

ASX ANNOUNCEMENT**3 February 2020**

Company Announcements Office
Australian Securities Exchange Limited

Quarterly Overview and Operational Update

- **Cash receipts up more than \$500k to \$843k, a 158% quarter-on-quarter increase representing the fifth consecutive quarter of double digit increases in cash receipts**
- **Highest ever quarterly cash receipts performance, by \$512k**
- **More than 18,380 bizmoto agents registered to 31 December**
- **New bizmoGo App modules released**
- **More than 330 merchant customers now registered with bizmoTinda for bizmoGo delivery and logistics services**
- **More than 2,500 prospect merchants still to be onboarded**
- **Major developments in bizmoTinda platform, ready for Q1 2020 release**
- **Strong traction in Facebook live marketing program, with 141k views on debut**
- **Successful co-branded marketing campaign with Philippines's largest telco, Smart**
- **Launched \$1.5m at 1cps capital raise to sophisticated and professional investors to fund the commencement of bizmoto's financial services arm, bizmoPay, which will provide alternative non-bank micro-enterprise lending**
- **Working closely with Auditor and ASX to have the suspension on PIL shares lifted, with the current capital raise underway to facilitate this process**
- **\$150K of convertible notes converted into 16.422m shares at 1c**
- **Maturity date of \$1.5m convertible notes extended to April 2021**
- **\$2M placement from PEGG Capital (at 2.5cps) pending completion**

PERTH, AUSTRALIA, 3 February 2020: Peppermint Innovation Ltd (ASX: PIL) ("Peppermint" or "the Company") presents its Quarterly Report for the period ended 31 December 2019 and is pleased to provide the following commentary and update to shareholders.

Commenting on the December quarterly activities, Peppermint's Managing Director and CEO Chris Kain said:

"Peppermint recorded a huge quarter to finish the 2019 calendar year with cash receipts up 158% on the September quarter to \$843,000, which is a \$517,000 increase in cash receipts from the September quarter (\$326,000).

This result was the fifth consecutive quarter that Peppermint has delivered double digit revenue growth and was the highest ever quarterly performance.



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"We achieved such an excellent result by increasing the operating scope of bizmoGo, continuing to develop an engaged base on social media platforms and releasing updated App modules that catered to the requirements of our customers.

"With the release of the bizmoGo and associated Merchant App, the ongoing development of the bizmoto digital wallet and the significant upgrading of the bizmoTinda platform, our business development team is poised to go to market in an aggressive way.

"We will be placing considerable effort into converting our backlog of prospective bizmoGo merchants and also on-boarding new products and services into bizmoTinda. In addition, we will look to ramp up our marketing activities for rapid and consistent scaling of our operations.

"We have lifted our key performance indicators across our portfolio of bizmoto services and with receipt of new equity funds from the current capital raise program we will roll out our bizmoPay lending operations that are aimed at driving the adoption of bizmoto services and the use of the bizmoto ecosystem.

"Our bizmoto service platform is ready for the introduction of our bizmoPay service which will provide micro loans to qualified bizmoto agents, registered network members, enterprise platform partners and qualified overseas foreign workers.

"We are also working extremely closely with our Auditor and the Australian Stock Exchange so that we can lift the trading suspension on our Company shares. The current capital raise program will facilitate this process."

DECEMBER 2019 QUARTERLY OPERATIONAL UPDATE AND OUTLOOK

bizmoto Operations, Development and Platform Progress:

The bizmoto platform has continued to deliver excellent growth. Importantly, all key metrics for our bizmoto App utilisation increased with the number of registered agents rising by 10% to 18,382, the number of funded wallets increasing by a further 33% on the previous quarter and the number of downloads reaching 13,000 in the December quarter.

The bizmoGo program – which is focused on the key population centres around Manila of Cavite, Marikina/Antipolo and Fairview/Novaliches – continues to generate strong interest from merchants and drivers in all three areas. The total number of riders increased to 64 in the December quarter and our business development team is constantly dealing with enquiries from independent riders who express interest in joining the bizmoGo program. Strong growth is expected in the bizmoGo rider population during 2020.

At the end of December 2019, a total of 331 merchants were subscribed to the bizmoGo program. A further 2524 merchants have expressed strong interest in signing up for the bizmoGo service, in particular requesting the use of the bizmoGo order App. Sales personnel continue to deliver program orientation workshops to assist interested merchants with the initial use of the bizmoGo App.

A key goal for the December quarter was to develop and release a bizmoGo App module for



merchants to use for delivery requisitions, automated cost estimates and real-time delivery tracking. The introduction of the new module places the bizmoGo App on a par with competitive service providers (Grab Food and Food Panda) and allows the Company to compete on a cost advantage basis. Considerable growth is forecast for this business unit in 2020.

In addition to the ongoing bizmoto marketing campaigns conducted on social media and via the call centre, the business development team introduced a series of Facebook Live programs during the December quarter. The team created a mini studio and conducted live interactive weekly broadcasts with parties subscribed to the bizmoto Facebook sites. The debut broadcast reached 141,000 viewers with more than 22,500 video view “engagements”. Raffle prizes were offered during these live broadcasts, courtesy of bizmoto’s marketing partner, Smart. Similar marketing campaigns will be conducted during 2020.

bizmoTinda:

The technical development team spent a considerable time upgrading the E-commerce functional capability for the bizmoTinda platform. These efforts were in parallel with upgrades to the core wallet, allowing for a smooth check-out and payment process from the wallet for E-commerce products.

The overall framework and interface of the bizmoTinda module was completed during the December quarter and will be released for public use in Q1 2020.

The business development team has created a strong prospect base of suppliers to bizmoTinda and they are constantly focused on signing up new products and services to the portal. To date, the team is working with about 247 food establishments and 84 non-food suppliers to secure suppliers deals with. RTIA Merchandise, which is a household name in the Philippines, one of the recent new signings to BizmoTinda.

bizmoPay:

The Company launched a \$1.5m capital raise at 1cps to sophisticated and professional investors to fund commencement of the bizmoto financial services arm, bizmoPay.

bizmoPay is mobile app-based alternative non-bank lending facility made available and managed by the established bizmoto app mobile wallet.

Lending will be focussed on the established bizmoto platform services, spanning payments, delivery & logistics, e-commerce and remittance.

Micro-enterprise loans will be made available to qualified bizmoto agents, registered network members, enterprise platform partners and qualified offshore foreign workers.

bizmoPay is focused on growing the bizmoto network and driving the use and adoption of bizmoto's wide range of services.



Enterprise (API) clients:

New API partner accounts continued to sign on during December 2019, including StarPay and iWatch PH. StarPay is a significant telecom company in the Philippines which distributes its own brand of mobile telephone services, Star Mobile, along with multiple other offerings. Both companies were in the API testing phase during the December quarter and are expected to be in full production during the March quarter of 2020.

The API business unit was also preparing to onboard a large multi-level marketing company with operations throughout the Philippines.

Channel Partners:

The business development team continued to onboard new billers and payment partners through ECPay, which is now available across the Bizmoto platform.

The Bizmoto technical team also began upgrading API connectivity with Bayad Center giving the company two-party redundancy for bill payments and other online service connectivity.

In October 2019, ECPay announced it was being acquired by Globe Telecom, making the company a Globe portfolio company. This positions Peppermint to maintain API connectivity with the two leading telecom companies in the Philippines for payment aggregation services.

Collaboration with BancNet on Mobile Banking Solution:

During the December quarter, three BancNet customers – UPGB Savings Bank, Partner Rural Bank (Cotabato) and the Bank of Makati – each signed 60-month subscription contracts with Peppermint for a cloud-server Mobile Banking Solution (MBS) product.

Peppermint has now provided APK's (Android Package Kits) to each BancNet customer for key features of the MBS product and is forecast to go into production in March 2020.

The Company is in ongoing discussions with at least five other outsourcing banks about providing similar BancNet MBS subscription products, as well as with two other financial institutions to deliver QR code solutions. Further progress around these discussions is forecast during the March 2020 quarter.

Co-Operative Business Partners Progress:

Peppermint continued discussions during the December quarter with its Co-Operative Business Partners to determine ways of adopting the Company's BancNet focused mobile banking solutions as well as other services offered via its technology platform.

As advised in our last quarterly, Peppermint has now formally launched a mobile app developed for the Cooperative Health Management Federation (CHMF) which allows CHMF's 41,088 members to locate accredited medical centers, make appointments and review all of their medical insurance history online.



Peppermint continues to work closely with CHMF on phase two of the project to provide functionality to members for a mobile wallet to address QR code payments, member-to-member payments and other transactional capabilities.

The CCT monitoring system developed and deployed with MASS Specc is in place and the first pilot disbursement utilising the system was recently conducted by MASS Specc. This was encouraging and demonstrated the recent issues MASS Specc experienced in their data uploading capabilities had been addressed. Further disbursements are scheduled utilising the CCT system and the company continues to work closely with MASS Specc to drive full adoption of the system.

Additionally, Peppermint is in discussions with MASS Specc to explore the use of the CCT system for other disbursement processes, as well as consider utilising the Company's mobile banking application to access Instapay and PesoNet across their member base. MASS Specc has more than 300 affiliated primary co-operatives and more than one million individual members.

Corporate:

The Company's shares were suspended from trading on the Australian Securities Exchange on 11 October 2019 due to a "disclaimed audit opinion" on the Company's financial report for the year ended 30 June 2019 based on the ability of the Company to raise additional funding.

During the December quarter, Peppermint advised it drew down the final tranche of a \$1.5million convertible note with Melbourne-based sophisticated investor, Casson Group. The Company also advised that \$150,000 of convertible notes and accrued interest had been converted into 16,422,000 fully paid shares at 1cpc while the maturity date of \$1.5m in convertible notes had been extended from 30 April 2020 to 30 April 2021 in consideration for 35m unlisted options to acquire ordinary shares at 1cpc on or before 30 May 2021.

Peppermint also issued 12.5m ordinary shares to sophisticated and professional investors at 1 cps to raise \$125,000, which was the first closing of a total \$1.5m capital raise at 1cps for a total of 150m ordinary shares. Funds from the current capital raise will assist to roll out the Company's bizmoPay lending operations that are aimed at driving the adoption of its bizmoto services and the use of the bizmoto ecosystem. The bizmoto service platform is ready to introduce the bizmoPay service which will provide micro loans to qualified bizmoto agents, registered network members, enterprise platform partners and qualified overseas foreign workers.

The Company is working extremely closely with its Auditor and the Australian Stock Exchange to lift the trading suspension Peppermint shares. The current capital raise program will facilitate this process.

-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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Managing Director & CEO
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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 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.



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")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	843	1,169
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(757)	(1,069)
(c) advertising and marketing	(44)	(52)
(d) leased assets	-	-
(e) staff costs	(191)	(414)
(f) administration and corporate costs	(397)	(632)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(2)	(5)
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	(548)	(1,003)

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

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 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	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	125	125
3.2 Proceeds from issue of convertible notes	398	853
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(32)	(32)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material) -	15	15
3.10 Net cash from / (used in) financing activities	506	961

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	82	82
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(548)	(1,003)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	506	961

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	40	40

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	35	47
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)	40	52

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

**Current quarter
\$A'000**

131

17

- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

6.1 - Director's fees, executive remuneration and consulting fees.

6.2 - Repayment of a short term loan from a director controlled entity.

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

**Current quarter
\$A'000**

-

-

- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

n/a

8. Financing facilities available

Add notes as necessary for an understanding of the position

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	722
9.3	Advertising and marketing	42
9.4	Leased assets	-
9.5	Staff costs	281
9.6	Administration and corporate costs	175
9.7	Other (provide details if material)	-
9.8	Total estimated cash outflows	1,220

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: 3 February 2020

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.