

ASX ANNOUNCEMENT

Peppermint to acquire Australian international remittance business

- Signs exclusive option to acquire Australian-based remittance business AusRemit Pty Ltd (trading as RemitWisely)
- RemitWisely can service more than 200 countries around the world in over 50+ currencies on one platform
- Formed in 2017, RemitWisely processed \$5.5 million in remittances in its first year of operation
- RemitWisely has been capital constrained and is ripe for significant growth with Peppermint's resources
- Acquisition will deliver cash flow positive business with an excellent digital footprint
- Acquisition is in line with Peppermint's growth strategy to generate Australian based revenue
- Capital facility in place to support acquisition to raise \$1 million via the issue of shares at 2.3 cents per share with Smidge Digital Unit Trust
- Planning to continue to grow the international remittance business, both organically and via potential further acquisitions, which will be supported by a larger capital facility when required. (See ASX Announcement 14 March 2018). It is envisaged that all placements will be completed at a premium to Peppermint's prevailing share price at the time.
- World Bank forecasts global remittance sector to top US\$616 billion in 2018 and increase to approximately US\$640 billion in 2019[^]

PERTH, AUSTRALIA, 15 MARCH 2018: Peppermint Innovation Limited (ASX: PIL) ("Peppermint") today announced it has signed an exclusive option to acquire Australian based international remittance business AusRemit Pty Ltd (trading as RemitWisely).

RemitWisely provides money transfer or remittance services from Australia to more than 200 countries around the world in over 50+ currencies all on one platform. It has an aggressive growth strategy to add new remittance 'corridors' according to market demands.



Under the terms of the agreement, Peppermint has exclusive rights to acquire 100% of AusRemit shares for a purchase price comprising 50 per cent Peppermint shares and 50 per cent cash.

The final purchase price will be calculated on a multiple of three times AusRemit's earnings before interest tax depreciation and amortisation (EBITDA), or an agreed minimum of AUD\$560,000 (based on costs to build the business to date), whichever is the greater.

The target date for acquisition, subject to Peppermint being satisfied with its due diligence enquires, is 1 May 2018 unless both parties agree otherwise.

Peppermint's Managing Director and CEO Chris Kain said: "Subject to due diligence, the acquisition of AusRemit will provide an excellent launch pad for Peppermint's international remittance business. The acquisition is consistent with our stated objectives to leverage and expand on Peppermint's established business operations in the Philippines.

"RemitWisely has been well constructed but it has been constrained because it didn't have access to the resources required to grow..

"The injection of Peppermint's resources will change that and from the point of acquisition this business will have the ability to grow rapidly. This is exciting given the expanding size of the global remittance market. We hope to double the value of remittances across RemitWisely's platform in the next 12 months

"For example, in 2016, people living abroad sent an estimated US\$574 billion back to their home countries*, while during the same year US\$16.184 billion in remittances was sent from Australia to other countries around the world*.

"These figures are predicted to increase substantially with the World Bank forecasting global remittances will top US\$616 billion in 2018^ and increase to approximately US\$640 billion in 2019^."

"The acquisition price of AusRemit was particularly attractive to Peppermint in comparison to similar transactions in the financial technology sector.

"We will continue to assess other potential opportunities to further build on our international remittance business from Australia, as we strive to deliver on our stated objective to generate and build multiple revenue streams for Peppermint.

"We believe these important initiatives will deliver real value to our shareholders."

For more information, please contact:

Chris Kain
Managing Director & CEO
Peppermint Innovation Limited
info@pepltd.com.au



About Peppermint Innovation Limited:

Peppermint Innovation is an Australian company focused on the commercialisation and further development of the Peppermint Platform, a mobile banking, payments and remittance technology designed for banks, mobile money operators, 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.

About RemitWisely:

RemitWisely provides money transfer or remittance services from Australia to over 200 countries in the world with 30+ currencies in one platform. The company aims to add to its services new corridors to service the need or demand of the market. In addition, RemitWisely will also add payment methods that would equally cater to the digital world, the banked or the un-banked.

RemitWisely is a trading name of AUSREMIT PTY LTD registered on ASIC on May 16, 2016 and approved by AUSTRAC on July 8, 2016 to operate as an Independent Remittance Dealer and on February 2, 2017 as a Remittance Network Provider in Australia.

www.remitwisely.com.au

[^]Source: World Bank, Migration and Development Brief 28: 1. Trends in Global Remittance Flows, October 2017

^{*}Source: Pew Research Center analysis of World Bank and CIA World Factbook data, accessed on 25 January, 2018.

⁺Source: World Bank 2016 Bilateral Remittance Matrix, accessed 6 December, 2017.

