback on transactions by shopping online or in-store.

Cashrewards provides over one million Members with a broad array Cashback offers via its 1,700+ Merchants Partners including Apple, Myer, Liquorland, Adidas, Bonds, Target, Booking.com and the Iconic.

Since launching in Sydney in 2014, Cashrewards have driven more than $27 billion in transactions for brands, translating into more than $120 million of cash back for members.

On 2 December 2020, Cashrewards' ordinary shares were listed on the Australian Stock Exchange (ASX) under the code 'CRW'.

A must have product for consumers and brands



2021 in summary

Successfully completed an Initial Public Offering in December 2020 and cemented position as Australia's leading cashback ecosystem

Strong growth achieved in key performance metrics in FY21

- Exceeded ambition of reaching **1 million members**
- **Strong growth in key financial and operating metrics,** with upside potential from the travel category
- **Improved unit economics,** member lifetime value exceeding $500 ($84 ARPU, 6-year lifetime) – up from $448 at time of IPO

Transformational partnership to scale at minimal marketing cost

- **Partnership signed with ANZ Bank** to make Cashrewards available for ~4.7 million credit and debit customers
- Launched Cashrewards Max™, with a **shared ambition to have close to 500k new active members by early FY23**
- Further co-product development and innovation underway

Investment into product & technology remains a strategic priority

- Continued innovation to enhance customer experience, making it easier to shop now, save now
- Completed eftpos integration to enable customers to earn cashback in-store on their eftpos card

The Cashrewards ecosystem

> 1 million members

Shop now and save now with zero hassle by starting their shopping with Cashrewards

Attractive Scale Economics

Brands attract members & Members attract brands

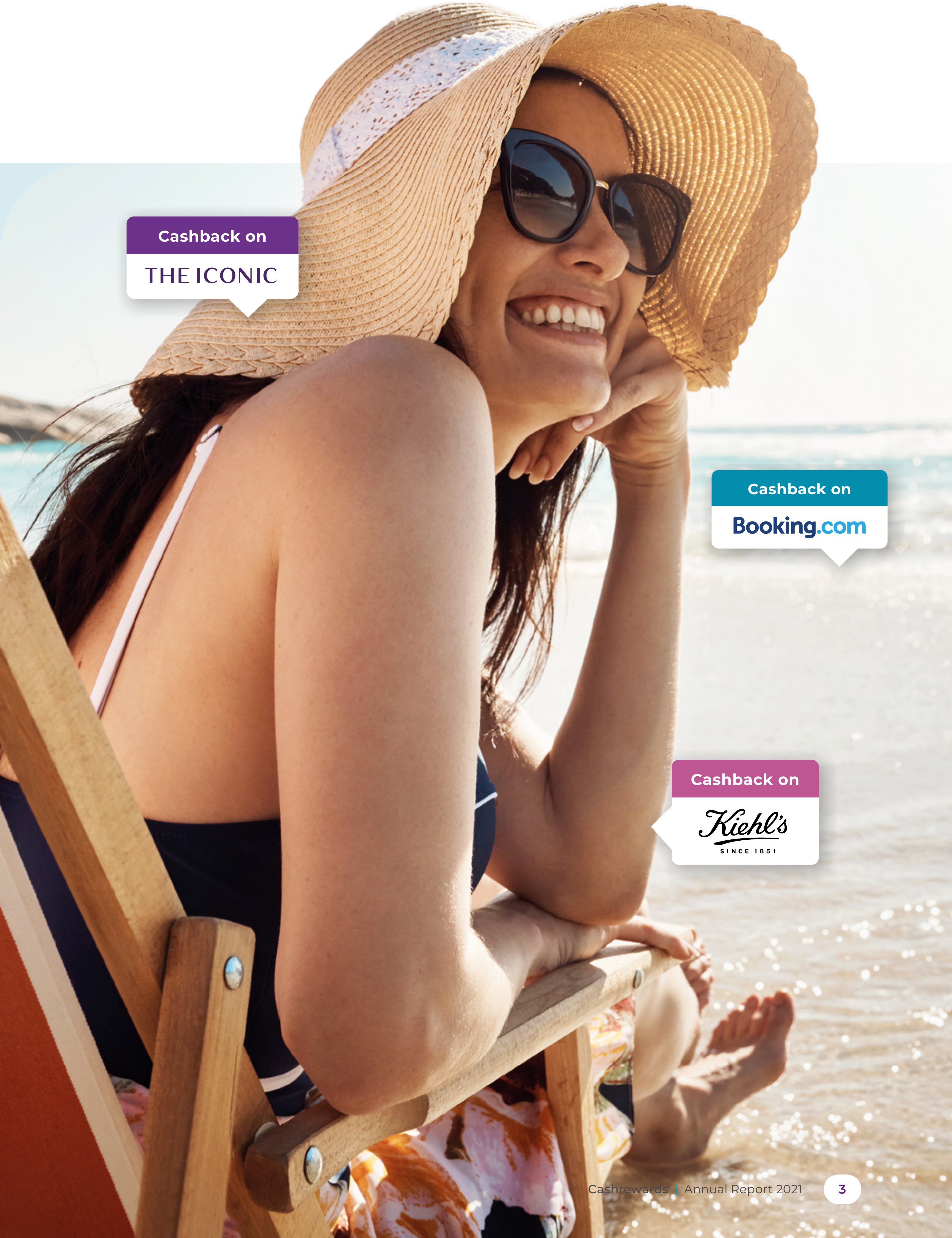
>$2.7BN Lifetime Sales

> 1700 merchants

Turning wasted media spend into unrivalled returns for brands

Strong partner proposition

Proven ability to grow ecosystem through channel partners


Cashback on
THE ICONIC
Cashback on
Booking.com
Cashback on
Kiehl's
SINCE 1851

Chairman's and CEO's letter

Dear Shareholders,

On behalf of your Directors, we are delighted to share our maiden annual report as an ASX-listed company.

In the last 12 months we made excellent progress against our strategy to entrench Cashrewards as Australia's premium cashback ecosystem and to grow the cashback category to the size of similar international markets like the US and the UK.

More than 1.1 million Cashrewards members can 'buy now, save now' with almost 1,800 leading retailers.

In December 2020, we successfully listed on the ASX to take advantage of what we see as a significant opportunity in an under-penetrated market. With the support of new investors and additional capital, we are accelerating our initiatives to win more members and encourage them to shop more frequently with brands through our platform. We also executed a transformational partnership in ANZ Bank to extend Cashrewards to its ~4.7 million credit and debit card customers, supporting increasing scale and a stronger brand presence.

FY21: A year of delivery

Our FY21 results demonstrates our ability to execute on our strategy of scale and growth, whilst generating significant future value by setting a clear path to tripling Cashrewards current active member base by early FY23. Underlying[1] revenue was up an impressive 54% to $20.1 million whilst reported revenue grew 29% compared to FY20 to $22.1 million despite the material COVID-19 impact on travel.

The key metrics to assess Cashrewards' strategic progress are new members, active members, and frequency. In FY21, we delivered attractive growth on FY20 in each of:

- new members of 331,000, with acquisition up 64%;
- active members[2] of 273,000, which increased 38%; and
- underlying frequency[3] of 15.7, which grew 32%.

Importantly, we have not yet seen the increasing contribution to revenue from active members acquired in FY21 that we will see over time, as the average revenue per user increases the longer a member stays with us.

<table>
<tr><th></th><th>Grow Members</th><th>Drive Member Engagement</th><th>Deepen Merchant Partnerships</th></tr>
<tr><td>FY21 priorities</td><td>• Deepen understanding of current and prospective members
• Invest in brand awareness and acquisition, create foundations for future including roster of events</td><td colspan="2">• Optimise technology foundations, gearing up for scale
• High-value partnership opportunities and focus on partner product development to scale at minimal cost
• Accelerated program of product feature roll-out with a focus on reducing friction in shopping journey and product innovation with a focus on personalisation</td></tr>
<tr><td>Achievements</td><td>• Hit 1 million member ambition
• Acceleration of new member growth (208% in Q4)
• Launched Cashrewards Day and Shop4Smiles
• Demographics and segmentations of existing and potential members</td><td colspan="2">• Strategic technology investment focused on optimising foundations for scale as well as maximum agility/flexibility
• Cashrewards Max™ launched, proving ability to handle significant scale
• Partner product and technology innovation which benefits all our members and merchants, including eftpos integration allowing all Cashrewards members to use eftpos-enabled cards to automatically earn with in-store merchants
• Other strategic product initiatives delivered include enhancements to visual experience and UX (user experience), launching evolving onboarding journeys to reflect customer preference, and strong progress against our personalisation agenda</td></tr>
</table>

1 Excluding gift cards and travel given COVID-19 impact on the travel category and change to gift card offer.

2 An active member is a person who has transacted with Cashrewards in the 12 months to the end of the relevant period indicated and who remains a member. Numbers reported are 12 months to June.

3 Frequency is a measure of the number of times an average active member shops on the Cashrewards platform in any given reporting period. Members who joined the Cashrewards ecosystem during FY21 are excluded from the calculation to reflect the like-for-like change in frequency trends.

Chairman’s and CEO’s letter continued

As we now begin to cycle out the one-time negative impact of COVID-19 on the travel sector, we also look forward to the return of our key travel category across a significantly scaled active Member base.

A differentiated product

Our competitive point of difference is the combination of the quality of our product which we continue to invest in to maintain market leadership, and the critical mass that we have built up across both members and merchants. Through the year we have continued to roll-out product initiatives, including enhancements to our visual experience and UX, evolving onboarding journeys, and making strong progress against our personalisation agenda. It is this product differentiation that supports our future growth as we continue to attack the significant white space from an underpenetrated category.

A compelling strategy

At Cashrewards, we create value by winning more members and encouraging them to ‘shop now, save now’ on our platform more frequently. This delivers more value to brands which then delivers more compelling cashback offers, which in turn attracts even more members.

This virtuous circle will be further accelerated by the product enhancements we are making to deepen the engagement of members, merchants, and partners. The more compelling our product, the more value it delivers for each of our members, merchants, and strategic partners, which supports commission rate growth and drives customer lifetime value.

We enter FY22 with targeted initiatives to grow members, drive member engagement and deepen merchant partnerships. This will continue to grow our sustainable competitive advantage, and we see it generate real operating leverage for the business to power medium and long term returns for shareholders.

Grow members

Grow awareness
Increase acquisition
Strengthen brand

5-7x cashback under-penetration

Drive members engagement

Grow actives
Increase purchase frequency
Increase member lifetime value

1.5-3x eCom under-penetration

Deepen merchant partnerships

Tier-one relationships
Powerful merchant value proposition
Increase share of marketing budgets

Strategic merchant and channel partnerships accelerating scale

Chairman's and CEO's letter continued

Unlike typical e-commerce business that must constantly re-acquire customers for future sales, Cashrewards' active members go on to shop multiple times over years of membership, delivering compelling lifetime value. Already our active members shop with us an average of 17 times per year. In FY21, product enhancements drove member engagement, evidenced by our customer lifetime[4] increasing to 6 years (up almost a full year from the Prospectus[5]) and underlying frequency[6] rising by 32% versus FY20.

Active members attract strategic and merchant partners, who are allocating more of their marketing budgets to Cashrewards.

Accelerating growth through partnerships

Strategic partnerships offer an opportunity to step-change member acquisition and engagement at minimal cost to Cashrewards.

To that end, we executed a transformational agreement with ANZ in July which enabled the successful launch of Cashrewards Max™ in August 2021. Cashrewards Max™ is available to ANZ's ~4.7 million credit and debit card customers, and the parties have a shared ambition of having close to half a million active members by early FY23, essentially tripling Cashrewards current active member base.

>23,000

sick children helped

Proudly supporting Starlight Children's Foundation

The establishment of Cashrewards Max™ also saw us accelerate our ambitious product and technology agenda to the benefit of all the core Cashrewards program. This included the launch of eftpos tracking in-store, making it easier for our members to shop more and save now in-store.

Product enhancements will benefit FY22 and beyond

In FY21 we made a range of substantive product and technology investments to enhance both member and merchant experience and drive deeper engagement with Cashrewards. The benefits of the strong H2 member growth and this product and technology investment will not fully flow through until FY22 and beyond. In particular, the product and technology enhancements implemented to deliver Cashrewards Max™ will enhance our core platform and therefore business performance overall.

The pathway to profitability

We see attractive operating leverage in the coming years as revenues grow significantly ahead of costs.

Having said that, in the medium term our focus is on maximising Cashrewards future potential by building the strongest brand and product in our competitor set.

In doing so, we will trade-off short-term wins that distract from our big picture goals.

Given the significance of our opportunity which will be accessed through scale and a leading product, we expect to be judged in the medium term by the soundness of our strategy and progress against growth in key engagement metrics.

Continuing to give back

We remain incredibly proud of how the growth of Cashrewards continues to increase our contribution to the Starlight Foundation and ultimately bring more joy to sick children. As at 30 June 2021, Cashrewards has donated more than $900,000 to the Foundation, helping more than 23,000 sick children and their families.

4 Represents the period which active members remain active (on a weighted average basis).

5 Prospectus data represents 12 months to 7 September 2020.

6 Frequency is a measure of the number of times an average active member shops on the Cashrewards platform in any given reporting period. Members who joined the Cashrewards ecosystem during FY21 are excluded from the calculation to reflect the like-for-like change in frequency trends for existing members.

Chairman's and CEO's letter continued

Clarity in strategy and doing exactly what we say we'll do

We want Cashrewards to be known for making clear commitments to our shareholders and doing exactly what we say we will do.

Consequently, we are pleased to show through our progress made in FY21 that by delivering our clear strategy we are well on our way to delivering on our scale objectives as focused investment in our product continues to improve our member and merchant economics.

We enter FY22 with targeted initiatives to grow members, drive member engagement and deepen merchant partnerships. This will continue to grow our sustainable competitive advantage, and we see it generate real operating leverage for the business to power medium and long term returns for shareholders.

On behalf of your Board, we would like to thank all the Cashrewards employees for their significant contribution towards the IPO and the strong FY21 results. We would also like to thank our fellow Directors for their contribution to ensuring we have the right framework in place to meet the requirements of an ASX-listed company. Finally, we would like to thank you, our shareholders, for your support through FY21 and look forward to reporting further progress on our growth initiatives over the course of the year.

Brett Johnson
Chairman

Bernard Wilson
Chief Executive Officer and Managing Director

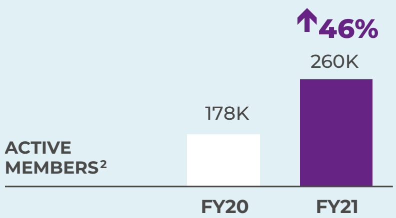
At Cashrewards, we create value by winning more members and encouraging them to 'shop now, save now' on our platform more frequently. This delivers more value to brands which then delivers more compelling cashback offers, which in turn attracts even more members.

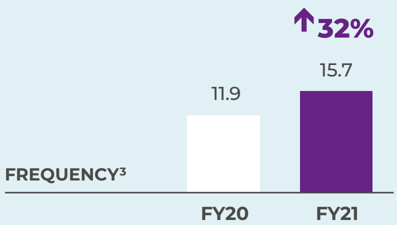
Performance overview

Strong performance across key performance metrics and outperformance in financial metrics delivering 54% underlying[1] revenue growth

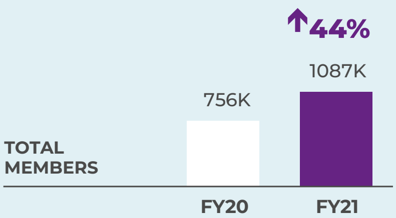
Performance highlights

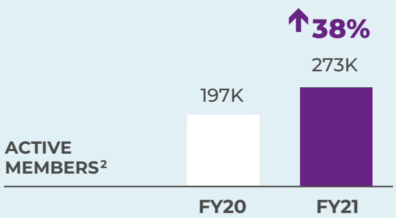
Outperformance in **Underlying**[1] metrics

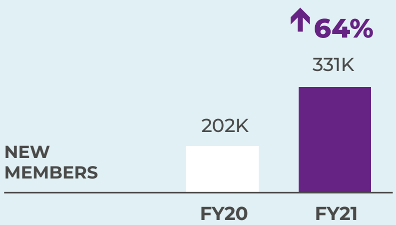


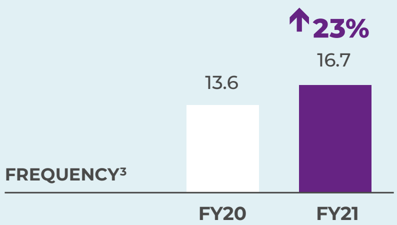


Reported metrics continue to be strong despite travel slowdown – travel ARPU across total active members fell from $18 FY20 to $6 in FY21

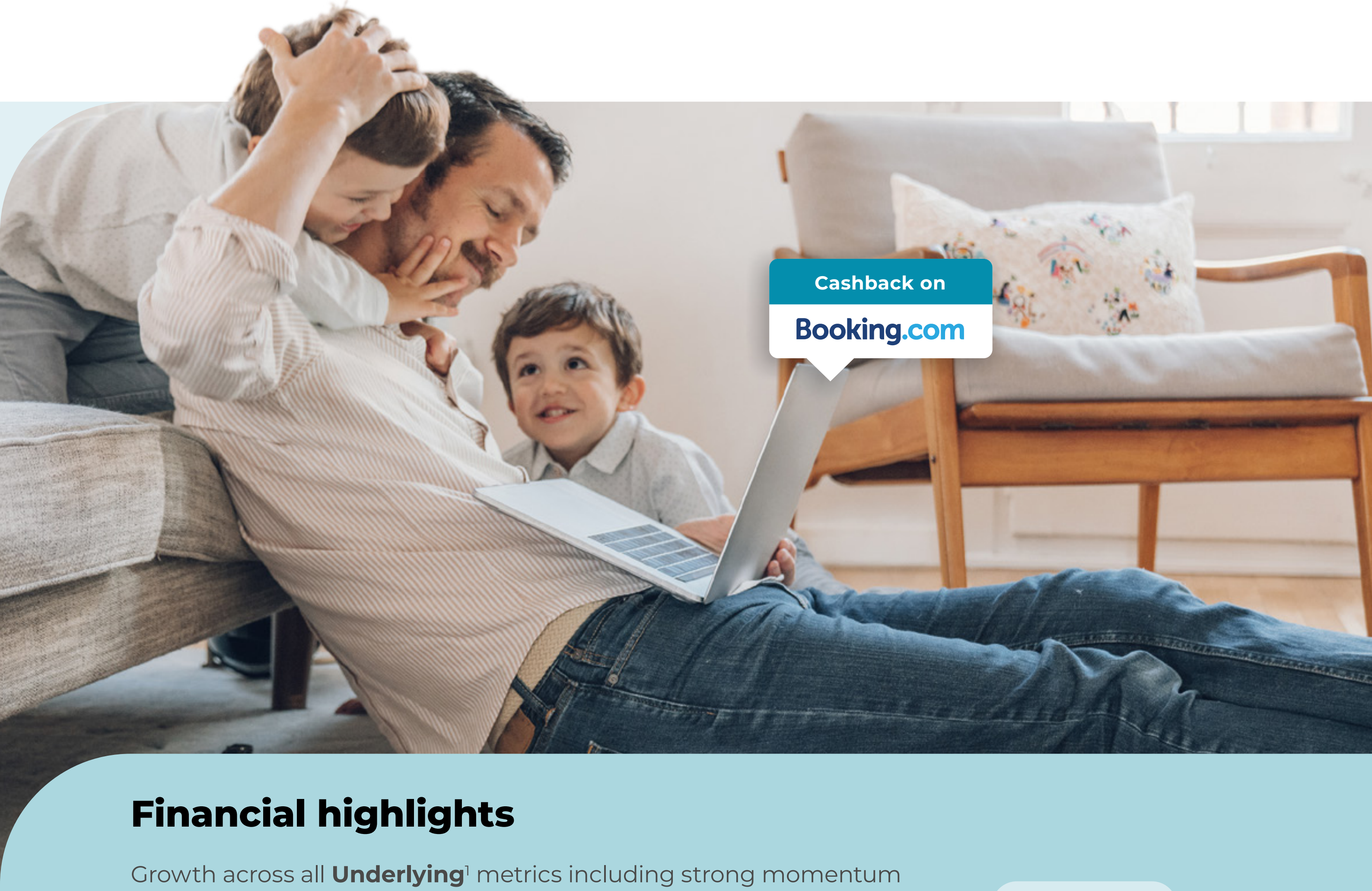






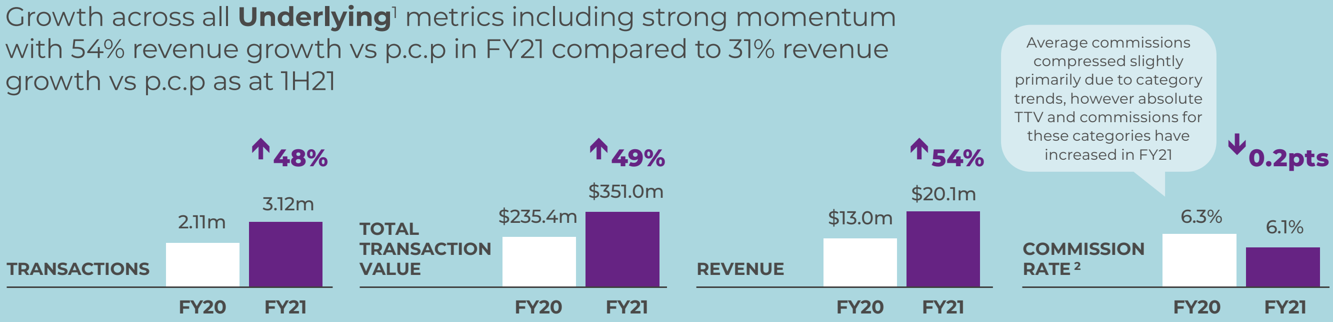


1. Excluding gift cards and travel given COVID-19 impact on the travel category and change to gift card offer.
2. An active member is a person who has transacted with Cashrewards in the 12 months to the end of the relevant period indicated and who remains a member. Numbers reported are 12 months to June.
3. Frequency is a measure of the number of times an average active member shops on the Cashrewards platform in any given reporting period. Members who joined the Cashrewards ecosystem during FY21 are excluded from the calculation to reflect the like-for-like change in frequency trends for existing members.

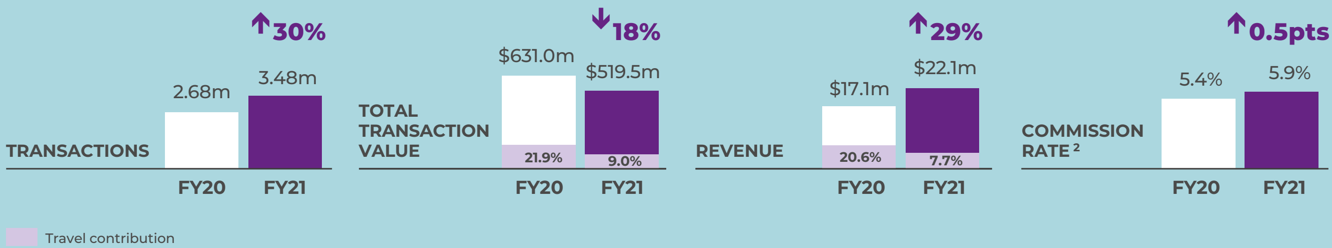


Financial highlights

Growth across all **Underlying**[1] metrics including strong momentum with 54% revenue growth vs p.c.p in FY21 compared to 31% revenue growth vs p.c.p as at 1H21



Reported metrics which include travel fell from 22% of TTV in FY20 to 9% of TTV in FY21



1. Excluding gift cards and travel given COVID-19 impact on the travel category and change to gift card offer.
2. Commission rates are calculated with reference to TTV before sale returns, ineligible transactions and cancelled bookings. The average commission rate is derived from commission received from the merchant partner over the TTV associated with the transaction. Due to timing differences this commission rate will not reconcile to commission revenue over TTV; excludes gift cards.

Directors' report

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', 'Cashrewards' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2021.

Directors

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

Brett Johnson – Chairman	Appointed 28 August 2020
Andrew Clarke	Appointed 29 September 2016
Rob Goudswaard	Appointed 27 January 2021
Rajeev Gupta	Appointed 24 May 2019
Joshua Lowcock	Appointed 17 August 2020
Lauren Williams	Appointed 19 August 2020, Resigned 10 August 2021
Bernard Wilson	Appointed 13 August 2020
Benjamin Bruck	Appointed 24 May 2019, Resigned 14 August 2020
Iain Skelton	Appointed 27 May 2019, 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 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. There were no significant changes in the nature of these activities for the financial year.

Dividends

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

Review of operations

Cashrewards has had a ground-breaking year following our IPO, which has enabled us to mobilise our growth strategy as we move to being an ASX-listed group.

The Group has continued to see strong growth in the number of Members which has increased to over 1 million registered members representing year on year growth of 44% (2021: 1,087,000, 2020: 756,000). Our historical performance indicators include Total Transaction Value which has been hampered by the COVID-19 impact on Travel as well as the ceasing of the Woolworths Gift Cards program. Despite these challenges we have continued to grow the business while working through the impacts of COVID-19 and the related lockdown and travel restrictions. In addition, the Group received COVID 19 related government grants during the year with more detail provided in Note 6 to the financial statements.

The increase in Members has resulted in Revenue of $22,080,000 (2020: $17,112,000), growing Revenue by 29% during the year which is a pleasing result. While the first half of the year is traditionally stronger than the second half due to Black Friday, Cyber Monday and Christmas all falling within November and December, our Revenues for the year were marginally higher in the second half of the year (6%) demonstrating continuing growth in the Group from the momentum built within the first half of the year.

We raised a pre-IPO amount of $5,650,000 and from the IPO an amount of $45,000,000 before costs. We have invested these proceeds in product development, marketing and the addition of key resources to allow us to execute on our strategy. Our increase in staff was predominantly in the marketing and product areas of the business while we also strengthened our support functions.

Directors’ report continued

In early July 2021, we signed an agreement with ANZ to launch Cashrewards Max™ – a new and exciting proposition to ANZ Card holders. This will give Cashrewards access to 4.7 million ANZ customers. While the benefit of this initiative will be evident in future years, this was a significant milestone and achievement for the Group.

The Loss for the Group after providing for Income Tax amounted to $29,757,000 (30 June 2020: $6,632,000). The loss has increased from the prior year due to ongoing investment in product development and increased member acquisition through our marketing activities.

As a result of the loss incurred for the year ended 30 June 2021 and the net cash used in operating activities for the financial year, the Directors considered the going concern assumption as explained in note 2 to the financial statements and concluded that the Group can continue as a going concern.

Significant changes in the state of affairs

In August 2020 the Company issued $5,650,000 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 (before costs).

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

Significant matters subsequent to the end of the financial year

On 1 July 2021, the Group had entered into a strategic partnership agreement with ANZ to create Cashrewards Max™, which offers ANZ consumer credit and debit card holders the opportunity to enjoy all the benefits of the core Cashrewards program, plus enhanced cashback offers, faster cashback from a range of merchants and exclusive experiences. The program had been launched prior to the date of this report.

As at the date of this report, the COVID-19 situation remains fluid due to continuing changes in government policy and evolving business and customer reactions thereto, and while we have not seen any further negative impacts (other than the ongoing impact on travel), the directors of the Group consider that the future financial effects of COVID-19 on the Group’s operations and operating results cannot be reasonably estimated.

No other matter or circumstance has arisen since 30 June 2021 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.

Likely developments and expected results of operations

Cashrewards will continue to primarily focus on the achievement of its strategic objectives and the creation of value for our members and shareholders through increasing brand awareness and penetration among Australian consumers. This will be backed by continued product development and innovation and the deepening of relationships with new and existing merchant partners and reward partners.

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Directors' report continued

Information on directors

Name:	**Brett Johnson**
Title:	Independent Non-Executive Chairman (appointed 28 August 2020)
Experience and expertise:	Brett has more than 15 years' experience as a director of ASX-listed companies, including at Redflow Ltd (ASX: RFX), Helloworld Travel Limited (ASX: HLO) and Scott Corporation Limited (ASX: SCC). Brett is also an experienced lawyer with more than 25 years' experience as General Counsel of listed Australian companies, including Qantas Airways Limited, where he was a member of the Qantas Executive Committee and responsible for legal risk management in the Qantas Group and management of the Qantas legal department.
Other current directorships:	Independent Non-Executive Chairman at Redflow Ltd
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Board, Chair of the Remuneration and Nomination Committee and member of the Audit and Risk Committee
Interests in shares:	28,902 ordinary shares
Interests in options:	372,334 options over ordinary shares
Interests in rights:	None

Name:	**Andrew Clarke**
Title:	Non-Executive Director (appointed 29 September 2016)
Experience and expertise:	Under Andrew's leadership, Cashrewards grew into the largest Australian-owned-and-operated cashback reward program, including overseeing several rounds of external funding from capital venture firms in 2018 and 2019. Prior to establishing Cashrewards, Andrew founded several other companies including ShowTix, a digital event ticket distribution business. Andrew was a finalist in the 2017 EY Entrepreneur of the Year Awards. He has also held senior positions in the entertainment and hospitality industries, including Chief Executive Officer of Showbiz International Pty Ltd from 1997 to 2001, and Managing Director of the Haven Glebe from 1985 to 2005.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Remuneration and Nomination Committee
Interests in shares:	18,166,983 ordinary shares (held indirectly)
Interests in options:	None
Interests in rights:	None

Name:	**Rob Goudswaard**
Title:	Non-Executive Director (appointed 27 January 2021)
Qualifications:	INSEAD International Directors Program, Mandatory Accreditation Program (MAP), Wharton Advanced Risk Management, London and Melbourne Business School Senior executive Programs, FINSIA and AICD. Bachelor of Economics, Graduate Diploma of Finance.
Experience and expertise:	Rob has extensive business experience including CEO of Credit Union Australia (now Great Southern Bank) and Rural Finance Victoria. He held a number of Senior executive roles at ANZ. He is currently the Chair of Cornerstone Healthcare Funds Management and Orygen Foundation. He is also a Non-Executive Director of Centelon Solutions (Singapore), AmBank Group (Malaysia), Lawson Grains and Orygen Mental Health.
Other current directorships:	Non-Executive Director of AMMB Holdings Berhad (FBM KLCI: AMMB)
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	26,000 ordinary shares (held indirectly)
Interests in options:	None
Interests in rights:	None

Name:	**Rajeev Gupta**
Title:	Non-Executive Director (appointed 24 May 2019)
Qualifications:	B.Ec (Hons)/Law/Finance, CMFAS, AICD
Experience and expertise:	Rajeev is a partner and co-founder at Alium Capital Management, which manages investment funds focused on emerging technology and innovative companies in Australia. Rajeev is a representative of Alium Capital on the Board. Rajeev has 20 years' experience building, analysing and investing in technology companies. Prior to founding Alium Capital, Rajeev founded GeckoLife, a personal and business communication platform. Rajeev has also held senior portfolio management positions at Merricks Capital and Tribeca Global in respect of global technology funds. Rajeev began his career at Goldman Sachs, where he worked for almost a decade in the investment group in Hong Kong, Singapore and New York, with a focus on listed and unlisted technology companies. Rajeev is active in the Australian Technology investment eco-system with his involvement in mentorship with Startmate and The Founders Institute.
Other current directorships:	Garvan Institute Foundation, Daisee, EatClub, AcademyXi
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit and Risk Committee
Interests in shares:	349,954 ordinary shares (held directly) 6,747,442 ordinary shares (held indirectly)
Interests in options:	None
Interests in rights:	None

Name:	**Joshua Lowcock**
Title:	Independent Non-Executive Director (appointed 17 August 2020)
Qualifications:	Bachelor of Arts/Communications, MBA, AICD
Experience and expertise:	Joshua is the New York-based Chief Digital Officer of Universal McCann (UM), a global media and advertising agency. Mr Lowcock brings Cashrewards Ltd extensive digital, media, technology, and data expertise having worked in senior roles for Australian media companies, as well as for Fortune 500 brands in the USA and China. Joshua also serves as an industry advisor to several major US technology companies.
Other current directorships:	Independent Non-Executive Director of Accent Group (ASX: AX1) Non-Executive Director of Prime Media Group Limited (ASX: PRT)
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Audit and Risk Committee
Interests in shares:	34,995 ordinary shares (held indirectly)
Interests in options:	128,787 options over ordinary shares (held indirectly)
Interests in rights:	None

Name:	**Lauren Williams**
Title:	Independent Non-Executive Director (appointed 19 August 2020 and resigned 10 August 2021)
Qualifications:	BA /Economics (Honours), AICD
Experience and expertise:	Lauren is currently a non-executive director of Carbar (majority owned by Insurance Australia Group) and iSeekplant (Macquarie and Seven Group Holdings are shareholders). Previously, Lauren was the Chief Executive Officer of CarsGuide, a joint venture between News Corp and a consortium of automotive dealers for five years, during which time she significantly grew the business and it was majority acquired by Cox Automotive. Lauren has built and run digital advertising, marketplace and e-commerce businesses for over 15 years at several leading media companies in Australia and the UK including News Corp, Nine Entertainment Co, and BBC Worldwide. Prior to this, she held strategy and M&A roles at Fairfax Media and in management consulting.
Other current directorships:	Non-Executive Director at Atomos (ASX: AMS)
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Remuneration and Nomination Committee
Interests in shares:	None
Interests in options:	128,787 options over ordinary shares (lapsed upon resignation)
Interests in rights:	None

Name:	**Bernard Wilson**
Title:	Chief Executive Officer and Managing Director (appointed 13 August 2020)
Qualifications:	Bachelor of Arts/Law (First Class Honours), AICD
Experience and expertise:	Bernard has over seven years' experience leveraging data assets and marketing technology to drive competitive advantage for businesses through marketing and digital transformation, loyalty proposition optimisation, and data and media commercialisation. Prior to joining Cashrewards, Bernard was an executive at Quantium, a leading data science and artificial intelligence company, heading Quantium's Open Banking and FinTech business. Bernard has also held senior management positions at Myer and Woolworths. At Myer, Bernard led Australia's third most popular loyalty program, Myer one, as General Manager, Loyalty, Data, Marketplace and Media. Previously, Bernard was General Manager, Customer Data, Media & Commercialisation at WooliesX where he was responsible for overseeing the commercial and partnerships division of the loyalty program, customer data and analytics, and the targeted media business units. Bernard was also a Vice President at Investment Bank Credit Suisse, and a lawyer at King & Wood Mallesons. Bernard is a member of the Australian Institute of Company Directors.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	None
Interests in options:	3,500,000 options over ordinary shares (2,865,000 held indirectly)
Interests in rights:	None

Name:	**Benjamin Bruck**
Title:	Former Non-Executive Director (appointed 24 May 2019, resigned 14 August 2020)
Qualifications:	B Sc
Experience and expertise:	Ben is an independent investor. Prior to becoming an investor, he had three decades' experience as an executive at Macquarie Group. Over the latter half of his time at Macquarie, he led its global investment management division, a business that grew to being responsible for managing around USD 250 billion of public securities assets for institutional and retail clients across most of the world's major investing markets.
Other current directorships:	Not applicable as no longer a director
Former directorships (last 3 years):	Not applicable as no longer a director
Special responsibilities:	Not applicable as no longer a director
Interests in shares:	Not applicable as no longer a director
Interests in options:	Not applicable as no longer a director
Interests in rights:	Not applicable as no longer a director

Name:	**Iain Skelton**
Title:	Former Executive Director (appointed 27 May 2019, resigned 13 August 2020)
Qualifications:	B.Acc, CA (ICAS)
Experience and expertise:	Iain, alongside Andrew Clarke, grew Cashrewards into the largest Australian owned and operated cashback reward program. Subsequent to winning numerous industry awards including the Deloitte Tech Fast 50, Iain was instrumental in securing venture capital funding in 2018 and 2019 before taking the company to IPO in December 2020. These achievements were underpinned by Iain's extensive 20 years' experience in scaling B2B and B2C technology, digital, marketing and people-based businesses. Prior to joining Cashrewards, Iain was Chief Financial Officer at recruitment companies Clarius Group (ASX: IGN) and HRX. At HRX, Iain successfully negotiated the sale of the business to PeopleScout, the World's largest recruitment process outsourcing provider. Iain has also held various senior management positions within the listed WPP and Clemenger advertising and communication groups.
Other current directorships:	Not applicable as no longer a director
Former directorships (last 3 years):	Not applicable as no longer a director
Special responsibilities:	Not applicable as no longer a director
Interests in shares:	Not applicable as no longer a director
Interests in options:	Not applicable as no longer a director
Interests in rights:	Not applicable as no longer a director

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretaries

The following are the joint company secretaries:

Name:	**Danny Davies**
Title:	Company Secretary (appointed 24 November 2020)
Qualifications:	Bachelor of Business, Bachelor of Laws (First Class Honours)
Experience and expertise:	Danny has over 20 years' experience as a corporate lawyer and company secretary. He has held senior legal, governance and corporate advisory roles at large ASX-listed public companies, including IAG Limited and Woolworths Limited as well as private companies and in the non-profit sector.

Directors' report continued

Name:	**Retief Lampen**
Title:	Company Secretary (appointed 9 October 2020)
Qualifications:	CA (ANZ), Post Graduate in Accounting
Experience and expertise:	Retief has over 10 years' experience in Finance where he has held a variety of roles in ASX listed public companies and private companies in Australia and abroad. In addition he has worked for over 3 years in public accounting.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2021, and the number of meetings attended by each director were:

	Full Board		Remuneration and Nomination Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Brett Johnson	11	11	2	2	5	5
Andrew Clarke	13	13	2	2	–	–
Rob Goudswaard	6	6	–	–	–	–
Rajeev Gupta	13	13	–	–	5	5
Joshua Lowcock	11	11	–	–	4	5
Lauren Williams	11	11	2	2	–	–
Bernard Wilson	11	11	–	–	–	–
Benjamin Bruck	2	2	–	–	–	–
Iain Skelton	2	2	–	–	–	–

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

The Remuneration and Nomination Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

In consultation with external remuneration consultants (refer to the section 'Use of remuneration consultants' below), the Remuneration and Nomination Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The reward framework is designed to align executive reward to shareholders' interests. The Board has considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design;
- focusing on sustained growth in shareholder wealth, consisting of growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors' remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Remuneration and Nomination Committee. The Remuneration and Nomination Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. Under the Constitution, the Company in general meeting may determine the maximum aggregate remuneration to be provided to or for the benefit of the non-executive director as remuneration for their services as a director. Further, under ASX Listing Rules, the total amount of director's fees paid to the Directors (subject to certain exceptions) must not exceed in aggregate in any financial year the amount fixed by the Company's members in general meeting. Initially, and until a different amount is determined, the maximum aggregate directors' remuneration for the purposes of ASX Listing Rules and the Constitution is $400,000 per annum.

Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits;
- short-term performance incentives;
- share-based payments; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executives' total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Remuneration and Nomination Committee based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets being achieved which include TTV, Revenue and monthly active users ('MAU') growth.

The long-term incentives ('LTI') include long service leave and share-based payments. Share options are awarded to executives and vest over a period of three to four years based on long-term incentive measures. These measures include a pre-determined increase in active members numbers, TTV and revenue. The Remuneration and Nomination Committee reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2021.

Group entity performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the Group. A portion of cash bonus and incentive payments are dependent on defined performance targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Remuneration and Nomination Committee. Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the last four years.

Employee share option plan ('ESOP')

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

Options were offered to key employees at a set price.

The terms and conditions in relation to the options are as follows:

Vesting date:	The options will vest gradually over a four year service period. This means that ownership of the options will be transferred to the employee over time, not immediately. Unless otherwise specified, twenty five percent (25%) of options will vest on the first anniversary of the date they were issued. The remainder will vest over the next three years on a quarterly basis (meaning that all options will have vested four years after the date they were issued).
Exercise period:	Options can only be exercised once vesting has occurred and until the employee leaves the Company. An option will lapse when the employee leaves the Company before the options vest. Alternatively, the Company may allow the employee to keep some/all of their options (vested or unvested).
Exercise price:	The exercise price of an option is set at least equal to the market value of a share in the Company on the date on which the option is granted. If options are exercised, employees will need to pay the exercise price to the Company and the Company will issue shares. Refer to 'Share-based compensation' section below for details of exercise price per tranche of options and performance rights issued in the year.
Disposal:	No options or shares may be disposed of in the first three years from grant date otherwise the preferential tax treatment will not apply.

Options do not carry any voting rights. If options convert into shares an employee will have the right to vote.

A total of 5,455,557 options were granted under the ESOP during the year.

Start-Up Plan

Following the Company's successful listing on the ASX, the Company established the Company's Start-Up Plan 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 Start-Up Plan to Participants consist of options.

After listing on the ASX, the Company can make offers under the Start-Up Plan of options to certain employees and Directors.

One-off grants were made under the Start-Up Plan to certain employees and directors in June 2021. The terms contained in the Start Up Plan in, all material respects, were the same terms as the "New LTIP" put in place prior to the IPO.

The terms and conditions relating to the Start-Up Plan options are as follows:

Eligibility:	Offers may be made at the Company's discretion to non-executive directors, key management personnel, 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 Start-Up Plan Rules.
Vesting:	Vesting of any options issued under the Start-Up 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 Start-Up Plan Rules and the terms of an offer document, an offer of options 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 any option. Options granted to senior executives are subject to the following performance conditions: • Retention as an employee of the Company for the option term; • Achievement of a target of 50% average compound annual growth rate in the number of quarterly active users; and • Achievement of a target of 40% compound annual growth in revenue on the prior financial year. Options granted to non-executive directors, other executives and employees are subject to the following performance condition: • Retention as an employee of the Company for the option term. Subject to the Start-Up Plan Rules and the terms of an offer document, an offer of options 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 any option.
Offers under the Start-Up Plan Rules:	Subject to any requirements for shareholder approval or any applicable laws, the Company may make offers at its absolute discretion under the Start-Up 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.
Exercise price:	The Board will determine the exercise price for each grant of options allocated under the Start-Up Plan Rules. This will be determined in relation to share prices at the date of issue. Refer to 'Share-based compensation' section below for details of exercise price per tranche of options issued in the year.
Cessation of employment/office:	If an employee leaves the Company, their unvested options will lapse. Alternatively, the Company may allow the employee to keep some/all of their options (vested or unvested).
Expiry:	Options will lapse if certain vesting or performance conditions discussed above are not met. Options will lapse five years after the start of the exercise period if not exercised or lapsed before this date.

A total of 4,151,498 options were granted under the Start-Up Plan during the year.

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, performance rights or shares.

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

In June 2021, the Company made a one-off grant of performance rights to a service provider of the Company.

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.
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. No options or shares were granted under LTIP during FY2021. 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 any option or rights.
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. This will be determined in relation to share prices at the date of issue. Refer to 'Share-based compensation' section below for details of exercise price per tranche of performance rights issued in the year.
Cessation of employment/office:	If an employee leaves the Company, their unvested options will lapse. Alternatively, the Company may allow the employee to keep some/all of their options (vested or unvested).
Expiry:	Options or rights will lapse if certain vesting or performance conditions discussed above are not met. Options or rights will lapse five years after the start of the exercise period if not exercised or lapsed before this date.

A total of 47,963 performance rights were granted under the New LTIP during the year.

Use of remuneration consultants

During the financial year ended 30 June 2021, the Group, through the Remuneration and Nomination Committee, engaged SW Corporate, remuneration consultants, to review its existing remuneration policies and provide recommendations on how to improve both the STI and LTI programs. This has resulted in share-based payments remuneration in the form of options (LTI) being implemented. SW Corporate was paid $26,500 for these services.

The Board made inquiries of the consultant's processes at the conclusion of the engagement to ensure that they are satisfied that any recommendations were independent and have been free from undue influence. The Board is satisfied that there was no undue influence and the recommendations were independent.

Details of remuneration

The key management personnel of the Group consisted of the following directors of Cashrewards Limited:

- Brett Johnson (Appointed 28 August 2020)
- Andrew Clarke (Appointed 29 September 2016)
- Rob Goudswaard (Appointed 27 January 2021)
- Rajeev Gupta (Appointed 24 May 2019)
- Joshua Lowcock (Appointed 17 August 2020)
- Lauren Williams (Appointed 19 August 2020, resigned 10 August 2021)
- Bernard Wilson – Chief Executive Officer (Appointed 13 August 2020)
- Benjamin Bruck (Appointed 24 May 2019, resigned 14 August 2020)
- Iain Skelton (Appointed 27 May 2019, resigned 13 August 2020)

And the following persons:

- Iain Skelton – Chief Financial Officer and Deputy Chief Executive Officer (resigned on 3 September 2021)
- Steve Cuda – Chief Product and Marketing Officer (Appointed 12 October 2020)

Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2021	Cash salary and fees $	Cash bonus $	Termination $	Superannuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Brett Johnson	78,328	–	–	7,441	–	232	86,001
Andrew Clarke	109,971	–	–	8,334	–	–	118,305
Rob Goudswaard	19,319	–	–	1,835	–	–	21,154
Rajeev Gupta	26,343	–	–	2,503	–	–	28,846
Joshua Lowcock	37,879	–	–	–	–	80	37,959
Lauren Williams***	40,042	–	–	3,804	–	–	43,846
Benjamin Bruck	–	–	–	–	–	–	–
Executive Directors:							
Bernard Wilson*	364,846	180,000	–	40,558	–	645,066	1,230,470
Other Key Management Personnel:							
Iain Skelton**	343,399	130,000	193,162	32,178	–	413,818	1,112,557
Steve Cuda	215,192	–	–	20,443	–	478,567	714,202
	1,235,319	310,000	193,162	117,096	–	1,537,763	3,393,340

* Cash bonus includes one-off cash bonus payable on listing on the ASX, as per the prospectus, and a signing on bonus.

** Cash bonus includes one-off cash bonus payable on listing on the ASX, as per the prospectus. Share-based payment includes $184,874 of accelerated options following resignation.

***Resigned 10 August 2021. All options lapsed upon resignation.

'Cash salary and fees' include annual leave.

2020	Short-term benefits Cash salary and fees $	Cash bonus $	Termin-ation $	Post-employ-ment benefits Super-annuation $	Long-term benefits Long service leave $	Share-based payments Equity-settled $	Total $
Non-Executive Directors:							
Rajeev Gupta	–	–	–	–	–	–	–
Benjamin Bruck	–	–	–	–	–	–	–
Executive Directors:							
Iain Skelton	265,730	–	–	25,201	–	126,227	417,158
Andrew Clarke	135,558	–	–	12,878	–	–	148,436
	401,288	–	–	38,079	–	126,227	565,594

'Cash salary and fees' include annual leave.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk – STI		At risk – LTI	
Name	2021	2020	2021	2020	2021	2020
Non-Executive Directors:						
Brett Johnson	100%	–	–	–	–	–
Andrew Clarke	100%	–	–	–	–	–
Rob Goudswaard	100%	–	–	–	–	–
Rajeev Gupta	100%	–	–	–	–	–
Joshua Lowcock	100%	–	–	–	–	–
Lauren Williams	100%	–	–	–	–	–
Benjamin Bruck	–	–	–	–	–	–
Executive Directors:						
Bernard Wilson	33%	–	15%	–	52%	–
Iain Skelton	–	100%	–	–	–	–
Andrew Clarke	–	100%	–	–	–	–
Other Key Management Personnel:						
Iain Skelton	51%	–	12%	–	37%	–
Steve Cuda	33%	–	–	–	67%	–

Cash bonuses are dependent on meeting defined performance measures. The amount of the bonus is determined having regard to the satisfaction of performance measures and weightings as described above in the section 'Group performance and link to remuneration'. The maximum bonus values are established each financial year and amounts payable are determined by the Remuneration and Nomination Committee.

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	**Bernard Wilson**
Title:	Chief Executive Officer
Term of agreement:	Ongoing
Details:	Salary of $400,000 per annum (exclusive of statutory superannuation contributions) and eligible to receive a cash bonus of 75% of fixed annual remuneration (Base STI) based on the performance of Cashrewards in the relevant financial year. Bernard is entitled to participate in the Start-Up Plan and is entitled to the grant of options under the Start-Up Plan worth up to 150% of his fixed annual remuneration. Bernard receives car parking benefit. Employment may be terminated by either party upon three months' written notice. At their discretion, the Company may make a payment in lieu of notice of part of all of the notice period. Bernard was entitled to receive a one off sign on cash bonus of $50,000 and a one off cash bonus of $130,000 (excluding superannuation) on listing on the ASX.
Name:	**Iain Skelton**
Title:	Chief Financial Officer and Deputy Chief Executive Officer
Term of agreement:	Ongoing
Details:	Salary of $350,000 per annum (exclusive of statutory superannuation contributions) and eligible to receive a cash bonus of 50% of fixed annual remuneration (Base STI) based on the performance of Cashrewards in the relevant financial year. Iain is entitled to participate in the Start-Up Plan and is entitled to the grant of options under the Start-Up Plan worth up to 100% of his fixed annual remuneration. Iain receives car parking benefit. Employment may be terminated by either party upon three months' written notice. At their discretion, the Company may make a payment in lieu of notice of part of all of the notice period. Iain was entitled to receive a one-off cash bonus of $130,000 (excluding superannuation) on listing on the ASX.
Name:	**Steve Cuda**
Title:	Chief Product and Marketing Officer
Term of agreement:	Ongoing
Details:	Salary of $325,000 per annum (exclusive of statutory superannuation contributions) and eligible to receive a cash bonus of 50% of fixed annual remuneration (Base STI) based on the performance of Cashrewards in the relevant financial year. Steve is entitled to participate in the Start-Up Plan and is entitled to the grant of options under the Start-Up Plan worth up to 100% of his fixed annual remuneration. Steve receives car parking benefit. Employment may be terminated by either party upon three months' written notice. At their discretion, the Company may make a payment in lieu of notice of part of all of the notice period.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2021.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
1 July 2020	11 July 2024	Termination of employment	$0.83	$0.44
1 July 2020	2 December 2023	Termination of employment	$1.13	$0.42
27 July 2020	27 July 2024	Termination of employment	$0.83	$0.44
27 July 2020	2 December 2023	Termination of employment	$1.13	$0.42
7 October 2020	7 October 2024	Termination of employment	$1.45	$1.00
25 June 2021	30 June 2025	30 June 2030	$1.73	$0.18
25 June 2021	31 August 2024	31 August 2029	$1.73	$0.14

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Iain Skelton	132,143	1 July 2020	1 July 2024	Termination of employment	$0.83	$0.44
Iain Skelton	607,857	1 July 2020	2 December 2023	Termination of employment	$1.13	$0.42
Bernard Wilson	1,750,000	27 July 2020	1 July 2024	Termination of employment	$0.83	$0.44
Bernard Wilson	1,150,000	27 July 2020	2 December 2023	Termination of employment	$1.13	$0.42
Steve Cuda	1,300,000	7 October 2020	7 October 2024	Termination of employment	$1.45	$1.00
Brett Johnson	372,334	25 June 2021	30 June 2025	30 June 2030	$1.73	$0.18
Lauren Williams*	128,787	25 June 2021	30 June 2025	30 June 2030	$1.73	$0.18
Joshua Lowcock	128,787	25 June 2021	30 June 2025	30 June 2030	$1.73	$0.18
Bernard Wilson	600,000	25 June 2021	31 August 2024	31 August 2029	$1.73	$0.14
Iain Skelton	350,000	25 June 2021	31 August 2024	31 August 2029	$1.73	$0.14
Steve Cuda	325,000	25 June 2021	31 August 2024	31 August 2029	$1.73	$0.14

* Lauren William's options lapsed upon resignation (resigned 10 August 2021).

Options granted carry no dividend or voting rights. Options issued prior to the Company's IPO were subject to share consolidation and have been recalculated.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2021 are set out below:

	Number of options granted during the year		Number of options vested during the year	
Name	**2021**	**2020**	**2021**	**2020**
Iain Skelton	1,090,000	59,264	436,122	391,550
Bernard Wilson	3,500,000	–	431,250	–
Steve Cuda	1,625,000	–	–	–
Brett Johnson	372,334	–	–	–
Lauren Williams*	128,787	–	–	–
Joshua Lowcock	128,787	–	–	–

* Lauren William's options lapsed upon resignation (resigned 10 August 2021).

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2021 are set out below:

	Value of options granted during the year	Value of options exercised during the year	Value of options lapsed during the year	Remuneration consisting of options for the year
Name	**$**	**$**	**$**	**%**
Brett Johnson	67,772	–	–	–
Lauren Williams*	23,442	–	–	–
Joshua Lowcock	23,442	–	–	–
Bernard Wilson	1,342,640	–	–	52%
Iain Skelton	364,188	497,736	–	37%
Steve Cuda	1,344,555	–	–	67%

* Lauren William's options lapsed upon resignation (resigned 10 August 2021).

Performance rights

There were no performance rights over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2021.

There were no performance rights over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2021.

Additional information

The earnings of the Group for the four years to 30 June 2021 are summarised below:

	2021 $'000	2020 $'000	2019 $'000	2018 $'000
Sales revenue	22,080	17,112	17,984	11,145
Loss after income tax	(29,757)	(6,632)	(3,334)	(2,296)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2021	2020	2019	2018
Share price at financial year end ($)	0.72	–	–	–
Basic earnings per share (cents per share)	(45.57)	(16.63)	–	–
Diluted earnings per share (cents per share)	(45.57)	(16.63)	–	–

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Brett Johnson	–	–	28,902	–	28,902
Andrew Clarke	25,059,200	–	–	(6,892,217)	18,166,983
Rob Goudswaard	–	–	26,000	–	26,000
Rajeev Gupta	9,987,569	–	–	(2,890,173)	7,097,396
Joshua Lowcock	–	–	34,995	–	34,995
Lauren Williams	–	–	–	–	–
Bernard Wilson	–	–	–	–	–
Benjamin Bruck	4,002,435	–	–	(1,200,269)	2,802,166
Iain Skelton	–	–	1,566,200	(578,037)	988,163
	39,049,204	–	1,656,097	(11,560,696)	29,144,605

Option holding

The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Brett Johnson	–	372,334	–	–	372,334
Andrew Clarke	–	–	–	–	–
Rob Goudswaard	–	–	–	–	–
Rajeev Gupta	–	–	–	–	–
Joshua Lowcock	–	128,787	–	–	128,787
Lauren Williams*	–	128,787	–	–	128,787
Bernard Wilson	–	3,500,000	–	–	3,500,000
Benjamin Bruck	–	–	–	–	–
Iain Skelton	1,625,464	1,090,000	(1,566,200)	–	1,149,264
Steve Cuda	–	1,625,000	–	–	1,625,000
	1,625,464	6,844,908	(1,566,200)	–	6,904,172

* Lauren William's options lapsed upon resignation (resigned 10 August 2021).

	Vested and exercisable	Vested and unexercisable	Balance at the end of the year
Options over ordinary shares			
Brett Johnson	–	–	–
Andrew Clarke	–	–	–
Rob Goudswaard	–	–	–
Rajeev Gupta	–	–	–
Joshua Lowcock	–	–	–
Lauren Williams	–	–	–
Bernard Wilson	–	431,250	431,250
Benjamin Bruck	–	–	–
Iain Skelton	–	279,502	279,502
Steve Cuda	–	–	–
	–	710,752	710,752

Performance rights holding

There were no performance rights over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2021.

There were no performance rights over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2021.

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Cashrewards Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
1 January 2020***	1 January 2024*	$0.95	319,449
1 April 2020***	1 April 2024*	$0.70	405,761
25 May 2020***	25 May 2024*	$0.95	37,468
1 July 2020***	1 July 2024*	$0.83	132,143
1 July 2020***	1 July 2024*	$1.13	607,857
1 July 2020***	1 July 2024*	$0.95	40,060
6 July 2020***	4 July 2024*	$0.95	9,294
13 July 2020***	13 July 2024*	$0.95	50,339
27 July 2020***	27 July 2024*	$0.83	1,750,000
27 July 2020***	27 July 2024*	$1.13	1,150,000
31 July 2020***	31 July 2024*	$0.95	6,200
7 October 2020***	7 October 2024*	$1.45	1,300,000
23 October 2020***	23 October 2024*	$1.45	24,000
15 November 2020***	15 November 2024*	$1.45	200,000
11-Jun-21	11 June 2024**	$0.83	837,834
25-Jun-21	25 June 2025**	$1.73	501,121
25-Jun-21	30 November 2023**	$1.73	400,000
25-Jun-21	25 August 2024**	$1.73	1,575,000
25-Jun-21	25 June 2024**	$0.74	183,332
30-Aug-21	25 August 2024**	$0.85	500,000
			10,029,809

* The expiry date of options is not defined however it is currently on termination of employment.

** The exercise period will commence on the date of the relevant vesting notice and end at 5pm five years after the first exercise date if not exercised or lapsed before this date (being the expiry date).

*** Options issued prior to the Company's IPO were subject to 5:1 share consolidation and the number of options and exercise price have been recalculated. There were no other changes made to terms and conditions of the options due to the share consolidation.

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares under performance rights

Unissued ordinary shares of Cashrewards Limited under performance rights at the date of this report are as follows:

Grant date	Expiry date	Number under rights
11 June 2021	31 December 2026	47,963

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options

The following ordinary shares of Cashrewards Limited were issued during the year ended 30 June 2021 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
1 July 2017	$0.01	1,906,359
1 July 2018	$0.01	917,378
1 March 2019	$0.01	659,627
		3,483,364

Shares issued on the exercise of performance rights

There were no ordinary shares of Cashrewards Limited issued on the exercise of performance rights during the year ended 30 June 2021 and up to the date of this report.

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith, or indemnification is otherwise prohibited by law.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor, Deloitte Touche Tohmatsu, for non-audit services provided during the financial year by the auditor are outlined in note 25 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are of the opinion that the services as disclosed in note 25 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of Deloitte Touche Tohmatsu

There are no officers of the Company who are former partners of Deloitte Touche Tohmatsu.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

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.

Auditor

Deloitte Touche Tohmatsu continues in office in accordance with section 327 of the *Corporations Act 2001*.

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

On behalf of the directors

Brett Johnson
Chairman

31 August 2021
Sydney

Auditor's independence declaration

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Grosvenor Place
225 George Street
Sydney, NSW, 2000
Australia

Phone: +61 2 9322 7000
www.deloitte.com.au

The Directors
Cashrewards Limited
Level 11,37 Pitt Street
Sydney, NSW 2000

31 August 2021

Dear Directors

Auditor's Independence Declaration to 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 audit of the financial statements of Cashrewards Limited for the year ended 30 June 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 audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Joshua Tanchel
Partner
Chartered Accountants

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2021

		Group	
	Note	2021 $'000	2020 $'000
Revenue			
Revenue	5	22,080	17,112
Cost of sales		(18,335)	(11,722)
Gross profit		**3,745**	**5,390**
Other income	6	460	403
Interest income		3	–
Expenses			
Employee benefits expense		(12,208)	(4,675)
Marketing expenses		(11,610)	(2,906)
General and administration expenses		(6,173)	(2,142)
Depreciation and amortisation expense	7	(2,023)	(1,775)
Finance costs (Fair value loss on revaluation of warrants)	7	(427)	(1,517)
Finance costs	7	(289)	(668)
Operating loss		**(28,522)**	**(7,890)**
Initial Public Offer expenses	7	(1,315)	–
Loss before income tax benefit		**(29,837)**	**(7,890)**
Income tax benefit	8	80	1,258
Loss after income tax benefit for the year attributable to the owners of Cashrewards Limited		**(29,757)**	**(6,632)**
Other comprehensive income for the year, net of tax		–	–
Total comprehensive income for the year attributable to the owners of Cashrewards Limited		**(29,757)**	**(6,632)**
		Cents	Cents
Basic earnings per share	31	(45.57)	(16.63)
Diluted earnings per share	31	(45.57)	(16.63)

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

Consolidated statement of financial position

As at 30 June 2021

		Group	
	Note	2021 $'000	2020 $'000
Assets			
Current assets			
Cash and cash equivalents	9	26,088	2,733
Trade and other receivables	10	1,610	2,254
Contract assets	11	4,489	2,586
Other assets	12	1,204	44
Total current assets		33,391	7,617
Non-current assets			
Property, plant and equipment	13	395	108
Intangibles	14	6,341	3,169
Deferred tax	8	–	962
Other assets	12	–	43
Total non-current assets		6,736	4,282
Total assets		**40,127**	**11,899**
Liabilities			
Current liabilities			
Trade and other payables	15	14,635	6,900
Borrowings	16	–	2,330
Derivative financial instruments	17	–	1,955
Employee benefits		753	246
Provisions	18	4,863	2,723
Total current liabilities		20,251	14,154
Non-current liabilities			
Employee benefits		30	–
Total non-current liabilities		30	–
Total liabilities		**20,281**	**14,154**
Net assets/(liabilities)		**19,846**	**(2,255)**
Equity			
Issued capital	19	59,763	9,650
Reserves	20	3,668	1,923
Accumulated losses		(43,585)	(13,828)
Total equity/(deficiency)		**19,846**	**(2,255)**

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

Consolidated statement of changes in equity

For the year ended 30 June 2021

Group	Issued capital $'000	Share-based payments reserve $'000	Common control share equity reserve $'000	Accumulated losses $'000	Total deficiency in equity $'000
Balance at 1 July 2019	2,250	700	923	(7,196)	(3,323)
Loss after income tax benefit for the year	–	–	–	(6,632)	(6,632)
Other comprehensive income for the year, net of tax	–	–	–	–	–
Total comprehensive income for the year	–	–	–	(6,632)	(6,632)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 19)	7,400	–	–	–	7,400
Share-based payments (note 32)	–	300	–	–	300
Balance at 30 June 2020	**9,650**	**1,000**	**923**	**(13,828)**	**(2,255)**

Group	Issued capital $'000	Share-based payments reserve $'000	Common control share equity reserve $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2020	9,650	1,000	923	(13,828)	(2,255)
Loss after income tax benefit for the year	–	–	–	(29,757)	(29,757)
Other comprehensive income for the year, net of tax	–	–	–	–	–
Total comprehensive income for the year	–	–	–	(29,757)	(29,757)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 19)	50,113	–	–	–	50,113
Share-based payments (note 32)	–	1,745	–	–	1,745
Balance at 30 June 2021	**59,763**	**2,745**	**923**	**(43,585)**	**19,846**

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

Consolidated statement of cash flows

For the year ended 30 June 2021

		Group	
	Note	2021 $'000	2020 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		21,239	19,403
Payments to suppliers and employees (inclusive of GST)		(24,917)	(10,972)
Payments of member cashback		(13,720)	(11,601)
		(17,398)	(3,170)
Government grants (COVID-19)		460	364
Interest received		3	–
Other revenue		–	438
Interest and other finance costs paid		(289)	(668)
Receipt of research and development grant incentive payments		1,986	–
Net cash used in operating activities	**30**	**(15,238)**	**(3,036)**
Cash flows from investing activities			
Payments for property, plant and equipment		(412)	(64)
Payments for intangibles		(4,812)	(1,639)
Proceeds from/(payments for) security deposits		(115)	40
Net cash used in investing activities		**(5,339)**	**(1,663)**
Cash flows from financing activities			
Proceeds from issue of shares, net of transaction costs		46,097	7,400
Proceeds from the exercise of options		174	–
Repayment of borrowings		(2,330)	(1,428)
Net cash from financing activities		**43,941**	**5,972**
Net increase in cash and cash equivalents		23,364	1,273
Cash and cash equivalents at the beginning of the financial year		2,733	1,460
Effects of exchange rate changes on cash and cash equivalents		(9)	–
Cash and cash equivalents at the end of the financial year	**9**	**26,088**	**2,733**

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

Notes to the consolidated financial statements

30 June 2021

Note 1. General information

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

Level 16
1 Market Street
Sydney NSW 2000

Principal place of business

Level 11
37 Pitt Street
Sydney NSW 2000

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 31 August 2021. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group 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. The adoption of these Accounting Standards and Interpretations did not have any significant impact on t he financial performance or position of the Group.

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

Going concern

Overview

The Group's business model is to provide cashback to members on their shopping experiences. The Group accrues member liabilities in relation to the cashback not withdrawn which accumulates over time and is paid upon member request. Growth in the total number of members is directly linked to an increase in this member liability. The Group utilised funding from the Initial Public Offering (IPO) to accelerate growth in members, product, technology and marketing in line with our strategy. In accordance with these plans, the Group continues to monitor its funding options to enable continued investment and growth until it reaches scale.

During the year ended 30 June 2021, the Group successfully completed its IPO and strengthened its balance sheet by raising $45,000,000 (less costs) to pursue its strategic growth objectives including member growth and on 1 July 2021, also signed a major partnership to become ANZ Bank's exclusive cashback provider to its 4.7 million credit and debit card holders. As at 30 June 2021, the Group had cash and cash equivalents of $26,088,000 and net current assets of $13,140,000 and net assets of $19,846,000. The Group incurred a net loss of $29,757,000 and the net cash outflow from operating activities was $15,238,000 for the year ended 30 June 2021.

Ongoing Cash Flow Management

In order to ensure the Group has sufficient funding, management continually assess anticipated cash flows such that the business is appropriately scaled in line with growth forecasts. The directors have prepared a cashflow forecast for the period of 12 months from the date of this report and based upon this cashflow forecast the Group will be required to raise further funds during FY 2022. The Group is confident that they will continue to be successful in obtaining funding.

Note 2. Significant accounting policies continued

The Directors believe that the funds available from existing cash reserves and current growth plans following the Cashrewards Max launch, combined with sourcing additional funds, would provide the Group with sufficient working capital to carry out its stated objectives for at least the next 12-month period from the date of signing these financial statements and have therefore prepared the financial statements on a going concern basis, which assumes the realisation of assets and settlement of liabilities in the normal course of business.

In the event that the Group does not trade in line with its cashflow forecast and fails to raise additional funding, a material uncertainty would exist that may cast doubt on the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

No adjustments have been made relating to the recoverability and classification of recorded asset amounts or to the amount and classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

These financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 28.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Cashrewards Limited as at 30 June 2021 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Note 2. Significant accounting policies continued

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Cashrewards Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into the entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

In the application of AASB 15, the Group has determined that Merchants are the customers of the Group. Our performance obligation is to facilitate sales for Merchants and this is satisfied at the point in time when a member makes a purchase with the Merchant.

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for facilitating the transfer of goods or services to a customer. For each contract with a customer, the Group:

- identifies the contract with a customer;
- identifies the performance obligations in the contract;
- determines the transaction price which takes into account estimates of variable consideration and the time value of money;
- allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good to be delivered; and
- recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods promised.

Variable consideration within the transaction price, if any, reflects concessions that may be provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using the 'expected value' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved.

Revenue is recognised over time if:

- the customer simultaneously receives and consumes the benefits as the entity performs; or
- the customer controls the asset as the entity creates or enhances it; or
- the seller's performance does not create an asset for which the seller has an alternative use and there is a right to payment for performance to date.

Where the above criteria are not met, revenue is recognised at a point in time.

Note 2. Significant accounting policies continued

The Group recognises revenue predominantly from the following services:

Online and in-store sales (excluding travel)

Online and in-store sales revenue are the primary source of revenue for the Group. This represents commissions that the Group earns when a Cashrewards member ('Members') makes a transaction with a Merchant ('Merchants') via one of the Cashrewards mediums e.g. website, application, in store.

Merchants have standard return periods during which the member may return goods or services purchased for a refund which varies the commission that the Group is entitled to receive. For that reason, the Group constrains its revenue to recognise that some members will return their purchases and therefore the revenue that the Group is entitled to receive will be reduced. The Group regularly reviews its estimate of the rate of returns and at the reporting date the Group estimates the provision for declined transactions. This is estimated using our historical declined sales experience and reduces revenue recognised. This amount also reduces the contract asset receivable (refer below). When the return period of the goods or services purchased expires and the member has not returned their purchase, this amount is recognised as revenue.

Online and in-store sales revenue is recognised on a gross basis (gross of amounts payable to our members) as this represents the agreed commission to be earned by Cashrewards from fulfilling its performance obligation with its Merchants.

Online sales (travel)

For travel-related online sales, unlike other purchases of goods and services, the member does not obtain the benefit of the services purchased until a future point in time, generally being the date of travel for flights or the date of check-in for hotels.

For these sales, commission is recognised as revenue only when the member travel has actually occurred and the Merchant has approved the completed sale. Any amounts received from the Merchant in advance of the date of travel are recorded as a financial liability under AASB 9 for the full amount.

Gift card sales

Gift card sales revenue is commissions received from Merchants whenever members buy Merchant gift cards via the Group's online platforms. Our performance obligation is to facilitate sales for Merchants and this is satisfied at the point in time when a member makes a purchase with the Merchant.

Advertising sales

The Group sells advertising spots on its website and promotional emails. Advertising sales revenue is amounts received from Merchants for an ad placement on the website or promotional email to members. Revenue is recognised when the advertisement is placed.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Government grants

Grants from the government are recognised at their fair value when there is reasonable assurance that the grant will be received and that the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the periods necessary to match them with the costs that they are intended to compensate.

Interest

Interest is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Note 2. Significant accounting policies continued

Cost of sales

Cost of sales (excluding travel)

Cost of sales represents the accrual of the cashback reward obligation to members for purchases they have made and is recognised at the same time the associated commission revenue is recognised. Cost of sales is similarly reduced to reflect the potential for members to return purchases, as members will lose the right to the cashback reward associated with returned purchases. When the return period of the goods or services purchased expires and the member has not returned their purchase, this amount is recognised as cost of sales.

Cost of sales (travel)

Cost of sales represents the accrual of the cashback reward obligation to members for travel that has been completed and is recognised at the same time the associated commission revenue is recognised.

Cashback reward obligations are reduced by reward balances pertaining to inactive members, recognised as a reduction in the accrual for cashback rewards obligation when members becomes inactive. This is recognised as a reduction in Cashback expense, in the month the member is deemed to be inactive. A member is classified as inactive if they do not log in to the Website or App and click through to a Participating Merchant's website at least once in any 12-month period.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

The research and development ('R&D') tax incentive is recorded as a credit to the income tax expense.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

Note 2. Significant accounting policies continued

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Contract assets

Contract assets are recognised when the Group has performed its performance obligation by the member transacting with a Merchant via one of the Cashrewards mediums, but the Group is yet to establish an unconditional right to consideration as the member may return the goods or services purchased within the Merchant's return period. A reduction in contract assets is recorded to reflect the potential for subsequent member returns or cancellations. When the return period of the goods or services purchased expires and the member has not returned the items, the full amount receivable as a commission is reclassified as a trade receivable.

Contract assets are assessed for impairment under AASB 9. The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, contract assets have been grouped based on days overdue.

No contract asset is recorded for travel commissions until the member travel has actually occurred.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and if so, the nature of the item being hedged.

Derivatives are classified as current or non-current depending on the expected period of realisation.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Note 2. Significant accounting policies continued

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Computer equipment	3 years
Office equipment	5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when: it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 years.

Note 2. Significant accounting policies continued

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured.

Member financial liabilities

A financial liability (under AASB 9 '*Financial Instruments*') is recorded to reflect the cashback reward obligation for members who have a total approved cashback reward accrual of $10.01 or more.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Warrants issued by the Group in connection with bank loans are classified as a financial liability and are measured at fair value, with gains or loss recognised in profit or loss.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Provision for Member redemptions

When cost of sales is recognised, a corresponding liability is recognised that represents the obligation of the Group to redeem the members' accrued rewards. Members are only able to withdraw their cashback rewards when they have accrued $10.01 or more in cashback rewards. A provision (under AASB 137 ' *Provisions, Contingent Liabilities and Contingent Assets*') is recorded to reflect the cashback reward obligation for members who have a total cashback reward accrual of less than $10.01. Cancellation and rewards expiry for non-use (Inactive Accounts) are reversed against cost of sales.

No provision for member redemption is recorded for travel cashback until the member travel has occurred.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Note 2. Significant accounting policies continued

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

Note 2. Significant accounting policies continued

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques used to measure fair value are those that are appropriate in the circumstances and which maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Cashrewards Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Note 2. Significant accounting policies continued

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2021. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2021 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the Group has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the Group may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the Group's financial statements.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Fair value measurement hierarchy

The Group is required to classify all assets and liabilities, measured 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; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the warrants formula in the warrants' agreement based on the fair market value of an ordinary share at each reporting date.

Note 3. Critical accounting judgements, estimates and assumptions continued

Capitalisation of internally-developed software and other intellectual property

Amounts capitalised as part of internally-developed intellectual property include the total cost of any external products or services and labour costs directly attributable to development. Management judgement is involved in determining the appropriate internal costs to capitalise and the amounts involved.

Deferred tax asset

Deferred tax assets in relation to carried forward tax losses have been recognised during the current year, based on management's assessment that sufficient future taxable profits are probable to utilise the recognised deferred tax assets (offset against deferred tax liabilities).

'Contract asset decline' provision

Management makes assumptions in estimation of the 'contract asset decline' provision for subsequent returns or cancellations by customers of the Merchants, which are based on prior periods statistical information. These assumptions are subject to significant judgement at balance date.

Provision for Member redemptions

When cost of sales is recognised, a corresponding liability is recognised by management that represents the obligation of the Group to redeem the members' accrued rewards.

Note 4. 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 Financial Report reflects the one operating segment.

Note 5. Revenue

	Group	
	2021 $'000	2020 $'000
Revenue from contracts with customers		
Commission	21,527	16,214
Gift card commission	418	537
Advertising	80	327
	22,025	17,078
Other revenue		
Other revenue	55	34
Revenue	22,080	17,112

Note 5. Revenue continued

Disaggregation of revenue

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

	Group	
	2021 $'000	2020 $'000
Major product lines		
Commission – Online	21,334	16,077
Commission – In-store	193	137
Gift card commission	418	537
Advertising	80	327
	22,025	17,078
Geographical regions		
Australia	22,025	17,078
Timing of revenue recognition		
Services transferred at a point in time	22,025	17,078

Note 6. Other income

	Group	
	2021 $'000	2020 $'000
Government grants (COVID-19)	460	364
Other income	–	39
Other income	460	403

Government grants (COVID-19)

During the Coronavirus ('COVID-19') pandemic, the Group has received JobKeeper support payments from the Australian Government which are 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.

During the year the Group received payments from the Australian Government amounting to $93,000 (30 June 2020: $25,000) 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 7. Expenses

	Group	
	2021 $'000	2020 $'000
Loss before income tax includes the following specific expenses:		
Depreciation		
Computer equipment	84	54
Office equipment	18	17
Total depreciation	102	71
Amortisation		
Development	1,921	1,704
Total depreciation and amortisation	2,023	1,775
Finance costs		
Interest and finance charges paid/payable on borrowings**	289	668
Net fair value loss on revaluation of warrants (note 23)**	427	1,517
Finance costs expensed	716	2,185
Net foreign exchange loss		
Net foreign exchange loss	16	30
Leases		
Variable lease payments and short-term lease payments	258	167
Superannuation expense		
Defined contribution superannuation expense	929	417
Share-based payments expense		
Share-based payments expense	1,745	300
Initial Public Offer expenses		
Initial Public Offer expenses*	1,315	–

* These are non-recurring costs incurred in FY21.

** These costs are not expected to recur going forward.

Note 8. Income tax

	Group	
	2021 $'000	2020 $'000
Income tax benefit		
Current tax	(1,201)	–
Deferred tax – origination and reversal of temporary differences	962	(1,258)
Adjustment recognised for prior periods	159	–
Aggregate income tax benefit	(80)	(1,258)
Deferred tax included in income tax benefit comprises:		
Decrease/(increase) in deferred tax assets	962	(962)
Decrease in deferred tax liabilities	–	(296)
Deferred tax – origination and reversal of temporary differences	962	(1,258)
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax benefit	(29,837)	(7,890)
Tax at the statutory tax rate of 26% (2020: 30%)	(7,758)	(2,367)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Prior year deferred tax balances write off	962	–
Current year tax losses not booked	6,607	
Current year temporary differences not recognised	539	–
Non-deductible expenses	612	1,109
R&D offset received	(1,042)	–
Income tax benefit	(80)	(1,258)

Change in corporate tax rate

The corporate tax rate applicable to base rate entities reduces from 27.5% to 26% for the 2020-21 income year and further reduces to 25% prospectively from the 2021-22 income year. The Company qualifies as a base rate entity as it has a turnover of less than $50 million and less than 80% of its assessable income is derived from base rate entity passive income. The Company has remeasured its deferred tax balances, and any unrecognised potential tax benefits arising from carried forward tax losses, based on the effective tax rate that is expected to apply in the year the temporary differences are expected to reverse or benefits from tax losses realised. The impact of the change in tax rate on deferred tax balances has been recognised as tax expense in profit or loss or as an adjustment to equity to the extent to which the deferred tax relates to items previously recognised outside profit or loss.

Notes to the consolidated financial statements

30 June 2021

Note 8. Income tax continued

	Group	
	2021 $'000	2020 $'000
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	30,533	5,944
Potential tax benefit @ 25% (2020: 26%)	7,633	1,545

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

	2021 $'000	2020 $'000
Net deferred tax asset		
Net deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Tax losses	–	1,783
Intangible assets	–	(951)
Employee entitlements provision	–	56
Other	–	74
Net deferred tax asset	–	962
Movements:		
Opening balance	962	–
Credited/(charged) to profit or loss	(962)	962
Closing balance	–	962

Note 9. Cash and cash equivalents

	Group	
	2021 $'000	2020 $'000
Current assets		
Cash at bank	26,088	2,733

Notes to the consolidated financial statements

30 June 2021

Note 10. Trade and other receivables

	Group	
	2021 $'000	2020 $'000
Current assets		
Trade receivables	1,662	1,309
Less: Allowance for expected credit losses	(52)	–
	1,610	1,309
R&D incentive receivable	–	945
	1,610	2,254

R&D tax incentive is accrued when it can be reliably measured and it is probable the Company will receive the claim based on the AusIndustry and Australian Taxation Office R&D guidelines. The R&D incentive accrued is recorded as a credit to tax expense.

Following the lodgement of the 30 June 2020 tax return, the proceeds of the 2020 R&D credit application were received in the financial year ending 30 June 2021.

Allowance for expected credit losses

The Group has recognised a loss of $105,000 in profit or loss in respect of the expected credit losses for the year ended 30 June 2021.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
Group	2021 %	2020 %	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Not overdue	–	–	1,385	838	–	–
0 to 3 months overdue	5%	–	237	372	12	–
3 to 6 months overdue	100%	–	21	47	21	–
Over 6 months overdue	100%	–	19	52	19	–
			1,662	1,309	52	–

Movements in the allowance for expected credit losses are as follows:

	Group	
	2021 $'000	2020 $'000
Opening balance	–	–
Additional provisions recognised	105	–
Receivables written off during the year as uncollectable	(53)	–
Closing balance	52	–

Notes to the consolidated financial statements

30 June 2021

Note 11. Contract assets

	Group	
	2021 $'000	2020 $'000
Current assets		
Contract assets	4,489	2,586
Reconciliation		
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	2,586	2,986
Additions	22,080	16,966
Transfer to trade receivables	(20,177)	(17,366)
Closing balance	4,489	2,586

Note 12. Other assets

	Group	
	2021 $'000	2020 $'000
Current assets		
Prepayments	971	14
Security deposits	157	–
Other current assets	76	30
	1,204	44
Non-current assets		
Security deposits	–	43

The increase in prepayments related to insurance and marketing costs.

Note 13. Property, plant and equipment

	Group	
	2021 $'000	2020 $'000
Non-current assets		
Computer equipment – at cost	627	279
Less: Accumulated depreciation	(288)	(204)
	339	75
Office equipment – at cost	130	89
Less: Accumulated depreciation	(74)	(56)
	56	33
	395	108

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Computer equipment	Office equipment	Total
Group	$'000	$'000	$'000
Balance at 1 July 2019	74	41	115
Additions	55	9	64
Depreciation expense	(54)	(17)	(71)
Balance at 30 June 2020	75	33	108
Additions	348	41	389
Depreciation expense	(84)	(18)	(102)
Balance at 30 June 2021	339	56	395

Notes to the consolidated financial statements

30 June 2021

Note 14. Intangibles

	Group	
	2021 $'000	2020 $'000
Non-current assets		
Development – at cost	13,456	8,363
Less: Accumulated amortisation	(7,115)	(5,194)
	6,341	3,169

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Development
Group	$'000
Balance at 1 July 2019	3,234
Additions	1,639
Amortisation expense	(1,704)
Balance at 30 June 2020	3,169
Additions	5,093
Amortisation expense	(1,921)
Balance at 30 June 2021	6,341

Note 15. Trade and other payables

	Group	
	2021 $'000	2020 $'000
Current liabilities		
Trade payables	4,430	396
Member financial liabilities	9,140	5,629
Accrued expenses	644	245
Other payables	421	630
	14,635	6,900

Refer to note 22 for further information on financial instruments.

Trade payables have payment terms between 15 and 75 days from the date of invoice.

Note 16. Borrowings

	Group	
	2021 $'000	2020 $'000
Current liabilities		
Related party loan – Andrew Clarke	–	1,286
Loan – Partners for Growth	–	1,044
	–	2,330

Refer to note 22 for further information on financial instruments.

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 year.

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 17. Derivative financial instruments

	Group	
	2021 $'000	2020 $'000
Current liabilities		
Embedded derivative – warrants	–	1,955

Refer to note 22 for further information on financial instruments.

Refer to note 23 for further information on fair value measurement.

Note 18. Provisions

	Group	
	2021 $'000	2020 $'000
Current liabilities		
Member redemptions	4,863	2,723

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 18. Provisions continued

Movements in provisions

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

	Member redemptions
Group – 2021	$'000
Carrying amount at the start of the year	2,723
Additional provisions recognised	19,128
Reversal of unclaimed Member Rewards (note 2)	(1,012)
Amounts used	(15,976)
Carrying amount at the end of the year	4,863

Total Member obligations

At the end of the financial year, the Group's total obligations to Members is as follows:

	Group	
	2021 $'000	2020 $'000
Member financial liabilities (note 15)	9,140	5,629
Member redemptions	4,863	2,723
	14,003	8,352

Note 19. Issued capital

	Group			
	2021 Shares	2020 Shares	2021 $'000	2020 $'000
Ordinary shares – fully paid	78,817,288	218,721,050	59,763	9,650

Note 19. Issued capital continued

Movements in ordinary share capital

Details	Date	Shares	$'000
Balance	1 July 2019	156,620,000	2,250
Issue of shares	30 August 2019	5,220,412	500
Bonus issue	30 August 2019	4,350,000	–
Issue of shares	4 September 2019	10,441,683	1,000
Issue of shares	5 September 2019	10,441,683	1,000
Issue of shares on exercise of option	20 November 2019	5,220,842	500
Issue of shares	6 December 2019	3,003,003	500
Issue of shares	10 December 2019	1,201,202	200
Issue of shares	12 December 2019	15,015,016	2,500
Issue of shares	13 December 2019	1,201,202	200
Issue of shares	20 December 2019	4,804,805	800
Issue of shares	10 January 2020	1,201,202	200
Balance	30 June 2020	218,721,050	9,650
Pre IPO capital raise	20 August 2020	19,772,421	5,650
Issue of shares on conversion of PFG warrants (note 7)	23 October 2020	1,372,992	2,382
Share consolidation (5:1)	2 December 2020	(190,794,692)	–
Issued shares on IPO	2 December 2020	26,011,561	45,000
Issue of shares on conversion of options	2 December 2020	3,483,364	174
Donation of shares to Starlight	2 December 2020	250,592	–
Share issue transaction costs		–	(3,093)
Balance	30 June 2021	78,817,288	59,763

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.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Note 19. Issued capital continued

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Note 20. Reserves

	Group	
	2021 $'000	2020 $'000
Share-based payments reserve	2,745	1,000
Common control share equity reserve	923	923
	3,668	1,923

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Common control share equity reserve

In December 2016, under the direction of its controlling shareholder the Company acquired the business of Friendly Group Pty Limited and The Shopping Rewards Investment Trust, trading as ShopGo fully controlled by the controlling shareholder of the Company. This acquisition was a business combination under common control and in accordance with the Company's accounting policies for business combinations under common control was accounted for under the predecessor value method, whereby assets and liabilities were recorded at previous carrying value and no fair value adjustments made. The Company has recorded an increase to a common control equity reserve at the book value of the net assets acquired.

Note 21. Dividends

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

Note 22. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis for interest rate risk and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

Market risk

Interest rate risk

The Group is not exposed to any significant interest rate risk.

Note 22. Financial instruments continued

As at the reporting date, the Group had the following borrowings outstanding:

	2021		2020	
Group	Weighted average interest rate %	Balance $'000	Weighted average interest rate %	Balance $'000
Related party loan – Andrew Clarke	–	–	12.75%	1,286
Loan – Partners for Growth	–	–	12.75%	1,044
Net exposure to interest rate risk		–		2,330

The borrowings were repaid on completion of the IPO.

An analysis by remaining contractual maturities is shown in 'liquidity and interest rate risk management' below.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Note 22. Financial instruments continued

Group – 2021	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade payables	–	4,430	–	–	–	4,430
Member financial liabilities (on demand)	–	9,140	–	–	–	9,140
Other payables	–	421	–	–	–	421
Total non-derivatives		13,991	–	–	–	13,991

Group – 2020	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade payables	–	396	–	–	–	396
Member financial liabilities (on demand)	–	5,629	–	–	–	5,629
Other payables	–	629	–	–	–	629
Interest-bearing – fixed rate						
Related party loan – Andrew Clarke	12.75%	1,430	–	–	–	1,430
Loan – Partners for Growth	12.75%	1,178	–	–	–	1,178
Total non-derivatives		9,262	–	–	–	9,262
Derivatives						
Warrants	–	1,955	–	–	–	1,955
Total derivatives		1,955	–	–	–	1,955

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 23. 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
Group – 2021	$'000	$'000	$'000	$'000
Liabilities				
Embedded derivative – warrants	–	–	–	–
Total liabilities	–	–	–	–

	Level 1	Level 2	Level 3	Total
Group – 2020	$'000	$'000	$'000	$'000
Liabilities				
Embedded derivative – warrants	–	–	1,955	1,955
Total liabilities	–	–	1,955	1,955

There were no transfers between levels during the financial 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.

Note 23. Fair value measurement continued

Level 3 assets and liabilities

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

	Embedded derivative – warrants
Group	$'000
Balance at 1 July 2019	438
Net fair value loss on warrants	1,517
Balance at 30 June 2020	1,955
Net fair value loss on warrants	427
Converted to equity on IPO (note 19)	(2,382)
Balance at 30 June 2021	–

Note 24. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Group	
	2021 $	2020 $
Short-term employee benefits	1,545,319	401,288
Post-employment benefits	117,096	38,079
Termination benefits	193,162	–
Share-based payments	1,537,763	126,227
	3,393,340	565,594

Notes to the consolidated financial statements

30 June 2021

Note 25. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu, the auditor of the Company:

	Group	
	2021 $	2020 $
Audit services – Deloitte Touche Tohmatsu		
Audit or review of the financial statements	167,000	63,500
Other services – Deloitte Touche Tohmatsu		
Due diligence on IPO	600,000	–
	767,000	63,500

Note 26. Contingent liabilities

The Group has given bank guarantees as at 30 June 2021 of $157,249 (30 June 2020: $42,596).

Note 27. Related party transactions

Parent entity

Cashrewards Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 29.

Key management personnel

Disclosures relating to key management personnel are set out in note 24 and the remuneration report included in the directors' report.

Transactions with related parties

Interest was incurred on the related party loan. There were no other transactions with related parties during the current and previous financial year.

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:

	Group	
	2021 $	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 28. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2021 $'000	2020 $'000
Loss after income tax	(3,454)	(2,539)
Total comprehensive income	(3,454)	(2,539)

Statement of financial position

	Parent	
	2021 $'000	2020 $'000
Total current assets	1,042	945
Total assets	62,053	15,406
Total current liabilities	281	2,466
Total liabilities	4,154	5,911
Equity		
Issued capital	59,763	9,650
Reserves	3,668	1,923
Accumulated losses	(5,532)	(2,078)
Total equity	57,899	9,495

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2021 and 30 June 2020.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2021 and 30 June 2020.

Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2021 and 30 June 2020.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Notes to the consolidated financial statements

30 June 2021

Note 29. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

		Ownership interest	
Name	Principal place of business / Country of incorporation	2021 %	2020 %
Cashrewards Operations Pty Ltd	Australia	100%	100%
Cashrewards IP Pty Ltd	Australia	100%	100%

Note 30. Cash flow information

Reconciliation of loss after income tax to net cash used in operating activities

	Group	
	2021 $'000	2020 $'000
Loss after income tax benefit for the year	(29,757)	(6,632)
Adjustments for:		
Depreciation and amortisation	2,023	1,775
Share-based payments	1,745	300
Net fair value loss on warrants	427	1,517
Initial Public Offer expense	1,315	–
Other	346	
Change in operating assets and liabilities:		
Decrease in trade and other receivables	632	596
Decrease/(increase) in contract assets	(1,903)	400
Decrease/(increase) in deferred tax assets	962	(962)
Decrease/(increase) in prepayments	(1,114)	53
Decrease/(increase) in other operating assets	(46)	6
Increase in trade and other payables	7,455	262
Decrease in deferred tax liabilities	–	(296)
Increase in employee benefits	537	58
Increase/(decrease) in other provisions	2,140	(113)
Net cash used in operating activities	(15,238)	(3,036)

Note 30. Cash flow information continued

Non-cash investing and financing activities

	Group	
	2021 $'000	2020 $'000
Shares issued on conversion of warrants	(2,382)	–
Net fair value loss on warrants	427	1,517
	(1,955)	1,517

Changes in liabilities arising from financing activities

	Loan – Andrew Clarke	Loan – Partners for Growth	Embedded derivative – warrants	Total
Group	$'000	$'000	$'000	$'000
Balance at 1 July 2019	1,287	2,471	438	4,196
Net cash used in financing activities	(1)	(1,427)	–	(1,428)
Net fair value loss on warrants	–	–	1,517	1,517
Balance at 30 June 2020	1,286	1,044	1,955	4,285
Net cash used in financing activities	(1,286)	(1,044)	–	(2,330)
Net fair value gain on warrants	–	–	427	427
Shares issued on conversion of warrants	–	–	(2,382)	(2,382)
Balance at 30 June 2021	–	–	–	–

Note 31. Earnings per share

	Group	
	2021 $'000	2020 $'000
Loss after income tax attributable to the owners of Cashrewards Limited	(29,757)	(6,632)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share*	65,296,555	39,869,453
Weighted average number of ordinary shares used in calculating diluted earnings per share**	65,296,555	39,869,453
	Cents	Cents
Basic earnings per share	(45.57)	(16.63)
Diluted earnings per share	(45.57)	(16.63)

* 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 32. Share-based payments

Options

Employee share option plan ('ESOP')

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

Options were offered to key employees at set price.

The terms and conditions in relation to the options are as follows:

Vesting date:	The options will vest gradually over a four year service period. This means that ownership of the options will be transferred to the employee over time, not immediately. Unless otherwise specified, twenty five percent (25%) of options will vest on the first anniversary of the date they were issued. The remainder will vest over the next three years on a quarterly basis (meaning that all options will have vested four years after the date they were issued).
Exercise period:	Options can only be exercised once vesting has occurred and until the employee leaves the Company. An option will lapse when the employee leaves the Company before the options vest. Alternatively, the Company may allow the employee to keep some/all of their options (vested or unvested).
Exercise price:	The exercise price of an option is set at least equal to the market value of a share in the Company on the date on which the option is granted. If options are exercised, employees will need to pay the exercise price to the Company and the Company will issue shares. Refer below for details of exercise price per tranche of options and performance rights issued in the year.
Disposal:	No options or shares may be disposed of in the first three years from grant date otherwise the preferential tax treatment will not apply.

Options do not carry any voting rights. If options convert into shares an employee will have the right to vote.

A total of 5,455,557 options were granted under the ESOP during the year.

Note 32. Share-based payments continued

Start-Up Plan

Following the Company's successful listing on the ASX, the Company established the Company's Start-Up Plan 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 Start-Up Plan to Participants consist of options.

After listing on the ASX, the Company can make offers under the Start-Up Plan of options to certain employees and Directors.

One-off grants were made under the Start-Up Plan to certain employees and directors in June 2021. The terms contained in the Start Up Plan in, all material respects, were the same terms as the "New LTIP" put in place prior to the IPO.

The terms and conditions relating to the Start-Up Plan options are as follows:

Eligibility:	Offers may be made at the Company's discretion to Non-Executive Directors, key management personnel, 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 Start-Up Plan Rules.
Vesting:	Vesting of any options issued under the Start-Up 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 Start-Up Plan Rules and the terms of an offer document, an offer of options 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 any option.
	Options granted to executives are subject to the following performance conditions: • Retention as an employee of the Company for the option term; • Achievement of a target of 50% average compound annual growth rate in the number of quarterly active users; and • Achievement of a target of 40% compound annual growth in revenue on the prior financial year. Options granted to other employees are subject to the following performance condition: • Retention as an employee of the Company for the option term. Subject to the Start-Up Plan Rules and the terms of an offer document, an offer of options 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 any option.
Offers under the Start-Up Plan Rules:	Subject to any requirements for shareholder approval or any applicable laws, the Company may make offers at its absolute discretion under the Start-Up 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.
Exercise price:	The Board will determine the exercise price for each grant of options allocated under the Start-Up Plan Rules. This will be determined in relation to share prices at the date of issue. Refer to 'Share-based compensation' section below for details of exercise price per tranche of options issued in the year.
Cessation of employment/office:	If an employee leaves the Company, their unvested options will lapse. Alternatively, the Company may allow the employee to keep some/all of their options (vested or unvested).
Expiry:	Options will lapse if certain vesting or performance conditions discussed above are not met. Options will lapse five years after the start of the exercise period if not exercised or lapsed before this date.

Note 32. Share-based payments continued

A total of 4,151,498 options were granted under the Start-Up Plan during the year.

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, performance rights or shares.

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

In June 2021, the Company made a one-off grant of performance rights to a service provider of the Company.

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.
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. No options or shares were granted under LTIP during FY2021.
	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 any option or rights.
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. This will be determined in relation to share prices at the date of issue. Refer to 'Share-based compensation' section below for details of exercise price per tranche of performance rights issued in the year.
Cessation of employment/office:	If an employee leaves the Company, their unvested options will lapse. Alternatively, the Company may allow the employee to keep some/all of their options (vested or unvested).
Expiry:	Options will lapse if certain vesting or performance conditions discussed above are not met. Options will lapse five years after the start of the exercise period if not exercised or lapsed before this date.

A total of 47,963 performance rights were granted under the New LTIP during the year.

Note 32. Share-based payments continued

Set out below are details of options granted under the plans:

2021							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
ESOP							
01/07/2017	01/07/2021*	$0.05	1,906,359	–	(1,906,359)	–	–
01/07/2018	01/07/2022*	$0.05	917,378	–	(917,378)	–	–
01/03/2019	01/03/2023*	$0.70	21,631	–	–	(21,631)	–
01/03/2019	01/03/2023*	$0.05	669,040	–	(659,628)	(9,412)	–
01/01/2020	01/01/2024*	$0.95	812,685	–	–	(428,668)	384,017
01/04/2020	01/04/2024*	$0.70	626,129	–	–	(220,368)	405,761
22/04/2020	22/04/2024*	$0.95	400,000	–	–	(400,000)	–
22/04/2020	22/04/2024*	$0.70	41,099	–	–	(41,099)	–
04/05/2020	04/05/2024*	$0.95	38,000	–	–	(38,000)	–
04/05/2020	04/05/2024*	$0.70	41,099	–	–	(41,099)	–
11/05/2020	11/05/2024*	$0.95	33,000	–	–	(33,000)	–
11/05/2020	11/05/2024*	$0.70	35,691	–	–	(35,691)	–
25/05/2020	25/05/2024*	$0.95	18,000	–	–	–	18,000
25/05/2020	25/05/2024*	$0.70	19,468	–	–	–	19,468
01/07/2020	01/07/2024*	$0.83	–	132,143	–	–	132,143
01/07/2020	01/07/2024*	$0.95	–	40,060	–	–	40,060
01/07/2020	01/07/2024*	$1.13	–	607,857	–	–	607,857
06/07/2020	04/07/2024*	$0.95	–	73,957	–	(36,979)	36,978
13/07/2020	13/07/2024*	$0.95	–	50,339	–	–	50,339
20/07/2020	20/07/2024*	$0.95	–	64,000	–	(64,000)	–
27/07/2020	27/07/2024*	$0.83	–	1,750,000	–	–	1,750,000
27/07/2020	27/07/2024*	$1.13	–	1,150,000	–	–	1,150,000
31/07/2020	31/07/2024*	$0.95	–	6,200	–	–	6,200
03/08/2020	03/08/2024*	$0.95	–	28,000	–	(28,000)	–
10/08/2020	10/08/2024*	$0.95	–	29,000	–	(29,000)	–
07/10/2020	07/10/2024*	$1.45	–	1,300,000	–	–	1,300,000
23/10/2020	23/10/2024*	$1.45	–	24,000	–	–	24,000
15/11/2020	15/11/2024*	$1.45	–	200,000	–	–	200,000
Start-Up							
11/06/2021	11/06/2024**	$0.83	–	963,258	–	–	963,258
25/06/2021	25/06/2025**	$1.73	–	629,908	–	–	629,908

Note 32. Share-based payments continued

2021

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
25/06/2021	30/11/2023**	$1.73	–	400,000	–	–	400,000
25/06/2021	25/08/2024**	$1.73	–	1,575,000	–	–	1,575,000
25/06/2021	25/06/2024**	$1.64	–	400,000	–	–	400,000
25/06/2021	25/06/2024**	$0.74	–	183,332	–	–	183,332
			5,579,579	9,607,054	(3,483,365)	(1,426,947)	10,276,321

* The expiry date of options is not defined however it is currently on termination of employment.

** The exercise period will commence on the date of the relevant vesting notice and end at 5pm five years after the first exercise date if not exercised or lapsed before this date (being the expiry date).

The figures above are disclosed after the 5:1 share consolidation which occurred during the year and the number of options and exercise price have been recalculated. There were no other changes made to terms and conditions of the options due to the share consolidation.

2020

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
ESOP							
01/07/2017	01/07/2021*	$0.05	1,906,359	–	–	–	1,906,359
01/08/2018	01/07/2022*	$0.05	1,228,450	–	–	(311,072)	917,378
01/03/2019	01/03/2023*	$0.70	21,631	–	–	–	21,631
01/04/2019	01/03/2023*	$0.05	731,540	–	–	(62,500)	669,040
01/01/2020	01/01/2024*	$0.95	–	812,685	–	–	812,685
01/04/2020	01/04/2024*	$0.70	–	626,129	–	–	626,129
22/04/2020	22/04/2024*	$0.95	–	400,000	–	–	400,000
22/04/2020	22/04/2024*	$0.70	–	41,099	–	–	41,099
04/05/2020	04/05/2024*	$0.95	–	38,000	–	–	38,000
04/05/2020	04/05/2024*	$0.70	–	41,099	–	–	41,099
11/05/2020	11/05/2024*	$0.95	–	33,000	–	–	33,000
11/05/2020	11/05/2024*	$0.70	–	35,691	–	–	35,691
25/05/2020	25/05/2024*	$0.95	–	18,000	–	–	18,000
25/05/2020	25/05/2024*	$0.70	–	19,468	–	–	19,468
			3,887,980	2,065,171	–	(373,572)	5,579,579

* The expiry date of options is not defined however it is currently on termination of employment.

The figures above have been restated after the 5:1 share consolidation which occurred during the current financial year.

The weighted average remaining contractual life of ESOP outstanding at the end of the financial year was 3.38 years (2020: 3.90) years and the weighted average exercise price was $1.11 (2020: $0.86).

Note 32. Share-based payments continued

The weighted average remaining contractual life of Start-Up outstanding at the end of the financial year was 8.99 years (2020: nil) years and the weighted average exercise price was $1.47 (2020: $nil).

Performance rights

Performance rights

One-off performance rights were issued to a service provider of the Company. The key terms of the performance rights are detailed below.

Set out below are details of performance rights granted under the plan:

2021						
Grant date	Expiry date	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
11/06/2021	31/12/2026	–	47,963	–	–	47,963
		–	47,963	–	–	47,963

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 0.5 years.

Note 32. Share-based payments continued

Valuation model inputs

For the options granted during the current financial year, the Black Scholes valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date*	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
01/07/2020	01/07/2024	$0.17	$0.83	70.00%	–	2.00%	$0.48
01/07/2020	01/07/2024	$0.17	$0.95	70.00%	–	2.00%	$0.42
01/07/2020	01/07/2024	$0.07	$1.13	70.00%	–	2.00%	$0.42
06/07/2020	04/07/2024	$0.17	$0.95	70.00%	–	2.00%	$0.42
13/07/2020	13/07/2024	$0.17	$0.95	70.00%	–	2.00%	$0.42
20/07/2020	20/07/2024	$0.17	$0.95	70.00%	–	2.00%	$0.42
27/07/2020	27/07/2024	$0.17	$0.83	70.00%	–	2.00%	$0.44
27/07/2020	27/07/2024	$0.07	$1.13	70.00%	–	2.00%	$0.42
31/07/2020	31/07/2024	$0.17	$0.95	70.00%	–	2.00%	$0.42
03/08/2020	03/08/2024	$0.17	$0.95	70.00%	–	2.00%	$0.42
10/08/2020	10/08/2024	$0.17	$0.95	70.00%	–	2.00%	$0.42
7/10/2020	7/10/2024	$0.07	$1.45	70.00%	–	2.00%	$1.00
23/10/2020	23/10/2024	$0.07	$1.45	70.00%	–	2.00%	$1.00
15/11/2020	15/11/2024	$0.07	$1.45	70.00%	–	2.00%	$1.00
11/06/2021	11/06/2024	$0.82	$0.83	55.00%	–	0.08%	$0.30
25/06/2021	25/06/2025	$0.73	$1.73	62.00%	–	0.22%	$0.18
25/06/2021	30/11/2023	$0.73	$1.73	62.00%	–	0.22%	$0.10
25/06/2021	25/08/2024	$0.73	$1.73	62.00%	–	0.22%	$0.14
25/06/2021	25/06/2024	$0.73	$1.64	62.00%	–	0.22%	$0.14
25/06/2021	25/06/2024	$0.73	$0.74	62.00%	–	0.22%	$0.30

* The expiry date of options is not defined however it is currently on termination of employment.

For the performance rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
11/06/2021	31/12/2026	$0.82	55.00%	–	0.08%	$0.82

Note 32. Share-based payments continued

Share-based payments expense

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

	Group	
	2021 $'000	2020 $'000
Share-based payments expense	1,745	300

Note 33. Events after the reporting period

On 1 July 2021, the Group had entered into a strategic partnership agreement with ANZ to create Cashrewards Max, which offers ANZ consumer credit and debit card holders the opportunity to enjoy all the benefits of the core Cashrewards program, plus enhanced cashback offers, faster cashback from a range of merchants and exclusive experiences. The program had been launched prior to the date of this report.

As at the date of this report, the COVID-19 situation remains fluid due to continuing changes in government policy and evolving business and customer reactions thereto, and while we have not seen any further negative impacts (other than the ongoing impact on travel), the directors of the Group consider that the future financial effects of COVID-19 on the Group's operations and operating results cannot be reasonably estimated.

No other matter or circumstance has arisen since 30 June 2021 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.

Directors' declaration

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 comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the financial 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.

The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors.

On behalf of the directors

Brett Johnson
Chairman

31 August 2021
Sydney

Independent auditor’s report

to the members of Cashrewards Limited

Deloitte Touche Tohmatsu
ABN 74 490 121 060
Grosvenor Place
225 George Street
Sydney, NSW, 2000
Australia

Phone: +61 2 9322 7000
www.deloitte.com.au

Independent Auditor’s Report
to the Members of Cashrewards Limited

Opinion

We have audited the financial report of Cashrewards Limited (the “Company”) and its subsidiaries (the “Group”) which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated income statement, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors’ declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group’s financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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 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 report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the financial statements which indicates that the Group incurred losses of $29.8m and operating cash outflows of $15.2m for the year ended 30 June 2021. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Deloitte.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
<u>Revenue recognition</u> As explained in Note 2 and Note 5 of the notes to the financial statements, the Group generates the majority of its revenue primarily through Commission from Merchant Partners sales. The business is characterized by a large volume of transactions to be processed through complex information systems. The rules for the application of accounting standards concerning these services may be complex and require judgements in understanding when the performance obligation is completed. We consider that revenue recognition and the reliability of the information systems involved in the recording of flows related to revenue to be a key audit matter, given the complexity of the information systems configured to process data and ensure the smooth running of transactions, including in the event of a service outage, a technical fault, human error or poor configuration of the information systems.	Our procedures included, but were not limited to the following: • Obtaining an understanding of the revenue streams and the appropriateness of the Group’s principles in determining that revenue is recognised in accordance with the criteria outlined in the relevant Accounting Standards; • Understanding the management process for monitoring the revenue recognised throughout the period; • Performing an assessment of the design and implementation of General IT Controls (GITCs) within components of the IT environment, in conjunction with our Information Technology specialists; • Testing on a sample basis revenue transactions in the sales ledger through cash receipts and other supporting evidence; • Agreeing the total cash received to the revenue recorded in the general ledger; • Assessing the appropriateness of the Group’s accounting policies and disclosures in Note 2 and Note 5 of the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group’s annual report for the year ended 30 June 2021, but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed,

Independent auditor's report

to the members of Cashrewards Limited

we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

Independent auditor's report

to the members of Cashrewards Limited

Deloitte.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 19 of the Directors' Report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Cashrewards Limited, for the year ended 30 June 2021, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Joshua Tanchel
Partner
Chartered Accountants
Sydney, 31 August 2021

Shareholder information

as at 30 September 2021

The shareholder information set out below was applicable as at 30 September 2021.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares		
	Number of holders	Number of shares issued	% of total shares issued
1 to 1,000	753	443,450	0.56%
1,001 to 5,000	875	2,362,360	3.00%
5,001 to 10,000	361	2,704,717	3.43%
10,001 to 100,000	520	13,098,626	16.62%
100,001 and over	45	60,208,145	76.39%
	2,554	78,817,288	100%

	Options over ordinary shares		
	Number of holders	Number of units	% of total units issued
1 to 1,000	–	–	–
1,001 to 5,000	2	9,375	0.09%
5,001 to 10,000	4	33,076	0.33%
10,001 to 100,000	27	807,557	8.05%
100,001 and over	14	9,179,801	91.53%
	47	10,029,809	100.00%

Shareholder information

as at 30 September 2021

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
EVENTIVE PTY LIMITED	18,166,854	23.05%
ANZI HOLDINGS PTY LTD	14,975,285	19.00%
DEMPSEY CAPITAL PTY LIMITED	6,747,442	8.56%
M & S SKYLEISURE PTY LIMITED	5,102,730	6.47%
MOLBEK PTY LIMITED	2,551,365	3.24%
BNP PARIBAS NOMINEES PTY LTD	1,274,201	1.62%
IAIN SKELTON	988,163	1.25%
GAEA GROUP PTY LTD	950,000	1.21%
HSBC CUSTODY NOMINEES	841,506	1.07%
FIRST TRUSTEE COMPANY (NZ)	743,190	0.94%
PARTNERS FOR GROWTH V LP	674,923	0.86%
LYNTER PTY LTD	550,000	0.70%
MR ANDREW MACBRIDE PRICE	550,000	0.70%
J P MORGAN NOMINEES AUSTRALIA	403,180	0.51%
NATIONAL NOMINEES LIMITED	400,000	0.51%
MR DAVID SAWICKI	375,888	0.48%
CLONTARF INVESTMENTS PTY LTD	349,954	0.44%
UBS NOMINEES PTY LTD	300,000	0.38%
STARLIGHT CHILDREN FOUNDATION	250,592	0.32%
NETWEALTH INVESTMENTS LIMITED	235,605	0.30%
	56,430,878	71.60%

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	10,029,809	47
Performance rights over ordinary share issues	47,963	1

Shareholder information

as at 30 September 2021

The following persons hold 20% or more of unquoted equity securities:

Name	Class	Number held
Bernard Wilson	Options over ordinary shares issued	3,500,000

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

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.

There are no other classes of equity securities.

Securities subject to voluntary escrow

Class	Expiry date	Number of shares
Ordinary shares	10.00am on the trading day after the Company has released to the ASX its half-year financial statements (Appendix 4D) for the financial half-year ending 31 December 2021	12,632,189
Ordinary shares	10.00am on the trading day after the Company has released to the ASX its preliminary final report (Appendix 4E) for the financial year ending 30 June 2022	7,952,617
Options over ordinary shares	10.00am on the trading day after the Company has released to the ASX its preliminary final report (Appendix 4E) for the financial year ending 30 June 2022	7,040,584
		27,625,390

Corporate directory

Directors

Brett Johnson – Chairman
Andrew Clarke
Rob Goudswaard
Rajeev Gupta
Joshua Lowcock
Bernard Wilson

Company secretaries

Danny Davies
Retief Lampen

Registered office

Level 16
1 Market Street
Sydney NSW 2000

Principal place of business

Level 11
37 Pitt Street
Sydney NSW 2000

Share register

Link Market Services Limited
Level 12
680 George Street
Sydney NSW 2000

Telephone: +61 2 8280 7100

Auditor

Deloitte Touche Tohmatsu
Grosvenor Place
225 George Street
Sydney NSW 2000

Solicitors

Gilbert + Tobin
Level 35, Tower Two
International Towers Sydney
200 Barangaroo Avenue
Barangaroo NSW 2000

Bankers

Australia and New Zealand Banking Group Limited
National Australia Bank

Stock exchange listing

Cashrewards Limited shares are listed on the Australian Securities Exchange (ASX code: CRW)

Website

cashrewards.com.au

Business objectives

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. Cashrewards will primarily focus on the achievement of its strategic objectives and the creation of value for our members and shareholders through increasing brand awareness and penetration among Australian consumers. This will be backed by continued product development and innovation and the deepening of relationships with new and existing Merchant partners and reward partners.

In accordance with the Listing requirements ASX 4.10.19, the directors confirm that the Group has used cash and cash equivalents that are held at the time of listing in a way consistent with its stated business objectives.

Corporate Governance Statement

https://investors.cashrewards.com.au/Investor-Centre

This page has been left blank intentionally.

CASHREWARDS®

cashrewards.com.au