

ASX ANNOUNCEMENT

ASX Code: PIL

Quarterly Overview and Operational Update

- Cash receipts up 14% quarter-on-quarter to \$257,000 with increases in scale and reach of programs forecast in forward quarters
- Over 15,000 registered Bizmoto agents
- BizmoGo delivery riders now deployed in three key regions around metropolitan Manila
- Almost 100 merchants have subscribed for BizmoGo delivery program
- Ongoing brand and content development of e-commerce module – BizmoTinda
- Targeted Q3 marketing campaign to build on current momentum
- Peppermint-developed mobile app launched by Cooperative Health Management Federation (CHMF) providing medical-related information to its 41,000 members
- Phase 2 of mobile app will introduce a wallet, QR code payments and other member-to-member payment functionalities for CHMF's members
- Peppermint named one of 50 winning companies in 2019 global 'Inclusive Fintech 50' competition
- Peppermint progressing roll-out of mobile banking technology and services to BancNet member outsourcing banks
- \$2 million placement from PEGG Capital (at 2.5cps) will be completed

PERTH, AUSTRALIA, 31 July 2019: Peppermint Innovation Ltd (**ASX: PIL**) ("Peppermint" or "the Company") presents its Quarterly Report for the period ended 30 June 2019 and is pleased to provide the following commentary and update to shareholders.

Commenting on the June quarter activities, Peppermint's Managing Director and CEO Chris Kain said: "Peppermint has delivered another strong quarter of growth with cash receipts up to \$257,000 – representing a 14% increase on our March quarterly result which was a good outcome given the capital constraints we dealt with during the period.

"This result is largely due to successfully meeting our operational objectives, including the registration of additional Bizmoto agents, driving mobile app downloads and utilisation rates for those agents, increasing 'e'-wallet loading and activations, deploying our BizmoGo delivery riders to two regions around Manila and acquiring new merchants for our BizmoGo offering.



“In May, we formally launched our mobile App that was developed for the Co-operative Health Management Federation (CHMF), a premier technology-based organisation that allows cashless utilisation of member insurance accounts through its national network. We look forward to developing the next phase of the mobile App for CHMF which will include the development of a wallet, QR code payments and other member-to-member functionalities.

“Peppermint will continue to focus on the co-operative sector throughout the Philippines which provides us with access to members throughout regional and rural areas, and is another important building block to help the Company deliver financial inclusion to the people of the Philippines.

“In June, Peppermint was recognised for its role in driving financial inclusion and tailoring services and solutions for unbanked people in the Philippines when it was one of 50 companies named in the 2019 “Inclusive Fintech 50”. We are incredibly proud to be named a global ‘Inclusive Fintech 50’ winner and believe the award justly recognises our business model and our company’s vision.

“In terms of funding, the \$2million PEGG Capital placement is imminent, with regulatory foreign exchange and banking jurisdictional clearances currently being processed. The company has been in daily contact with PEGG Capital with respect to the delivery of this funding, which is unanimously recognised as the best outcome for Peppermint’s growth objectives and, ultimately, all of Peppermint’s shareholders.

“Peppermint has commenced a targeted Quarter 3 marketing campaign and, with the receipt of funds from PEGG, is well positioned to capitalise on our growth objectives for the rest of 2019.”

JUNE 2019 QUARTERLY OPERATIONAL UPDATE AND OUTLOOK

Bizmoto Operations, Development and Platform Progress:

Peppermint continued to expand its micro-business pilot program, called BizmoGo Delivers, throughout the metropolitan Manila area following its launch in April this year. Last Saturday (27 July), the BizmoGo Delivers program was launched to a group of riders in the eastern city of Antipolo, the third operational area after the southern locale of Cavite (in April) and the northern Novaliches district of Quezon City (in June).





BizmoGo launches in Novaliches and Antipolo

The BizmoGo Delivers program provides registered riders with accreditation and training on how to build their own micro-business combining the Bizmoto mobile app (powered by Peppermint) and a motorcycle, allowing them to deliver various products and services to Filipino people. To the end of June, almost 100 merchants had subscribed to use the BizmoGo Delivers program, offering mobile bill payments, mobile eLoad and money transfers as well as deliveries of food, rice, bottled water, LPG cylinders and other general store merchandise from small businesses.

The fourth pilot area for the BizmoGo Delivers program will be launched on the western periphery of metropolitan Manila in the Manila Bay area soon. At this time, approximately 60 active BizmoGo riders will be delivering services or products to Filipino people utilising the Bizmoto mobile app, earning Peppermint a fee from the rider's wallet upon every delivered product or service.

To the end of June, more than 15,400 agents had registered with Bizmoto with the number of agents downloading and using the mobile app increasing quarter on quarter. Females in their 30s were the predominant demographic signing up as Bizmoto agents during the first quarter of 2019 but that changed to males in their 20s with the introduction of the BizmoGo Delivers program.

BizmoTinda:

Testing of Bizmoto's e-commerce platform "BizmoTinda" – which acts as a portal for sellers to offer a range of products and services – continued throughout the June quarter.



The platform is open to three categories of sellers – i) strategic suppliers with both online and offline selling models; ii) merchants who participate in the BizmoGo delivery programs, and iii) registered Bizmoto agents who wish to sell their product to and through other agents.

Peppermint is securing supply agreements with established brands having been awarded authorised reseller status for Globe and PLDT products – two of the largest telecommunication brands in the Philippines

Early-adopter BizmoGo merchant customers, mainly food establishments, have expressed strong interest listing on BizmoTinda, with future deliveries likely to be accessible through in-app ordering facilities.

Collaboration with BancNet on Mobile Banking Solution:

In February, Peppermint announced it was collaborating with BancNet after the Central Bank of Philippines (Bangko Sentral ng Pilipinas (BSP) directed all commercial and rural banks to establish a safe, efficient, affordable and reliable electronic payments system across the county.

BancNet is the Philippines single Automated Teller Machines (ATM) switch operator, connecting the networks of local and offshore banks, and the largest interbank network in the Philippines with 114 members and affiliates. Peppermint has been appointed as the service provider of Mobile Banking Solutions to BancNet Outsourcing Banks, which are rural and thrift banks providing financials loans for rural and agricultural development.

During the June Quarter, Peppermint held project “kick-off” meetings with three Outsourcing Banks, including the Bank of Makati (ranked 8th among the top thrift banks with 19 branches, 24 loan centers, and 13 microfinance-orientated branches); UCPB Savings Bank (ranked 9th among the top thrift banks with 49 branches, 13 lending offices and soon 14 branch lite units) and Partner Rural Bank (Cotabato) (which has been operating for more than 40 years providing countryside agricultural assistance in Mindanao).



BancNet Peppermint ‘Kick-Off’ meetings June 2019



Peppermint is also in ongoing discussions with other rural and thrift banks who want to implement their own customized digital mobile banking solutions.

National QR Code for Person-to-Person Payments (P2P) and Person-to-Merchant Payments Transactions (P2M):

BancNet also started discussions with Peppermint during the June quarter about developing a national QR code for Person-to-Person payments (P2P) and person-to-merchant payments transactions (P2M). The P2P is an enhanced version of InstaPay or PESONet, where users can transfer funds by merely scanning a QR code instead of inputting their account details as required under the current InstaPay/PESONet set-up. The P2M will form part of a broader payment stream in the future, which would have a significant impact on pushing cashless payments to merchants.

The Bank of Philippines forecast that the use of national QR codes will raise the share of all e-payments to 20% of all transactions in the Philippines by 2020.

Co-Operative Business Partners Progress – CHMF:

During the quarter, Peppermint formally launched a mobile app that was developed for the Cooperative Health Management Federation (CHMF). The CHMF has 116 member cooperatives and more than 41,000 members across the Philippines, with access to an established network of 447 hospitals and clinics, including diagnostic centers and dental clinics. Its core cooperative is the Cooperative Insurance System of the Philippines, which specialises in providing insurance products to its members.

The first phase of the mobile app allows CHMF's 41,088 members to locate accredited medical centers, make appointments and review all of their medical insurance history online. The second phase will include functionality for a mobile wallet, QR code payments, member to member payments and other transactional capabilities.



Members undertake training for the new Peppermint-developed mobile App at the general assembly of the Cooperative Health Management Federation (CHMF)



CORPORATE:

In late April, PEGG Capital Limited agreed to increase its equity in Peppermint via a \$2million placement at a premium of 2.5 cents per share. Furthermore, it offered to make available an additional \$3 million in funding to Peppermint over time, increasing PEGG Capital's funding offer to Peppermint to \$5million in total.

The receipt of PEGG Capital's \$2million is imminent with regulatory foreign exchange and banking jurisdictional clearances currently being processed. The Company has been in daily contact with PEGG Capital to complete delivery of the funding which is unanimously recognised as the best outcome for Peppermint's growth objectives and ultimately all of its shareholders.

In the interim Peppermint has drawn down a total of \$827,500 from a \$1.5 million convertible note facility (placed at 2.5cps) with Melbourne-based sophisticated investor, Caason Group, to satisfy ongoing working capital requirements.

In June, Peppermint was named one of the world's 50 "**Inclusive**" Fintech companies for driving financial inclusion and tailoring services and solutions for unbanked people in the Philippines. As an "**Inclusive Fintech 50**" company, judges of the global event said Peppermint "demonstrated the power of financial technology to expand access, usage and quality of financial services in advanced and emerging markets.

-Ends-

For more information, please contact:

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Managing Director & CEO
Peppermint Innovation Limited
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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.

About Peppermint Innovation Ltd

Peppermint Innovation Ltd is an Australian company listed on the Australian Securities Exchange which is focused on the commercialisation and further development of the Peppermint Platform, a mobile banking, payment and remittance technology designed for banks, mobile money operators, money transfer and funds remittance companies, payment processors, retailers/merchants, credit card companies and microfinance institutions. Peppermint currently operates the Peppermint Platform in the Philippines.

Peppermint has a particular focus in the developing world (starting with the Philippines) and on providing an attractive tool to the unbanked population to access mobile banking and remit money to and from family and others through a system not tied to a particular bank or telephony company.



Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Peppermint Innovation Limited

ABN

56 125 931 964

Quarter ended ("current quarter")

30 June 2019

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	257	682
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(260)	(552)
(c) advertising and marketing	(20)	(77)
(d) leased assets	-	-
(e) staff costs	(268)	(1,117)
(f) administration and corporate costs	(41)	(489)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(3)	(3)
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	(335)	(1,556)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(4)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) 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)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	640
3.2 Proceeds from issue of convertible notes	330	780
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(35)
3.5 Proceeds from borrowings	10	25
3.6 Repayment of borrowings	(10)	(10)
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	330	1,400

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	87	242
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(335)	(1,556)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(4)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	330	1,400

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	82	82

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	77	82
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	5	5
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	82	87

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

131

-

Director's fees, executive remuneration and consulting fees.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

-

-

n/a

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

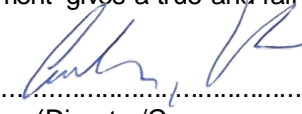
n/a

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	290
9.3 Advertising and marketing	29
9.4 Leased assets	-
9.5 Staff costs	265
9.6 Administration and corporate costs	142
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	726

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

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.

Sign here: 
(Director/Company secretary)

Date: 31 July 2019

Print name: Anthony Kain

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.