

ASX ANNOUNCEMENT

31 JULY 2024

June '24 Quarterly Activities Report and Operational Update

Highlights

- Increased overall revenues by 14% quarter-on-quarter, with total cash receipts of \$362,000 for the June '24 quarter
- Increased bizmoLoan revenue by circa 136% quarter on quarter
- Peppermint Intelligence Limited secured new contracts, totalling more than AUD\$315,000 in the June '24 quarterly period
- Significant progress made with MASS-SPECC to roll-out the Pinoy Coop Mobile App to member Co-Operatives and their individual membership base
- Peppermint Innovation Limited removed circa AUD\$150,000 per quarter of previous costs, following an operational cost optimisation program

PERTH, AUSTRALIA, 31 JULY 2024: Peppermint Innovation Ltd (ASX: PIL) ("Peppermint" or "the Company") presents its Quarterly Activities Report and Operational Update for the period ended 30 June 2024 and is pleased to provide the following commentary and update to shareholders.

Peppermint's Managing Director and CEO Chris Kain said: "The June '24 quarter delivered growth for our Artificial Intelligence ("AI") and Customer Experience ("CX") division, a circa 136% revenue increase (quarter-on-quarter) for our bizmoLoan operations and a 14% increase in overall revenues (quarter-on-quarter).

"We formally 'launched' the Pinoy Coop Mobile ("PCM") App at MASS-SPECC's General Assembly on the 29th May this year to an audience of more than 1,000 delegates from various MASS-SPECC cooperatives. The task of rolling out the PCM App to MASS-SPECC's 340+ cooperatives, who represent some 3.4 million individual members, will take time but the potential benefits to MASS-SPECC and their members - and Peppermint Innovation - will be significant.

"For example, MASS-SPECC's current ATM network has processed more than Php 10 billion (circa AUD \$260 million) in cash withdrawals, bills payment and fund transfer transactions since December 2023. The potential value of migrating just these fund transfer transactions to the PCM App would translate to an exponential increase in PCM mobile transactions, of which Peppermint is forecast to earn on average 10c for every completed transaction via the PCM App.

"MASS-SPECC's PCM App roll-out team has a comprehensive 'roadmap' to promote the mobile app to



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 | www.pepltd.com.au

every MASS-SPECC member across the Mindanao region. They have conducted site visits to multiple cooperatives to provide members with orientation and training on the use of the PCM digital technology. These site visits will continue through the rest of CY24 and into CY25 to onboard as many cooperatives and their individual members as possible.

"The level of transactional usage of the current PCM App users is not 100% representative of the true growth potential for the PCM App as many users are still building up their level of confidence in the PCM App. Anecdotal evidence shows users start using the PCM App for their every day-to-day financial needs once they are confident with the App. Peppermint will continue to work collaboratively with MASS-SPECC to progress its vision of providing millions of Filipinos with access to its PCM App.

"Our AI and CX team delivered new contracts totaling more than AUD\$315,000 in the June '24 quarterly period. PINT has now delivered more than AUD\$840,00 in new contracts and contract renewals in just over six-months to 30 June 2024 and is forecasting a robust FY25 sales pipeline of more than AUD\$1 million.

"PINT is well positioned across multiple sectors including finance, publishing, NGO's and retail, with operations spanning the United Kingdom, European Union, Australia and Southeast Asia. It is now strategically focused on achieving additional growth in the Philippines based on our established presence and client relationships. In addition, the wider optimisation of our AI and CX teams has also successfully delivered savings of circa AUD\$150,000 per quarter, which will begin to be recognised over the coming two quarters."

"In my opinion, Peppermint's current share price does not represent the true value of the Company's status as a officially recognised Non-Bank Financial Institution (NBFI) in the Philippines that holds a financial lending licence granted by the SEC. It also holds an Electronic Money Issuer (EMI) licence awarded by the Central Bank, a strategic partnership agreement with leading cooperative federation MASS-SPECC to deliver digital financial inclusion and owns the significant offering now being delivered by our AI & CX business division.

"We are implementing a program to increase our level of investor relations activities in FY25 to further promote our Company to both current and potential shareholders and stakeholders, with the aim to ensure Peppermint's true value is recognised."

JUNE 2024 QUARTERLY OPERATIONAL UPDATE AND OUTLOOK

MASS-SPECC Cooperative Development Center (MASS-SPECC)

During the June '24 quarter, Peppermint Bizmoto continued to work closely with MASS-SPECC's Pinoy Coop Mobile ("PCM") App delivery team to roll-out the PCM App across its 340+ cooperatives (representing some 3.4 million individual members).

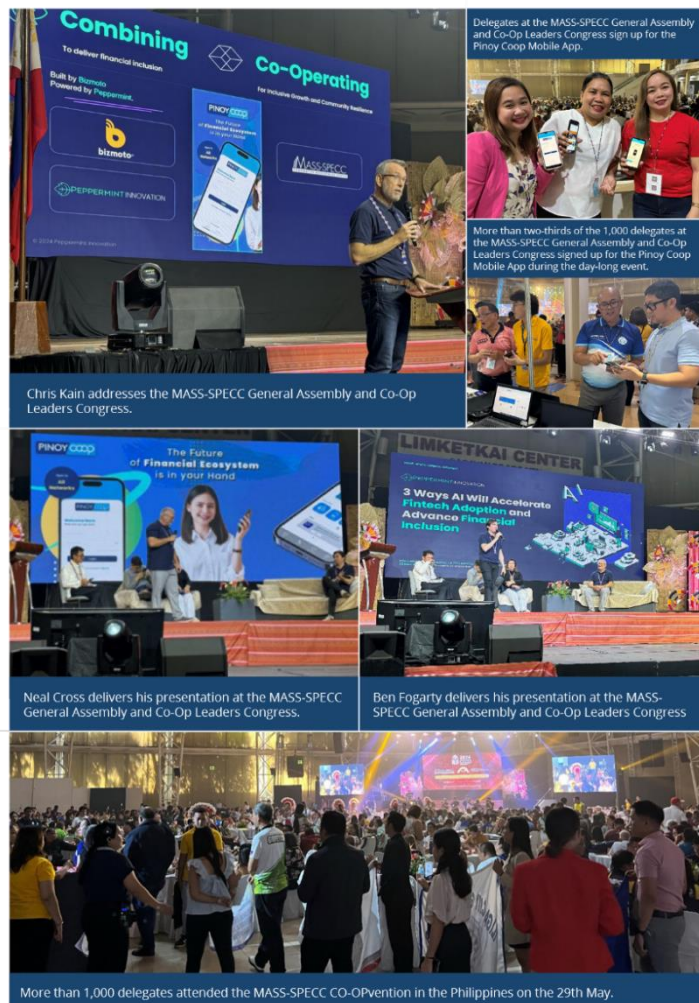
MASS-SPECC's PCM App delivery team has a comprehensive 'roadmap' to promote the mobile app to every MASS-SPECC coop member across the Mindanao region. It is focused on identifying key drivers for specific cooperatives and their members to encourage greater take-up and adoption of the PCM App.



The PCM App delivery team conducted site visits to numerous cooperatives to provide individual members with orientation and training on the use of the PCM digital technology. These site visits will continue for the rest of CY24 and into CY 2025 to onboard as many cooperatives and their individual members as possible.

As of 30 June 2024, a total of 1,324 users have registered to use the PCM App with more than 570 active users, more than 300 pending approvals and more than 420 with unfinished registrations. The level of transactional usage from the current number of registered PCM App users is not 100% representative of the true growth potential for the PCM App as many users are still building up their level of confidence in the PCM App. Anecdotal evidence shows users start using the PCM App for their every day-to-day financial needs once they are confident with the App.

The significance of the PCM App was reinforced at MASS-SPECC's General Assembly which was held in May and attracted more than 1,000 delegates from various MASS-SPECC cooperatives. Delegates at the conference, which was themed **"CO-Operating for Inclusive Growth and Community Resilience"**, stated the PCM App was the "key digital mobile app to directly empower each of MASS-SPECC's cooperative members to access financial services."



Peppermint aims to leverage its strategic partnership with MASS-SPECC by integrating the fundamental financial transaction of every Coop member into the PCM App. As such, the potential revenue opportunities for Peppermint are significant. For example, MASS-SPECC's current ATM network has processed cash withdrawals, bills payment and fund transfer transactions valued at more than Php 10 billion since December 2023. The potential value of migrating just these fund transfer transactions to the PCM App would translate to an exponential rate of PCM mobile transactions.

In addition, during the June '24 quarter MASS-SPECC also publicly revealed its wider vision to unify Co-Operatives across the Philippines and drive digital financial inclusion via the PCM App. The Philippines has almost 9,020 Co-Ops representing millions of individual Filipino members, according to the BSP. As MASS-SPECC's strategic technology and commercial partner, Peppermint will work to assist and empower MASS-SPECC to achieve its vision, potentially providing millions of Filipinos with access to the PCM App.

It is significant that Peppermint Innovation was the only strategic third-party commercial and technology partner invited by MASS-SPECC to attend the General Assembly and Co-Op Leaders Congress in May. Managing Director and CEO Chris Kain delivered the "Opening Message of Solidarity" for the General Assembly which focussed on how Peppermint is reshaping the role of FinTech in the digital transformation journey of MASS SPECC and its co-operative members.

Peppermint's Non-Executive Director Neal Cross and Chief Technical and Product Officer Ben Fogarty also presented at the General Assembly and Co-Op Leaders Congress. Mr Cross' presentation highlighted what a powerful tool the PCM would be in the hands of all members wanting to embrace the rapidly evolving financial ecosystem while Mr Fogarty's presentation centred around how AI and a proper focus on CX would accelerate fintech adoption and advance financial inclusion through the PCM.

BizmoLoan:

Gross revenue for bizmoLoan showed significant growth during the June '24 quarterly period, recording an impressive circa 136% increase quarter-on-quarter.

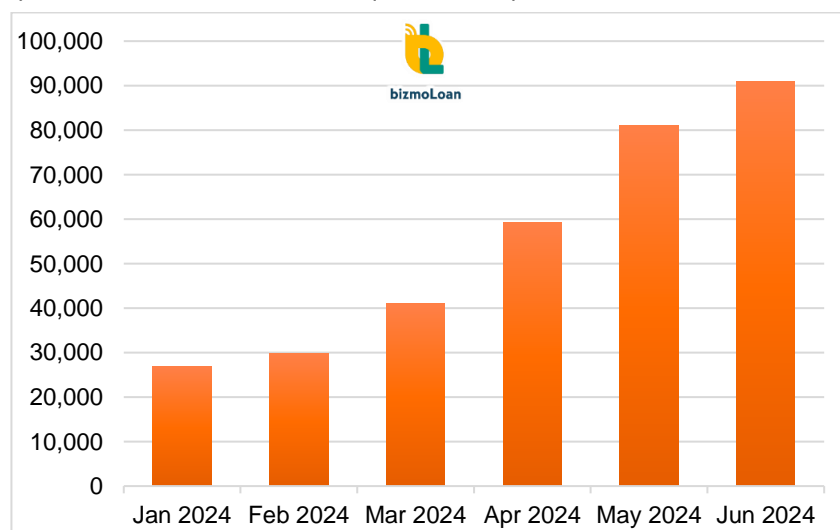


Figure 1: Quarterly revenue growth in Ph



The positive trend in gross revenue during the June '24 quarter was largely due to what we have learnt about the effective face-to-face marketing of micro-business loans to sari-sari stores. Strong bizmoLoan revenue growth still exists from sari-sari stores for the remainder of CY24.

In addition, new loan product offerings and/or promotional strategies were also effective in attracting new borrowers. Peppermint will continue to innovate and adapt loan products to ensure users' needs are addressed.

Peppermint Intelligence Limited (PINT)

During the June '24 quarter, PINT centered on enhancing AI features and customer experiences, achieving significant milestones.

PINT continued to secure additional new artificial intelligence ("AI") and customer experience ("CX") contracts, totaling more than AUD\$315,000 in the June '24 quarterly period. PINT has won more than AUD\$840,00 in new contracts and contract renewals in the six months to 30 June 2024.

The latest batch of contracts included a contract renewal with the London Stock Exchange-listed Informa plc and a new contract with the Geneva-based Arms Trade Treaty Secretariat. The contract renewal with Informa plc extends PINT's 4+ year relationship as their strategic digital and implementation partner, focusing recently on AI development initiatives.

One of the new projects that PINT secured during the June quarter involved an AI proof-of-concept aimed at improving content discovery conversion rates. This project aims to leverage AI technology to enhance how users discover and engage with content, ultimately driving higher conversion rates for the client. Several of the other contracts secured are centred on providing ongoing support and continuous improvement initiatives for various eCommerce sites, B2B SaaS platforms and B2B matching platforms that PINT has originally developed. These projects focus on enhancing functionality, user experience and performance through iterative updates and strategic optimisations.

PINT successfully implemented AI-driven marketing campaigns that accelerated customer acquisition by 35% within six months. Additionally, PINT's AI-powered recommendation engine increased conversion rates by 28%, leading to substantial revenue growth. In particular, AI-driven churn prediction reduced churn rates by 22% over a six-month period while AI-driven self-service support achieved a remarkable 40% issue-resolution rate within the first month of its implementation.

During the June '24 quarter, PINT's focus on the bizmoLoan user journey included a comprehensive end-to-end analysis and review. Initiatives began to enhance lead generation, optimise onboarding conversions and explore AI-driven enhancements for Know-Your-Customer and credit score modeling. Simultaneously, PINT completed the transition of all Philippines service contracts to a global services function under PINT's management, aimed at aligning and improving service delivery worldwide.

PINT is strategically positioned across multiple sectors. It has an emphasis on employing AI to elevate digital platforms and customer experiences and is targeting a FY25 sales pipeline of more than AUD\$1 million.

This strategic approach aligns with PINT's vision of leveraging AI technologies to enhance services for



both new and existing clients, making a key area of the Company's growth strategy.

PINT's proprietary "AI Readiness" assessment tool also generated significant interest across various UK markets during the June '24 quarter. The assessment tool forms a crucial part of PINT's broader CX and Technology Discoveries offerings, providing businesses with a unique and accelerated approach to assess AI opportunities, implement initial initiatives and lay the foundation for future AI integrations.

Cooperative Health Management Federation (CHMF):

Peppermint's API for CHMF is currently in the User Acceptance Testing ("UAT") phase. The API will seamlessly integrate CHMF's 1coophealth system with another major cooperative, facilitating access to CHMF's 1coophealth features for circa 150,000+ cooperative users via their mobile app. Some of CHMF's 1coophealth features include automatic onboarding, member updates and avilment counts.

During the June '24 quarter, Peppermint and CHMF finalised a new scope to enhance the API which will be implemented before the API goes into full production. This enhancement represents another development opportunity for Peppermint.

The API - while designed for a specific regional cooperative - can be repurposed for other cooperatives under the federation of CHMF, presenting further opportunities for Peppermint to extend its services. This aligns with Peppermint's goal to support the cooperative sector across the Philippines, further emphasising the Company's commitment to providing essential services to cooperatives and mass-based organisations.

Enterprise Clients:

The overall June '24 quarterly revenue from Peppermint Bizmoto's Enterprise Clients increased more than 50% quarter-on-quarter, with significant increases achieved from bills payment (up 131%) and eload (up 83%) quarter-on-quarter.

Corporate:

An Appendix 4C detailing expenditure for the June '24 Quarter is accompanying this Quarterly Activities Report and Operational Update.

Expenditure for the Quarter ended 30 June 2024 included:

- Administration and corporate costs of \$543,000 associated with running the Company, including ASX fees, audit fees, legal fees, share registry fees and rent.
- Product manufacturing and operating expenditure of \$253,000 incurred in producing products for sale;
- Advertising and marketing expenditure of \$144,000 related to marketing the Company and its products and services;
- Remunerations costs of \$597,000 comprising the costs of all staff employed by the Company and directors' remuneration. Of this, \$151,000 was paid by way of fees and salaries to related parties and \$14,000 was paid by way of superannuation to related parties.

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")

30 June 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	362	806
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(253)	(464)
(c) advertising and marketing	(144)	(574)
(d) leased assets	(6)	(20)
(e) staff costs	(597)	(1,856)
(f) administration and corporate costs	(543)	(1,364)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	10
1.5 Interest and other costs of finance paid	(9)	(9)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	330	330
1.8 Other (provide details if material)	(38)	(64)
1.9 Net cash from / (used in) operating activities	(895)	(3,205)
2. Cash flows from investing activities		
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 (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	(1)
	(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) – cash acquired in an acquisition	-	270
2.6	Net cash from / (used in) investing activities	-	269

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,110
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(68)
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)	-	-
3.10	Net cash from / (used in) financing activities	-	1,042

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,057	3,056
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(895)	(3,205)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	269

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,042
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,162	1,162

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,152	2,047
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	10	10
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,152	2,057

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

**Current quarter
\$A'000**

165

-

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

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.

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

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.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(895)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	1,162
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	1,162
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	1.3

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: No. The Company expects that costs will decrease, and revenue will increase.

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: Yes. The Company expects that its successful R&D rebate program will continue in this quarter, notes that further cash raising initiatives through the exercise of options are under way and that we have a Corporate Adviser mandate in place with CPS Capital who we continue to work with and are engaged to provide capital raising and corporate advisory services.

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: Yes. We will have sufficient capital to continue to work towards profitability with the projects we have in place.

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: 31 July 2024

Authorised by: By the Board
(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.