

ASX ANNOUNCEMENT

31 OCTOBER 2024

September '24 Quarterly Activities Report and Operational Update

Highlights

- Increased overall revenues by 26% quarter-on-quarter, with total cash receipts of \$456,000 for the September 2024 quarter
- Cost optimisation strategy has delivered a 40% decrease in costs quarter-on-quarter, with a reduction in costs by \$354,000 for the September 2024 quarter
- Official accreditation of PPMI membership received endorsing connection to the BSP's Real Time Gross Settlement (RTGS) system for direct integration with PESONet and InstaPay.
- Increased bizmoLoan revenue by circa 38% quarter on quarter
- Triple digit growth in registered users of the PCM app developed for MASS-SPECC as Tagum Mobile went "live" with the PCM bizmoto powered digital wallet in September.
- Value of PCM transactions processed to date Php19,187,189 (circa \$500,000) representing 6,876 transactions
- Significant growth in PCM user engagement with an increase of 63% in value of transactions and 43% increase in number of transactions in October compared to the month of September

PERTH, Australia, 29 October 2024: Peppermint Innovation Ltd (ASX:PIL) ("Peppermint" or "the Company") presents its Quarterly Activities Report and Operation Update for the period ending 30 September 2024.

Peppermint's Managing Director and CEO Chris Kain said: "The September 2024 quarter showed strong financial momentum, with bizmoLoan operations delivering 38% quarter-on-quarter revenue growth and overall revenue increasing 26%. Cost optimization efforts yielded impressive results, with quarterly cash burn reduced by 40%. Peppermint continues to streamline operations to focus on core Philippine activities and maximise value from established strategic relationships.

"Peppermint Bizmoto Inc. (PBI) achieved a significant milestone with its accreditation from Philippine Payments Management Inc (PPMI). This final endorsement enables direct integration with the Bangko Sentral ng Pilipinas (BSP) Real-Time Gross Settlement (RTGS) system, connecting to BancNet for



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InstaPay and the Philippine Clearing House Inc. for PESONet transactions. This integration, targeted for January 2025, will;

- Enable QR Ph national QR code functionality for P2P and P2M transactions
- Eliminate third-party fees, improving transaction margins
- Provide cost-effective interbank transfer services to EMI-licensed bizmoto wallet users, particularly benefiting unbanked micro-businesses and agricultural workers

"The PCM app deployment has achieved notable success, particularly through the partnership with Tagum Co-Op, one of Mindanao's largest cooperatives with 181,000 members. Key highlights include:

- Total PCM user base of 6,756
- Rapid adoption by Tagum Co-Op, securing 5,735 registered users within one month of September launch
- Robust transaction growth in October: 63% increase in transaction value and 43% growth in transaction volume compared to September
- Expansion of Tagum services, beginning with e-load API integration for mobile airtime top-ups

"The successful implementation at Tagum Co-Op represents just the beginning, as it is one of 340+ cooperatives in the MASS-SPECC network, which encompasses 3.4 million potential users. This early success and growing engagement suggest significant expansion potential across the broader MASS-SPECC cooperative network."

SEPTEMBER 2024 QUARTERLY OPERATIONAL UPDATE AND OULOOK

MASS-SPECC Cooperative Development Centre (MASS-SPECC)

In the September 2024 quarter, Peppermint Bizmoto advanced its strategic partnership with MASS-SPECC, focusing on deploying the Pinoy Coop Mobile (PCM) App across their network of 340+ cooperatives, which serves approximately 3.4 million members.

As a key player in Mass-Specc's Digital RoadMap, Peppermint facilitates digital connectivity between cooperative members and enables seamless platform integration across various organizations, from Coop Federations to Micro Financing Organizations. This collaboration aims to democratize access to essential services, including payments, fund transfers, credit information, microfinancing, insurance, farm-to-market networking, affordable medicines, and other financial services.

Mass-Specc's ecosystem development strategy positions the PCM app as a central hub for connecting underserved communities with formal financial services. The platform delivers tailored solutions at price points that balance affordability for users with sustainable operations for service providers.

The platform has shown encouraging early adoption, with 6,756 registered users split between PCM (1,021 users) and Tagum (5,735 users). Transaction metrics demonstrate robust growth, with 6,867 transactions totalling Php 19,187,189 (approximately \$500,000). October showed particularly strong momentum, with transaction volume increasing 43% and value growing 63% compared to September.

User engagement is further evidenced by 6,742 ATM-to-bizmoto wallet transfers, totalling Php 20,759,093.88 (\$542,000). While these transfers are currently fee-free, they indicate strong user activity and platform utilisation.



The growth potential is substantial, given Mass Specc's Co-Operative federation network membership base includes over 382,000 ATM cardholders who processed 7.9 million transactions worth Php34.34 billion in the first half of 2024. Peppermint and Mass-Specc are actively targeting to convert these ATM cardholders to the PCM app platform as soon as possible.

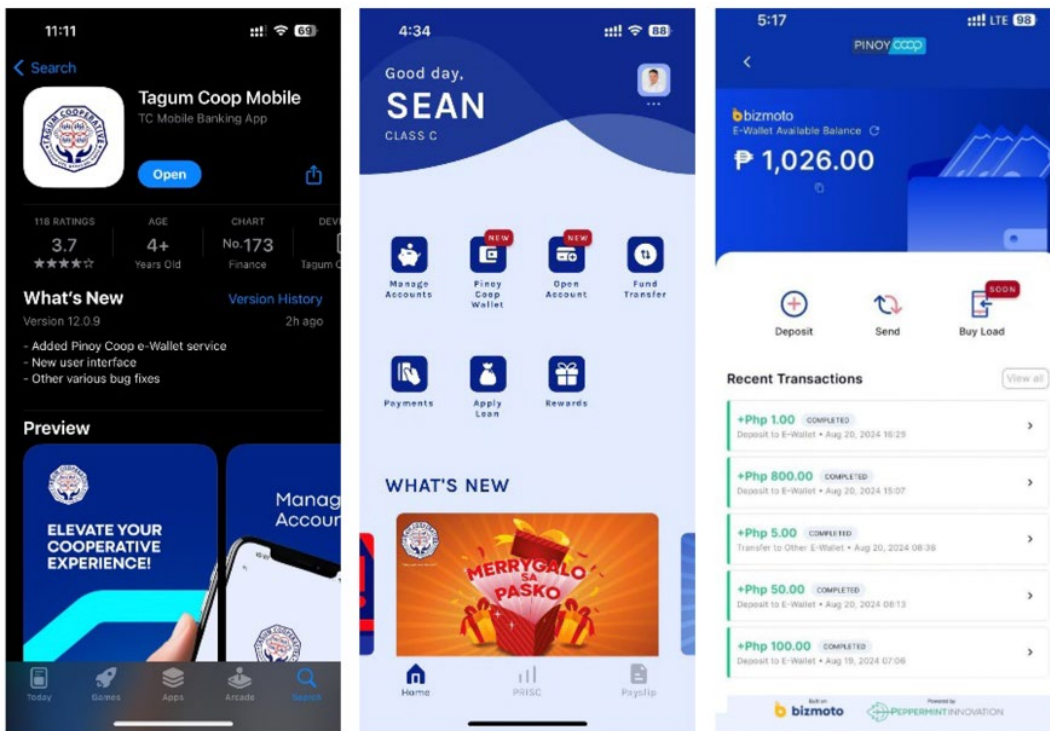


Figure 1: PCM wallet services available in the Tagum mobile App.

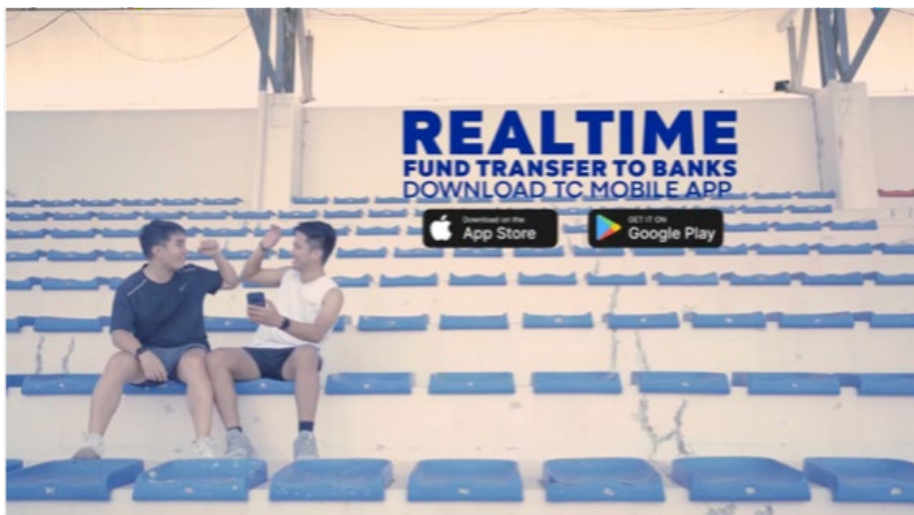


Figure 2: Tagum Facebook Live Advertising



BizmoLoan:

Gross revenue for bizmoLoan showed significant growth during the September'24 quarter, recording a strong 38% increase quarter-on-quarter. On an annual quarterly comparative basis our September '24 to September '23 bizmoLoan revenue has grown by almost 13 times.

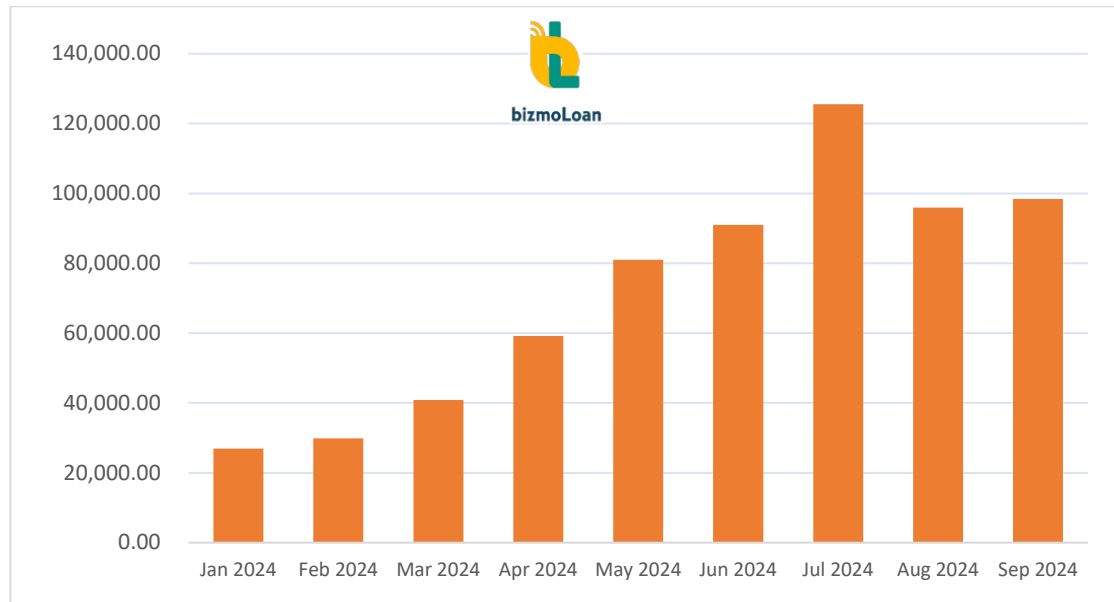


Figure 3: Quarterly revenue growth in Php

The data highlights not only a successful growth strategy but also an ability to capitalize on market opportunities, indicating a strong potential for continued expansion.

The positive trend in gross revenue during the September '24 quarter followed on from a strong June quarter and was largely due to what we have learnt about the effective face-to-face marketing of micro-business loans to sari-sari stores. We believe bizmoLoan revenue growth from sari-sari stores can be achieved 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)

Following recent successes with the PCM App deployment through MASS-SPECC and Tagum, coupled with the growth in bizmoLoan, Peppermint is sharpening its focus on core Philippines operations. While our collaboration with PINT on AI transformation has provided valuable insights, we recognize the need to evolve our capabilities further. As such we are developing a specialised Asia-focused strategy and implementation team to support our expanding Philippines operations.

While PINT secured new contracts in the September 2024 quarter, their UK-based outsourced technical development model carries high operational costs and faces intense market competition. PINT's business model no longer aligns with our core Philippines market focus. We are currently in discussions with PINT Management to determine the most beneficial path forward for all stakeholders.



Corporate:

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

Expenditure for the Quarter ended 30 September 2024 included:

- Administration and corporate costs of \$205,000 associated with running the Company, including ASX fees, audit fees, legal fees, share registry fees and rent.
- Product manufacturing and operating expenditure of \$250,000 incurred in producing products for sale.
- Remunerations costs of \$546,000 comprising the costs of all staff employed by the Company and director's remuneration. Of this, \$163,000 was paid by way of fees and salaries to related parties and \$16,000 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:

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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, 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 September 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	456	456
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(250)	(250)
(c) advertising and marketing	(1)	(1)
(d) leased assets	-	-
(e) staff costs	(546)	(546)
(f) administration and corporate costs	(205)	(205)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	5	5
1.9 Net cash from / (used in) operating activities	(541)	(541)
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	-	-
	(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)	-	-
2.6	Net cash from / (used in) investing activities	-	-
3. Cash flows from financing activities			
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
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	-	-
4. Net increase / (decrease) in cash and cash equivalents for the period			
4.1	Cash and cash equivalents at beginning of period	1,225	1,225
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(541)	(541)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

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)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	684	684

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	674	1,215
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)	684	1,225

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
179
-

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)	(541)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	684
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	684
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: Operating costs will be reduced as stated in the Activities Report.

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: The Company is in advanced discussions with an investor wishing to invest in Convertible Notes to be issued by the Company in the current quarter and provide an ongoing funding facility. The Directors are confident that these discussions will be successful in raising new capital"

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 on the basis it will be fully funded.

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 October 2024

Authorised 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.