

ASX ANNOUNCEMENT

28 October 2026

QUARTERLY ACTIVITIES REPORT AND OPERATIONAL UPDATE FOR THE PERIOD ENDED 30 SEPTEMBER 2026

Receipts up 15x and operating cash outflow down 55% as P2M payments
scale on Peppermint's licensed rails

HIGHLIGHTS

- **Receipts from customers increased ~15x quarter on quarter to A\$1.18 million** (June quarter: A\$78,000), reflecting the commercial scale-up of Peppermint's QR Ph Person-to-Merchant (P2M) payment processing business
- **Net cash used in operating activities fell 55% to A\$287,000** (June quarter: A\$643,000), with receipts covering all direct costs of sales and around half of corporate and staff overheads
- **Peppermint Bizmoto Inc. (PBI) gross revenue rose to ₱48.2 million** in the September quarter, up from ₱2.2 million in the June quarter
- **P2M deposits processed reached ₱4.51 billion in September**, an average of ₱150.2 million per day, with every day of the month above ₱100 million
- **P2M network transactions increased 4.2x** from 2.74 million in August to 11.53 million in September, following the successful migration of the platform to an enterprise-grade Java architecture on 7 August 2026
- **Partner-led model gaining traction:** 94 direct merchants and 11 Operators of Payment Systems (OPS) partners managing a further 225 indirect merchants at quarter end
- **Bank-grade reliability at scale:** September approval rate of 99.87% (target: 96%) and timeout ratio of 0.0064% (ceiling: 1.0%), with network timeout errors down 54% despite a fourfold increase in transactions
- **Momentum continuing into the December quarter:** preliminary, unaudited data shows P2M deposits of ₱8.20 billion across 19.3 million transactions for 1–21 October, already 1.8x September's full-month total
- **Cooperatives remain central to the strategy:** P2M merchant payments to be piloted within Pinoy Coop Mobile (PCM) cooperative networks in the December quarter, supported by the Peppermint Pay static QR solution for micro-retailers



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PERTH, Australia, 28 October 2026: Peppermint Innovation Ltd (**ASX:PIL**) ("**Peppermint**" or "**the Company**") presents its Quarterly Activities Report and Operational Update for the period ended 30 September 2026.

Peppermint's Managing Director and CEO Chris Kain said:

"The September quarter is the quarter our business model proved itself. Following the migration of our payments platform to Java in August, our licensed rails processed more than ₱4.5 billion in P2M deposits in September alone, and Peppermint Bizmoto's gross revenue increased to ₱48.2 million, from ₱2.2 million in the June quarter.

That growth is now clearly visible in our cash flow. Receipts from customers increased around fifteen-fold to A\$1.18 million and net cash used in operating activities fell 55%, even as we continued to invest in platform security, network resilience and compliance.

Importantly, this has been achieved through the partner-led model we outlined earlier in the year. Rather than acquiring every merchant ourselves, Operators of Payment Systems and network partners bring merchants onto Peppermint's regulated platform, which is directly connected to InstaPay, QR Ph and PESONet. With 11 OPS partners, more than 300 direct and indirect merchants, and onboarding times cut from seven days to two, we have built a highly scalable distribution model.

Our commitment to the cooperative sector and to digital financial inclusion is unchanged. In the December quarter we will bring P2M payments into the PCM cooperative network, giving members everyday places to use their wallets, and Peppermint Pay will allow sari-sari stores and other micro-retailers to accept QR Ph payments with a single printed code.

The early October data shows this momentum is continuing. We are working constructively with ASX as we progress towards reinstatement and look forward to updating shareholders as we deliver on the next phase of growth."

SEPTEMBER QUARTERLY OPERATIONAL UPDATE AND OUTLOOK

Strategic Progress and Commercial Momentum

The September quarter marked Peppermint's transition from pilot to commercial scale. Having completed the QR Ph P2M pilot in the June quarter, the Company migrated its payment ecosystem to a new enterprise-grade Java architecture in August, which unlocked a step change in transaction throughput, revenue and operating cash flow.



Growth has been driven by the partner-led strategy outlined in the March and June quarters, under which OPS partners, network aggregators and direct merchants access Peppermint's regulated payments infrastructure, including its Electronic Money Issuer (EMI) licence and direct participation in the Philippines' national payment rails, without having to build that infrastructure themselves.

Person-to-Merchant (P2M) Payment Processing

Platform migration: On 7 August 2026, Peppermint began migrating P2M merchants from its legacy PHP framework to the new Java environment, led by two established merchants under an OPS partner. All legacy PHP direct merchants were subsequently transitioned to the new platform during the quarter.

Throughput and scale: P2M network transactions grew from 2.74 million in August to 11.53 million in September (4.2x). September deposits processed reached ₱4.51 billion, an average of ₱150.2 million per day, with all 30 days above ₱100 million and three full weeks above ₱1 billion. The single-day deposit record was reset four times during the quarter, most recently to ₱190.5 million on 30 September.

Across the quarter, P2M deposits averaged ₱1.92 billion per month across approximately 4.8 million transactions, with P2M withdrawals averaging ₱1.80 billion per month across approximately 1.5 million transactions.

Network metric	August 2026	September 2026	Target
Total transactions	2,739,117	11,529,295	—
Approved transactions	2,734,313	11,514,013	—
Approval rate	99.84%	99.87%	Min. 96.00%
Timeout ratio	0.0496%	0.0064%	Max. 1.00%
Network timeout errors	1,620	744	—

Merchant and partner network: At 30 September 2026, Peppermint served 94 direct merchants and merchant groups across sectors including fintech, retail, lending and general commerce. This was supplemented by 11 active OPS partners managing an aggregate 225 indirect merchants. The top three OPS partners account for 59 of the 225 indirect merchants (26%).

High-value settlement via PESONet: Merchant settlement requests above the ₱50,000 InstaPay limit are cleared via PESONet. PESONet processing for the quarter totalled ₱243.0 million.

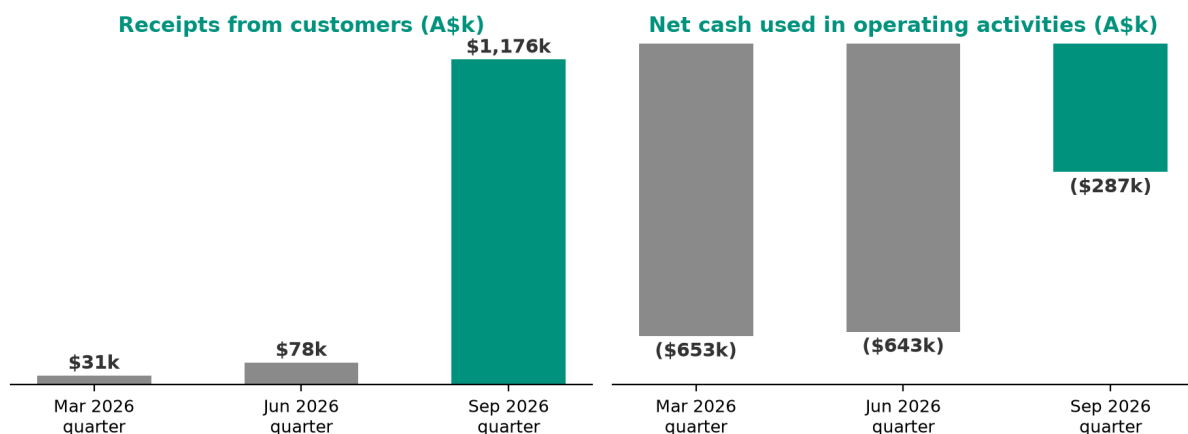


Operational controls: The Company strengthened controls around P2M during the quarter, including router fixes for callback handling and withdrawal processing, payment-amount validation for QR payments, batch status updates in the Callback Dashboard, a dispute management tool with automated merchant notices, a weekly settlement audit, and a Merchant Go Live Manager to track onboarding.

Financial Performance

PBI, Peppermint's licensed EMI subsidiary in the Philippines, recorded gross revenue of ₱48.2 million in the September quarter, compared with ₱2.2 million in the June quarter. Growth was driven primarily by P2M operations following the Java migration, together with continued merchant onboarding and OPS partner expansion.

This translated directly into the Company's Appendix 4C cash flows:



A\$'000	June 2026 quarter	September 2026 quarter	Change
Receipts from customers	78	1,176	+ 1,408%
Direct cost of sales / operating costs	(47)	(889)	Volume related
Staff costs	(400)	(322)	-20%
Administration and corporate costs	(274)	(251)	-8%
Net cash used in operating activities	(643)	(287)	-55%

Receipts from customers increased from A\$78,000 to A\$1,176,000, while combined staff and administration costs fell 15% to A\$573,000. Receipts covered all direct costs of sales during the quarter, with the remaining A\$287,000 contributing to around half of the Company's staff and corporate overheads. As a result, net cash used in operating activities fell 55% to A\$287,000, the lowest quarterly operating cash outflow ever reported.



Based on operations for October to date, the Company is currently operating in a positive cash flow state and expects to maintain this for the December 2026 quarter.

Pinoy Coop Mobile (PCM) and the Cooperative Sector

The cooperative sector remains central to Peppermint's strategy and to the Bangko Sentral ng Pilipinas' (BSP) digital financial inclusion agenda. During the quarter, PCM showed divergent trends across its cooperative footprint:

The expanding non-Tagum footprint delivered solid growth in registered and active users, although growth in transaction activity was constrained by limited physical cash-in and cash-out touchpoints. In the more mature Tagum base, activity softened during the quarter, reflecting legacy system friction ahead of the full architecture upgrade and the temporary deactivation of bills payment and e-load services while they were migrated to the new platform.

To lift activity across the cooperative network, Peppermint is:

- accelerating the rollout of ATM-to-Bizmoto cash-in touchpoints in non-Tagum cooperative regions;
- working with cooperative boards to integrate everyday use cases into the Bizmoto wallet, such as loan repayments, product pooling payments and cooperative store checkouts;
- launching targeted member activation campaigns alongside cooperative-led digital literacy workshops; and
- piloting P2M merchant payments within PCM cooperative networks from the December quarter, giving members local places to use their wallet balances.

Bringing P2M, the driver of this quarter's revenue growth, into the cooperative network is expected to improve activation and retention and to open a merchant-side revenue stream within the PCM ecosystem.

Technology, Security and Infrastructure

- **Fraud Management System:** development of an in-house fraud management system is under way, with the core P2P service layer in user acceptance testing.
- **Security:** post-VAPT (vulnerability assessment and penetration testing) remediation is being executed across all core software layers, and preliminary gap assessments have commenced as the first step towards PCI-DSS compliance. Engineering capability has been strengthened with a dedicated Cloud Engineer and a senior AWS consultant.
- **Network resilience:** a dedicated MPLS link through PLDT is being provisioned to replace internet-based VPN tunnels carrying InstaPay traffic, targeted for full operation in the last week of October 2026, to further reduce connectivity-related timeouts.
- **Peppermint Pay:** development of Peppermint Pay, a static QR solution that allows sari-sari stores, small shops, food stalls and other walk-in businesses to accept QR Ph payments from a single printed code with no terminal required, was completed during the quarter.



POST QUARTER EVENTS

Preliminary October Trading (unaudited)

Preliminary and unaudited operating data for 1–21 October 2026 shows continued growth in P2M activity:

Metric	September 2026 (full month)	1–21 October 2026
P2M deposits	₱4.51 billion	₱8.20 billion
Network transactions	11,529,295	19,301,656
Approval rate	99.87%	99.82%
Timeout ratio	0.0064%	0.0389%

October 1 set an all-time daily high of ₱500.7 million in P2M deposits, the day two new OPS partners and two direct merchants went live after merchant onboarding time was reduced from seven days to two. The week of 12–18 October was the largest on record at ₱2.81 billion.

These figures are drawn from daily InstaPay operations data, have not been reconciled or audited, and may change. December quarter revenue and cash flows will be reported in the Company's next quarterly report.

New Partner Agreements

Peppermint continued to expand its partner network after quarter end, consistent with its partner-led strategy:

- **Manny Pay:** On 13 October 2026, Peppermint signed a memorandum of understanding with Manny Pay, a BSP-registered Operator of Payment Systems, for a strategic partnership to expand QR Ph digital payments for merchants, businesses and consumers across the Philippines. The partnership also aims to support financial inclusion and wider QR Ph adoption.
- **ARX (Asian Regulatory Xchange):** On 14 October 2026, PBI signed a merchant payment services agreement with ARX, a payment orchestration and compliance provider registered under the Philippine Amusement and Gaming Corporation (PAGCOR) public supplier framework. Under the agreement, Peppermint's QR Ph P2M settlement framework will be integrated into ARX's payment orchestration layer, enabling auditable digital payments between customers and licensed merchants within AML controls.

Together, these partnerships extend the reach of Peppermint's licensed payment rails through additional partner channels.



CORPORATE

ASX Reinstatement

During the quarter, the Company continued progressing its application for reinstatement to trading on ASX and on 23 October we received a letter stating the ASX intended to reinstate PIL securities to official quotation upon satisfaction of certain conditions precedent. In particular, these included the lodgment of a Prospectus along with an Independent Experts Report (on the Company's working capital and condition for the next 12 months). The Company is addressing all these conditions now as quickly as possible and looks forward to progress which it will report to shareholders.

Funding

During the quarter, the Company received A\$151,000 from the issue of equity securities to our established Philippines based payments sector partners who exercised their pro-rata equity issue rights. Additionally, we drew a A\$150,000 short-term loan from Chill Investments Pty Ltd at an interest rate of 8% per annum, repayable on the earlier of five months, five business days after completion of an equity raising of up to A\$750,000, or a change of control of the Company.

Cash and cash equivalents at 30 September 2026 were A\$438,000.

Appendix 4C and Expenditure

An Appendix 4C detailing cash flows for the September 2026 quarter accompanies this report. Expenditure for the quarter included:

- Direct cost of sales: A\$889,000, associated with processing P2M payment volumes.
- Administration and corporate costs: A\$251,000 associated with running the Company, including ASX fees, audit fees, legal fees, share registry fees and rent.
- Remuneration costs: A\$322,000, comprising the costs of all 35 staff and consultants employed by the Company and directors' remuneration.
- Payments to related parties: Payments of A\$136,000 to related parties and their associates are included in Item 6.1 of the Appendix 4C.

~~ Ends ~~

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



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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, payments and lending platform built and deployed to deliver digital financial inclusion to the people of 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")

30 September 2026

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,176	1,176
1.2 Payments for		
(a) research and development	-	-
(b) direct cost of sales	(889)	(889)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(322)	(322)
(f) administration and corporate costs	(251)	(251)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
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)	-	-
1.9 Net cash from / (used in) operating activities	(287)	(287)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(4)	(4)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	(4)	(4)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	151	151
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	(2)	(2)
3.5	Proceeds from borrowings	150	150
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	299	299

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	430	430
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(287)	(287)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4)	(4)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	299	299
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	438	438

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	423	415
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	15	15
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	438	430

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
136
-

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	150	150
7.2 Credit standby arrangements	-	-
7.3 Other (note facility)	-	-
7.4 Total financing facilities	150	150

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.

Short term loan from Chill Investments Pty Ltd at an interest rate of 8%, repayable on the earlier of 5 months, 5 business days after completion of an equity raise of not less than \$750,000 or change of control of the company.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(287)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	438
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	438
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	1.5

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: The Company's operations have significantly improved resulting in the company trading cash flow positive in October, which is expected to continue in future months and quarters.

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 continues to assess funding opportunities as part of its ongoing capital management strategy and has secured future capital commitment.

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 the Company will be able to continue operations and meet its business objectives as a result of significant improvement in cashflow and successful fund raising.

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: 28 October 2026

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.