

ASX ANNOUNCEMENT

31 January 2025

December '24 Quarterly Activities Report and Operational Update**Highlights**

- Up to AUD\$3m funding package secured to strengthen balance sheet and provide ongoing funding for core operations in the Philippines through a convertible note
- Sale of PINT for GBP235,000 (circa AUD460,000), with all costs of acquisition and operating costs since December 2023 to be recouped
- Formation of an Innovation Advisory Board to bring the world's top talent to focus on micro-finance in the Philippines
- Appointment of Shashank Power to the Innovation Advisory Board– the current Microsoft Director of Data Modernisation APAC
- Fund transfers into Bizmoto wallet from ATM accounts within the MASS-SPECC network increased 592% by value and 352% by transaction volume
- Loan performance continued to trend positively with the Non-Performing Loan rate further improved.
- Instapay, PESONet and RTGS fund transfers on track for a go-live date in Q1 2025

PERTH, Australia, 31 January 2025: Peppermint Innovation Ltd (ASX:PIL) ("Peppermint" or "the Company") presents its Quarterly Activities Report and Operation Update for the period ending 31 December 2024 and is pleased to provide the following commentary and update to shareholders.

Peppermint's Managing Director and CEO Chris Kain said: "The December quarter marked a transformative period for Peppermint, with strategic developments strengthening our focus on core Philippines operations.

"Key corporate milestones included securing an AUD\$3 million Convertible note from Obsidian Global GP LLC and establishing an Innovation Advisory Board led by Neal Cross, with Microsoft APAC Data Modernisation Director Shashank Pawar joining as a member.

"We successfully divested PINT for GBP235,000 to recover all acquisition and operational costs since December 2023. While this affected quarterly revenue, it eliminated PINT's significant expenses (totalling \$278,520 in the December quarter over only two months, including \$152,613 in staff costs) from future quarters.



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"The quarter presented industry-wide challenges as the Philippines Fintech sector faced widespread cyber-attacks, notably affecting GCash, the country's leading mobile payment platform. Prioritizing customer safety, we implemented voluntary system downtimes for security assessment. While these precautionary measures led to a 23% quarterly revenue decline in bizmoto operations, they successfully protected our users' funds, with no unauthorized transactions or losses affecting bizmoLoan or bizmoto wallet customers.

"Following the industry-wide cyber-attacks, we've strengthened our cybersecurity infrastructure through critical AWS environment updates. Looking ahead to 2025, we're prioritizing further enhancements to our AWS infrastructure's security, resilience, and scalability to combat evolving cyber threats.

"Business performance has shown encouraging signs since December, with transactions and revenue regaining momentum as industry confidence returns. Notably, bizmoLoan achieved approximately 800% year-over-year revenue growth from 2023 to 2024. Our strategic position is further strengthened by our advisory board's expertise in AI-powered credit scoring and loan automation.

"Operational developments include:

- PBI's approval from PPMI for direct PESONet and Instapay integration, with plans to launch direct InstaPay access via Bizmoto EMI digital wallet by Q1 end, offering more efficient and secure fund transfers at reduced fees.
- Continued growth in our MASS-SPECC partnership with access to 3.4 million potential users, with PCM app registrations increasing 237% since September '24 quarter.
- Expanded platform capabilities creating interconnectivity with partner Federations of Cooperatives, to build a nationwide network supporting our digital-first and hybrid services."

DECEMBER 2024 QUARTERLY OPERATIONAL UPDATE AND OUTLOOK

Funding Agreement

The issuance of convertible notes to Obsidian Global GP LLC (Obsidian) to this point has comprised and initial tranche of \$750,000 made available to the company within 5 business days after execution of the agreement and tranche two of \$250,000 within 5 days after the Company's 2024 AGM.

Further tranches, up to a value of \$2,000,000 within 18 months can be drawn down based upon mutual agreement. Specific details of the notes can be accessed via the ASX announcement on 5 November 2024.

This agreement was preferred over an equity raise as we believe this protects shareholder value at a time when it is our belief that the current share prices significantly under-values the company's true worth.



MASS-SPECC Cooperative Development Centre (MASS-SPECC)

During the December '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+ associated cooperatives (representing some 3.4 million individual members).

Peppermint plays a crucial role in the MASS-SPECC Digital RoadMap. It creates connectivity among cooperative members and supports interoperability between digital platforms of various organisations—from Coop Federations to Micro Financing Organizations—under a MASS-SPECC partnership. This partnership aims to provide access to affordable services for millions of members in the network. These services include payments, fund transfers, credit bureau information, microfinancing, insurance, farm-to-market networking, cheaper medicines, and other transactions.

The alliances organized by MASS-SPECC focus on building an entire ecosystem centred on the PCM app. This app serves as the focal point to connect with various financially excluded and underserved communities. It provides them with a range of formal financial services tailored to their needs, responsibly delivered at costs that are both affordable for customers and sustainable for providers.

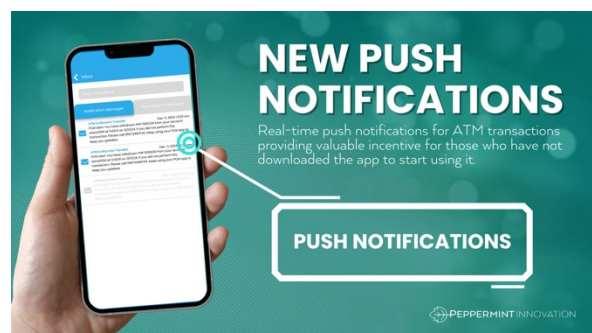
Currently a total of 11,457 users have registered to use the PCM App with 6,636 users added since the end of the September '24 quarter.

Additional transaction volumes include:

- ATM Account to Bizmoto Transfers: Value of transfers rose by 592% from ₱8.6m to ₱59.7m
- ATM Account to Bizmoto volumes: transaction volume grew by 352% from approximately 3000 to over 10,000 transactions

Our collaboration with MASS-SPECC continues to grow stronger through two new development projects delivering user adoption focussed enhancement to the PCM app, further solidifying our partnership. These enhancements, valued at circa \$48,000 showcases the continued trust and commitment between our teams as we work together on making the PCM app more valuable to its users through the following features to be added:

1. QR Code Registration
2. Cooperative Push Notification Feature
3. Attendance Tracking for PCM and Non-PCM Members
4. Real-time push notifications for ATM transactions.



BizmoLoan

bizmoLoan's gross revenue declined 23% during the December quarter. While Gold level loans to core borrowers increased by 26%, this growth was offset by a 34% drop in micro loans. The decline in micro loans, which are specifically used for bizmoto eLoad and bill payment services, was due to temporary service suspensions implemented in response to industry-wide cybersecurity threats. These voluntary precautionary measures were taken to protect customer safety and maintain platform integrity.

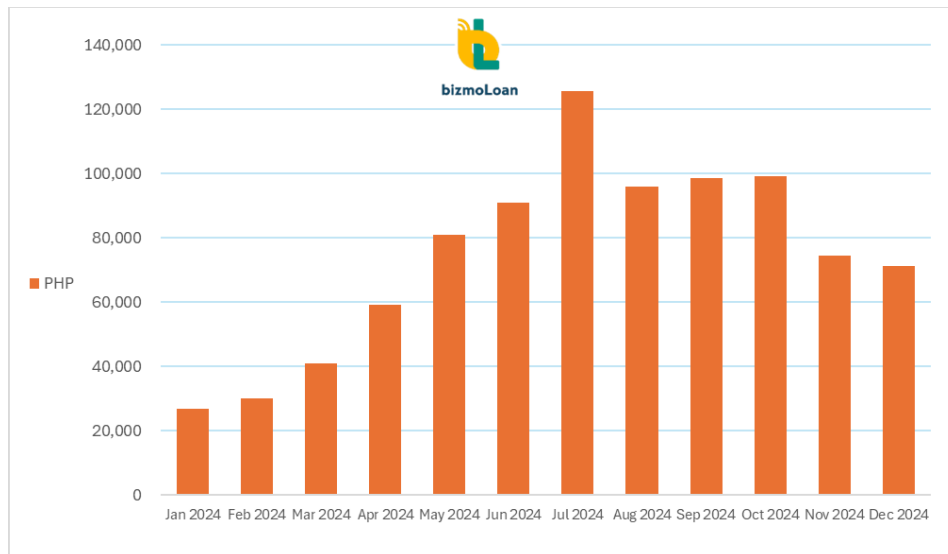


Figure 1: bizmoLoan Monthly revenue Php

Having addressed and stabilised operations post the recent industry-wide cybersecurity challenges, we expect loan issuance to rebound in Q1 2025. To drive significant growth in monthly loan approvals, we are implementing three strategic initiatives:

1. Increasing agent approval rates by 50%
2. Expanding our sales force into new territories
3. Introducing performance incentives for top performers in loan approvals and collections

InstaPay, PESONet, and RTGS Fund Transfer Integration Update

After receiving PPMI accreditation, Peppermint Bizmoto Inc. (PBI) is now implementing direct integration with the Philippines' national payment infrastructure. The integration connects PBI to the BSP's Real-Time Gross Settlement system, BancNet for InstaPay, and PCHC for PESONet transactions. Our engineering team is currently focused on connecting the bizmoto system and PCM to the National Retail Payment System (NRPS).

The BancNet InstaPay integration has reached the connectivity phase and is scheduled to go live in Q1 2025. This will be followed by integration with PCHC's PESONet. These developments will enhance the bizmoto platform's fund transfer capabilities, offering users faster, more reliable, and cost-effective payment services across the Philippines' payment ecosystem.



Peppermint Intelligence Limited (PINT) and formation Innovation Advisory Board

The PINT business was sold for GBP235,000 as announced on the 3rd of December to recoup the costs of acquisition and costs incurred operating the business since the purchase were recouped.

Having reached the limits of PINT's AI capabilities and facing high operational costs (\$278,520 in Peppermint's December quarter alone over two months), we sought more advanced technological solutions and deeper understanding of AI and data driven decision making. While PINT pursued external contracts in the competitive UK market, we decided to pivot toward a more superior and sophisticated technology approach and understanding focused exclusively on our core operations in the Philippines.

The Innovation Advisory Board will be chaired by PIL Board member Neal Cross, and the company is pleased to redeploy the funds from the sale of PINT to support this AI and machine learning transformation.

Mr Shashank Pawar, Director of Data Modernisation APAC for Microsoft is the first of a few exciting appointments we have planned for the Board. In his 25 years at Microsoft, he has helped thousands of companies across Australia, and more recently the Asia Pacific, to digitally transform their business using data and AI.

Initially the focus of the Board will be on reviewing our data and AI architecture, before moving onto projects like unique AI-powered credit scoring and a micro-credit bureau with services to be made available via the Peppermint platform to strategic corporate partners and the wider Philippines market.

Corporate

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

Expenditure for the Quarter ended 30 December 2024 included:

- Administration and corporate costs of \$510,000 associated with running the Company (Including PINT), along with ASX fees, audit fees, legal fees, share registry fees and rent.
- Product manufacturing and operating expenditure of \$160,000 incurred in producing products for sale.
- Remunerations costs of \$462,000 comprising the costs of all staff employed by the Company and director's remuneration for the December quarter. Of this, \$160,000 was paid by way of fees and salaries to related parties and \$16,000 was paid by way of superannuation to related parties. Final staff costs attributable to PINT for the December quarter amounted to \$152,613.

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.



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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 December 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	152	608
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(160)	(326)
(c) advertising and marketing	-	(1)
(d) leased assets	-	-
(e) staff costs	(462)	(1,008)
(f) administration and corporate costs	(510)	(799)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	3
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	313	313
1.8 Other (provide details if material)	(5)	-
1.9 Net cash from / (used in) operating activities	(670)	(1,211)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(9)	(9)
(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	194	194
	(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	185	185

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	1,000	1,000
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	1,000	1,000

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	684	1,225
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(670)	(976)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	185	185

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)	1,000	1,000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,199	1,199

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	1,189	674
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)	1,199	684

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
176
-

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)	(670)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	1,199
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	1,199
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	1.8

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 because operational costs will reduce after the sale of the PINT subsidiary in December 2024.

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 has a \$3mm facility in place with Obsidian of which it has drawn down \$1mm.

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 in view of the progress the Company is making with the commercialisation of its Platform in the Philippines and the financial facility it has 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 January 2025

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.