

ASX ANNOUNCEMENT

27 DECEMBER 2023

Peppermint acquires Application Modernisation (AI & CX) business division from XPON Technologies

Highlights

- Peppermint acquires established and proven 'Application Modernisation' (AI & CX) business division from ASX-listed XPON Technologies
- AI & CX business division consists of Xpon Digital Limited (to be renamed Peppermint Intelligence Limited "PINT") and Holoscribe Australia Pty Ltd (to be renamed Peppermint Intelligence Pty Ltd "PIPL")
- "PINT" and "PIPL" will add immediate revenue to Peppermint's business, as well as adding value and extracting additional revenue from Peppermint's established EMI licensed technology platform and loan book operations in the Philippines
- AI & CX business division provides an injection of expertise to build on Peppermint's business and is 100% consistent with Peppermint's current growth strategy
- Transaction will not affect capital structure of Peppermint as no securities are proposed to be issued in consideration for the acquisition

PERTH, AUSTRALIA, 27 DECEMBER 2023:

Peppermint Innovation Ltd (ASX: PIL) ("Peppermint" or "the Company") is pleased to announce it has acquired from XPON Technologies Ltd (ASX: XPN) its established and proven 'Application Modernisation' business division via the acquisition of two of XPN's wholly owned subsidiaries, Xpon Digital Limited and Holoscribe Australia Pty Ltd ("the Transaction").

XPON Digital Limited will be renamed Peppermint Intelligence Limited ("PINT") and Holoscribe Australia Pty Ltd will be renamed Peppermint Intelligence Pty Ltd ("PIPL").

The Transaction provides an injection of expertise that the Company needs to build its business and is 100 percent consistent with its current growth strategy: to pursue strategic M&A opportunities that add value and extract additional revenue from Peppermint's established EMI licensed technology platform and loan book operations in the Philippines, as well as vertically integrating across current



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operations to deliver new and diversified revenue streams. In addition, the acquisition will add immediate additional revenue to Peppermint's business.

Peppermint is at a pivotal point where strategic technological guidance and the ability to execute on AI and CX strategy is paramount to navigate the next phase of its growth, particularly in scaling automation and advancing the future roadmap of core technologies.

The AI (Artificial Intelligence) and CX (Customer Experience) team aims to drive robust innovation, especially in the realm of the customer or user journeys, AI deployments, product efficiencies, scale and technology platform optimisation. This includes honing operational efficiencies to improve cost of deployment, research, development and operational expenditure.

The AI & CX division:

The AI & CX division builds and deploys modern applications and an optimal customer experience utilising AI tools to enhance the user journey. The division develops applications and then offers a managed service subscription to maintain, enhance and upgrade them. The aim of this process is to use data and technology to create a highly personalised, financially rewarding and compelling customer experience.

The AI & CX team includes 19 highly skilled professionals across the United Kingdom, Australia and Vietnam, covering management, sales, finance, operations, delivery, customer experience and technical engineering. The core 13-member Vietnamese technical development team includes AI engineers experienced in handling small and large-scale AI projects, full-stack developers, CX experts (specialising in designing user journeys that leverage AI driven personalisation and recommendation strategies to drive conversion and retention), product managers, and quality assurance managers. The team has a proven track record of selling, delivering and scaling high-value solutions.

Peppermint plans to integrate this established and proven team into its existing business to drive improvements across its own technology platform, optimise current technical development programs and deliver a premium customer experience to drive user engagement. The ability to enhance the uptake and efficiency of the Peppermint platform with a sophisticated CX and AI in-house team is exciting.

The Transaction:

The Transaction involves Peppermint acquiring 100% of the issued share capital of PINT and PIPL on terms usual for a transaction of this type. While that actual transaction only involves a nominal payment of one pound (£1) being paid at settlement, the AppMod business will become part of the Peppermint business and be supported accordingly as part of the Peppermint Group. The current ongoing monthly operating costs of the 'Application Modernisation' business division is estimated to be A\$160,000 per month).

The Transaction will not affect the capital structure of the Company, as no securities are proposed to be issued in consideration for the acquisition.

The acquisition agreement included mutual competition restraint clauses as well as warranties and indemnities (with certain limitations) with respect to the liabilities of the entities sold.



Peppermint's Managing Director and CEO Chris Kain said: "The acquisition of XPON's AI & CX business division is a strategic move for Peppermint, aligning perfectly with our long-term objectives and priorities.

"The acquisition is a massive shot in the arm for Peppermint and has the potential to really turbo charge our revenue stream growth in a short space of time.

"The AI & CX team has been instrumental in leading significant digital transformations and integrating advanced AI capabilities into various renowned businesses in the UK.

"It generated revenues of circa \$5.5 million (GDP 3 million) in FY23 and by acquiring this seasoned team, Peppermint is effectively leapfrogging years of development in building similar capabilities, methodologies, frameworks and outputs from scratch to focus on the Company's business going forward.

"We plan to integrate the AI & CX team into our existing technology operations during the next 6-12 months. This integration will not only enhance our technological delivery capabilities but also allow us to consider cost optimisation and specialisation across our technology teams, ensuring a more efficient overall structure.

"This will enable us to accelerate our AI transformation across loan origination, scoring, management and collections to deliver on our vision to become a leading automated lending business to the financially underserved.

"Additionally, the existing client base of the AI & CX business division provides an immediate offset to the costs associated with the team. It also offers Peppermint the opportunity to deploy any under-utilised resources within our core business for billable work.

"This approach ensures that the acquisition is not just about adding specialised skill sets via an established and proven team, but also accelerating Peppermint's strategic development and enhancing our service offerings in a cost-effective and timely manner."

XPON Technologies Founder & Group Managing Director, Matt Forman, said: "The talent and passion of the Application Modernisation team is very strong, and we are pleased to see the business is going to a good home at Peppermint. We wish them all the best under the new ownership."

Ends

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



For more information, please contact:

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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, eWallet and finance business to service the Philippines market – which was initially designed for banks, agents, associations and microfinance institutions. Peppermint currently operates the bizmoto Platform in the Philippines, powered by Peppermint.

About XPON Technologies

XPON (ASX:XPON) is a Marketing technology company that helps businesses in Australia, New Zealand, Europe and the UK improve their marketing and customer experience. XPON's products and services create better ROI for businesses by (i) Improving targeting and measurement to increase marketing effectiveness; and (ii) Using data and technology to deliver more personalised and profitable customer experiences.

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.

