

**ASX ANNOUNCEMENT****29 APRIL 2022**

## **March Quarterly Activities Report and Operational Update**

### **Highlights**

- **Completed and submitted all required Stage 3 documentation for Electronic Money Issuer ("EMI") license application**
- **Delivered in-depth EMI system demonstration to the Bangko Sentral ng Pilipinas ("BSP") who are assessing Peppermint's EMI license application with decision expected soon**
- **Appointed global finance innovator Neal Cross to the Board of Directors and as a FinTech specialist consultant**
- **Signed bill payment agreement with one of the Philippines' leading financial services providers, PayMaya, making it easier for bizmoto agents to 'top-up' or 'cash-in' to their mobile wallets**
- **Went 'live' with DragonPay and PayMaya providing bizmoto agents with mobile wallet 'cash-in' or 'top-up' functionality via DragonPay and PayMaya**
- **Went 'live' with GCash providing bizmoto agents with functionality to accept payments from GCash wallets direct to their bizmoto wallets via QR code**
- **Significant growth in bizmoto App downloads**
- **Peppermint named one of the "Financial Times" 2022 Top 500 Asia-Pacific High-Growth Companies**
- **Continued finalising the integration of BPI, Cebuana Lhuillier and ECPay's 'cash-in' offerings with the bizmoto platform - with all three expected to go 'live' soon**
- **Continued delivering targeted digital and physical marketing campaigns for new products and new agents throughout the Philippines**
- **Ended March '22 Quarter with \$6.15 million at bank**

**PERTH, AUSTRALIA, 29 APRIL 2022:** Peppermint Innovation Ltd (ASX: PIL) (“Peppermint” or “the Company”) presents its Quarterly Activities Report and Operational Update for the period ended 31 March 2022 and is pleased to provide the following commentary and update to shareholders.



Peppermint Innovation Limited ACN 125 931 964 ASX: PIL

Level 2 East, The Wentworth Building, 300 Murray Street, (Off Raine Lane) Perth Western Australia 6000

Phone: +61 8 6255 5504 | Email: [info@pepltd.com.au](mailto:info@pepltd.com.au) | [www.pepltd.com.au](http://www.pepltd.com.au)

**Peppermint's Managing Director and CEO Chris Kain said:** "Peppermint delivered several significant milestones during the March '22 Quarter, as well as experiencing some unexpected challenges which were outside of the Company's control.

"Earlier this year, the Company successfully completed and submitted all of the required Stage 3 documentation for our Electronic Money Issuer ("EMI") license application, as well as delivering an in-depth system demonstration to the Bangko Sentral ng Pilipinas ("BSP") who are assessing our EMI application.

"We eagerly await the decision of the BSP's Monetary Board as the granting of an EMI license will allow the Company to deliver e-wallet services through our bizmoto App, allowing any Filipino - not just bizmoto agents - to use the bizmoto platform to receive digital money and access digital services.

"We also believe an EMI license will significantly extend the Company's opportunity to reach micro-entrepreneurs and provide digital payments for their businesses, as well as allowing them to apply for bizmoPay loans, bizmoProtect micro-insurance premiums and future bizmoto products and services.

"The BSP's decision around whether to grant Peppermint an EMI license comes at a time when the number of bizmoto App downloads have increased exponentially, along with the number of bizmoPay loans that have been issued.

"Our App download numbers are up by more than 600% Quarter on Quarter while the number of new Silver Plus bizmoPay loans issued has increased from 23 in the December '21 Quarter to 357 in the March '22 Quarter.

"These numbers are promising and our forecasts for the June Quarter suggest the trends around our bizmoto App downloads and our issued bizmoPay loans are heading in the right direction.

"This good news somewhat offsets the disappointing financial result for the March '22 Quarter where the Company realised an unexpected drop in cash receipts on the enterprise side of the business. This was due to one of our largest enterprise partners experiencing significant financing and internal corporate issues.

"Despite our many efforts throughout the Quarter to assist our struggling enterprise partner work through their financing issues, they ultimately could not accept our help due to their internal corporate issues which left a significant shortfall in our revenue just weeks out from the end of the March '22 Quarter.

"The Company is committed to focussing on our bizmoto operations, having successfully integrated the functionality of DragonPay, PayMaya and GCash into our bizmoto App, and soon to finalise the integration of BPI, Cebuana Lhuillier and ECPay.

"Our vision was to develop a mobile, micro-enterprise platform that enable the next cohort of Filipino entrepreneurs to provide important financial inclusive services to the Filipino people.

"That's what we said we would do - and that's what we are doing."



## MARCH 2022 QUARTERLY OPERATIONAL UPDATE AND OUTLOOK

### **Electronic Money Issuer license**

Peppermint completed and submitted all Stage 3 documentation for its Electronic Money Issuer ("EMI") license application in late March following an in-depth system demonstration delivered by the Company on 24 January to the Bangko Sentral Ng Pilipinas (BSP) who are assessing Peppermint's EMI license application.

On 15 March the Company received its official Certificate of Incorporation from the Philippines' Securities and Exchange Commission (SEC) certifying the Articles of Incorporation and By Laws of Peppermint Bizmoto Inc. On 24 March, the Company received its local government precinct Business Registration of Peppermint Bizmoto Inc.

The SEC Certificate of Incorporation and local government Business Registration were the final two requirements to be presented to the BSP under the Company's Stage 3 documentation submission obligations.

A decision from the BSP's Monetary Board is expected soon.

The granting of an EMI license by the BSP will allow the Company to deliver e-wallet services through its bizmoto App, allowing any Filipino - not just bizmoto agents - to use the bizmoto platform to receive digital money and access digital services.

An EMI license will significantly extend the Company's opportunity to reach micro-entrepreneurs and provide digital payments for their businesses as well as allowing them to apply for bizmoPay loans, bizmoProtect micro-Insurance premiums and future bizmoto products and services.

### **BizmoPay Operations**

Peppermint launched Phase 2 of its bizmoPay micro-enterprise loan offering during the January-March period, targeting a specific category of loan called Silver Plus. The Silver Plus category was additional to the Platinum Plus, Platinum and Silver categories of bizmoPay loans issued as part of Phase 1 bizmoPay micro-enterprise loan offering throughout the second half of 2021.

Silver Plus loan applicants must have a store (of some description) and a 'cash-in' of Php 100 prior to being approved. The value of loans ranged from Php 501 - Php 5,000.

The number of loans approved for Silver Plus applicants increased more than six-fold from January (35) to March (226).

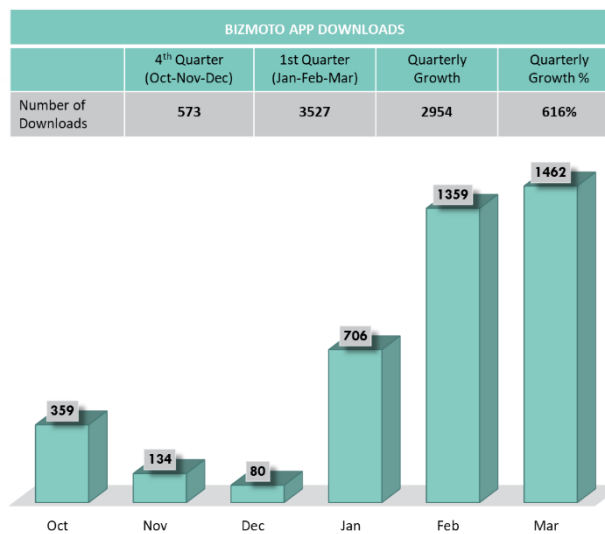
Since its inception, the Company has issued circa 800 bizmoPay loans across all four categories and the bizmoPay team continues to refine and implement improved loan application, verification and collection processes - all aimed at continuing the growth in the number and quality of bizmoPay recipients.



The Company has continued its targeted digital marketing campaigns focussed around attracting new customers to bizmoPay. It is also undertaking improvements to its 'customer experience' which is designed to provide better 'end-user' functionality.

### **Bizmoto Operations**

The bizmoto operations experienced significant growth during the March '22 Quarter. While the number of registered bizmoto agents increased more than 6% on the December '21 Quarter to a total 60,375, the number of bizmoto App downloads increased exponentially - up a massive 616% or 2954 downloads quarter on quarter.



The massive increase in bizmoto downloads was driven by Peppermint's targeted digital and online marketing campaigns which highlighted how easy it is to become a bizmoto agent and the diverse range of services that are accessible via the bizmoto ecosystem.

It also heavily promoted the bizmoPay micro-enterprise loan offering which resulted in a significant increase in the number of loan applicants and approved loans being offered during the March '22 Quarter.

The Company achieved several other significant milestones across its bizmoto operations during the March '22 Quarter, including:

- A key bill payment agreement with one of the Philippines' leading financial services providers, PayMaya, making it easier for bizmoto agents to 'top-up' or 'cash-in' to their mobile wallets; and -
- Going 'live' in the bizmoto App with DragonPay and PayMaya providing bizmoto agents with mobile wallet 'cash-in' or 'top-up' functionality via DragonPay and PayMaya; and -



- Going 'live' in the bizmoto App with GCash providing bizmoto agents with functionality to accept payments from GCash wallets direct to their bizmoto wallets via QR code.

Peppermint's development team is also close to finalising the integration of BPI, Cebuana Lhuillier and ECPay's 'cash-in' offerings with the bizmoto platform - with all three expected to go 'live' soon.

### **BancNet Customer Summary**

Peppermint continued its commercial works program with Partner Rural Bank and the Bank of Florida, as well as progressing ongoing discussions with other private banks around Mobile Banking Solutions (MBS) and e-load and bills payment services.

### **Corporate**

In March, Peppermint appointed global finance innovator Neal Cross to its Board of Directors while long-time Non-Executive Director Matthew Cahill resigned due to increased personal work commitments.

Mr Cross has a long-distinguished career in finance innovation across brands like Microsoft, Mastercard and DBS Bank, and is the current Chairman of PictureWealth, a role he will retain. He will be critical in guiding the Company's innovation strategy to become a Super App that combines employment opportunities with finance products that 'betters the lives' of the underserved population throughout the Philippines.

During the March '22 Quarter, Peppermint Innovation was also named one of the "Financial Times" 2022 Top 500 Asia-Pacific High Growth Companies. The list ranks entrants from across the APAC region by their compound annual growth rate in revenue between 2017 and 2020 (excluding China due to difficulties in verifying data).

An Appendix 4C detailing expenditure for the March 2022 Quarter is accompanying this Quarterly Activities Report and Operational Update.

The Company's focus has been the development and commercialisation of its bizmoto platform. Expenditure for the Quarter ended 31 March 2022 included:

- Product manufacturing and operating expenditure of \$204k incurred in producing products for sale;
- Advertising and marketing expenditure of \$215k related to marketing the Company and its products and services;
- Remunerations costs of \$310k comprising the costs of all staff employed by the Company and directors' remuneration; and
- Administration and corporate costs of \$232k associated with running the Company, including ASX fees, audit fees, legal fees, share registry fees and rent.

Expenditure from 1 January 2022 to 31 March 2022 is consistent with the use of funds detailed in its prospectus of 29 January 2021 and is detailed below:



('000,000s)

Use of Proceeds under Prospectus	Funds allocated under Prospectus dated 29/01/2021	Funds expended between 01/01/2021 and 31/03/2022
Bizmoto Platform roll out and working capital	901	2,551
Bizmoto Platform sales and marketing campaign	450	590
Bank deposit required to underwrite services offered on the Platform	350	337
bizmoPay Loan Book	600	16
Costs of the offer and subsequent placement	199	561
<b>Total</b>	<b>2,500</b>	<b>4,055</b>
Funds received from the exercise of options		(2,065)
<b>Net funds (generated) between 1 January 2021 and 31 March 2022</b>		<b>1,990</b>

<b>Cash at 1 January 2021</b>	<b>253</b>
Net funds generated between 1 January 2021 and 31 March 2022	(1,990)
Release of restricted cash	344
Funds received from placement of shares	7,549
<b>Cash at 31 March 2022</b>	<b>6,156</b>

#### Ends

This ASX announcement has been approved by Peppermint Innovation Limited's Board of Directors and authorised for release.

#### For more information, please contact:

Chris Kain  
 Managing Director & CEO  
 Peppermint Innovation Limited  
 E: info@pepltd.com.au

#### About Peppermint Innovation Ltd

Peppermint Innovation is an Australian company focused on the commercialisation and further development of the Peppermint Platform, a mobile banking, payment and remittance, delivery and logistics, ecommerce and finance technology to service the Philippines market – which was initially designed for banks, agents, associations and microfinance institutions. Peppermint currently operates the Peppermint Platform in the Philippines.

Forward Looking Statements: Statements regarding plans with respect to Peppermint's business plans are forward looking statements. There can be no assurance that Peppermint's plans will proceed as expected and there can be no assurance that Peppermint will be able to increase revenue.



## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

Peppermint Innovation Limited

**ABN**

56 125 931 964

**Quarter ended ("current quarter")**

31 March 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	200	1,141
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(204)	(1,046)
(c) advertising and marketing	(215)	(343)
(d) leased assets	-	-
(e) staff costs	(310)	(1,046)
(f) administration and corporate costs	(232)	(879)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	(5)	(20)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(765)</b>	<b>(2,193)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material) – release of restricted cash	-	344
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>344</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	5,049
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	200
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(349)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>4,900</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	6,924	3,108
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(765)	(2,193)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	344



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	4,900
4.5	Effect of movement in exchange rates on cash held	(3)	(3)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>6,156</b>	<b>6,156</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	6,146	6,914
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	10	10
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>6,156</b>	<b>6,924</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

<b>Current quarter \$A'000</b>
150
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

**7. Financing facilities**

*Note: the term "facility" includes all forms of financing arrangements available to the entity.*

*Add notes as necessary for an understanding of the sources of finance available to the entity.*

	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	-	-

7.5 **Unused financing facilities available at quarter end** -

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(765)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	6,156
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	6,156
<b>8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>8.0</b>

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 April 2019.....

Authorised by: By the Board of Directors.....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.