

## QUARTERLY UPDATE & APPENDIX 4C

**Sydney, AUS, Thursday 31 Oct 2019:** Australian-based Mint Payments (ASX: MNW) ('Mint' or the 'Company') is pleased to provide the following quarterly update and Appendix 4C consolidated statement of cash flow for the period ended 30 September 2019. The Company continued to perform well during the quarter; with growth coming from all of the Company's key financial and operating metrics.

### Q1 FY20: Market Update

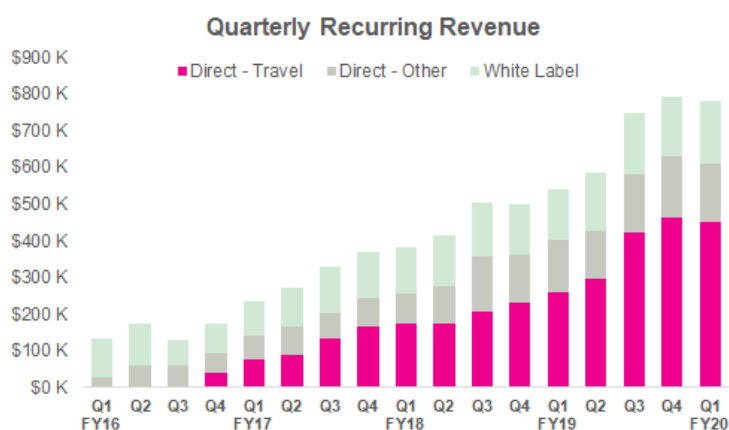
- + Total quarterly operating revenue of \$0.9M, up by 59% from prior year corresponding period (pcp). Q1 is a seasonal low in the travel industry and the result was in line with the Company's budget.
- + Total quarterly recurring revenues of \$780K, up by 44% from pcp. Mint's Direct channel has seen quarterly recurring revenues of \$621K up by 54% from pcp, driven in large by the Travel vertical of \$450K, up by 75% from pcp. The recurring revenue contribution from each channel is as follows:
  - o Direct channel – Travel of \$450K, up by 75% from pcp
  - o Direct channel – Other of \$171K, up by 17% from pcp
  - o Indirect channel of 159K, up by 15% from pcp
- + Total quarterly transaction values of \$214M, up by 19% from pcp. In Q1, transaction volumes are traditionally lower when compared to the other quarters of the year, reflective of the seasonal low period in the travel industry. The total transaction value contribution from each channel is as follows:
  - o Direct channel – Travel of \$155M, up by 21% from pcp
  - o Direct channel – Other of \$21M, up by 6% from pcp
  - o Indirect channel of \$38M, up by 20% from pcp
- + During the quarter, the Company successfully raised additional capital totaling \$2.8M. The funds will be used for:
  - o Increasing sales and marketing resources to capitalise on the opportunities in the Australian SME travel industry
  - o Technology development and the integration with the new global payments and acquiring partner
- + Mint is on track with its integration with the new global payments and acquiring partner and will launch as scheduled in Q2. As previously announced to market, the integration once finalised will see a material improvement in revenue margins across the business.
- + Large, notable merchants in the travel vertical joined the Mint network in Q1 including Helloworld Travel South Melbourne, Signature Travel and Ovation Travel. The Company has a strong pipeline of over \$130M+ in annualised transaction values going into Q2.
- + Q1 Cash receipts, up by 47% from previous quarter to \$2M, with the total funds available of \$3.9M (\$1.9M cash and \$2.0M available debt facility) at the end of the quarter



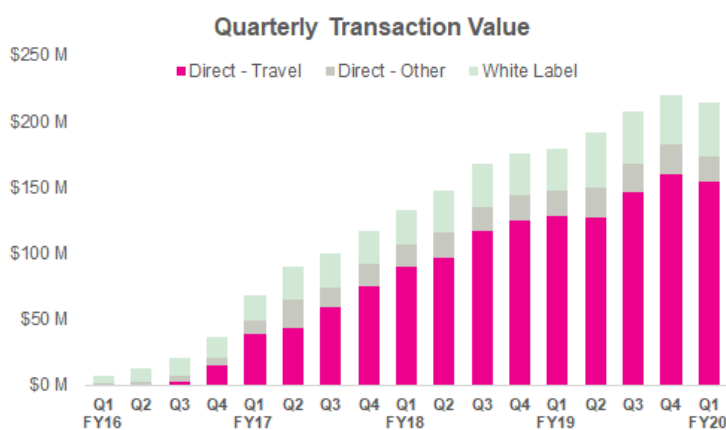
## KEY FINANCIAL & OPERATING METRICS – Q1 FY20

	Q1 FY20	Q1 FY19	%
Total Operating Revenue	\$0.88M	\$0.55M	59%
Total Revenue	\$1.03M	\$0.92M	12%
Total Transaction Values	\$214M	\$179M	19%

- The Company has total funds available of **\$3.9M** (\$1.9M cash and \$2.0M available debt facility) as at 30 September 2019, with net operating cash outflows for the quarter of **\$0.9M**, which represents a decrease of 19% from the previous quarter. The Company is focused on reducing its cash burn this financial year driven by increasing revenues and margins in the Direct Travel channel combined with prudent cost management.



- Total recurring revenues for the September quarter **increased by 44% to \$780K** when compared to the previous corresponding quarter
- This has been driven by the Company's Direct channel which **increased by 54%** from the previous corresponding quarter, driven in large by the success of Mint's industry focused payment solutions in the Travel vertical which **increased by 75%**
- The recurring revenue contribution from each channel is as follows:
  - Direct channel – Travel of \$450K, up by 75% from pcg
  - Direct channel – Other of \$171K, up by 17% from pcg
  - Indirect channel of 159K, up by 15% from pcg



- Transaction values **increased by 19% to \$214M** when compared to the previous corresponding quarter
- The total transaction value contribution from each channel is as follows:
  - Direct channel – Travel of \$155M, up by 21% from pcg
  - Direct channel – Other of \$21M, up by 6% from pcg
  - Indirect channel of \$38M, up by 20% from pcg



## **OPERATIONAL UPDATE – Q1 FY20**

Managing Director and Group CEO Alex Teoh said:

“Over the last three quarters, Mint has continued to grow our quarterly recurring revenues, when compared to the prior corresponding quarter, at a consistent rate of between 40 – 50%. The key driver of this growth has come from the focus of the business in developing a market leading Travel payments solution. Despite the September quarter being a traditionally slower month in the travel industry, Mint’s recurring revenues from the Travel vertical still increased by 75%, in line with budget forecasts.”

“The key focus and goal for the Company this year is to capitalise on the proven success we have experienced in the Travel vertical and to reach monthly cash flow break-even in 2020. To do this, we will look to accelerate the Company’s growth by investing in sales and marketing resources targeting the \$11 billion Australian SME travel industry, and to ensure that we can on-board them seamlessly. We are on track to complete the integration with the new global banking partner in November that will drive a step change in total transaction values and revenue margins.”

### **Direct channel**

During the quarter, Mint’s Direct channel has added notable new travel merchants such as Helloworld Travel South Melbourne, Signature Travel Orange and Ovation Travel. There is a strong pipeline of over \$130M+ in annualised transaction values going into Q2, which has set a solid platform of new business for the first half of the financial year.

As the Company continues to strive to provide leading industry focused payment solutions that reward our customers for just doing business, we have established a feature rich product roadmap tailored specifically for the travel vertical. We look forward to announcing these product releases and partnerships with the purpose of enhancing our value proposition to the travel agent, while increasing transaction values and creating loyalty through better customer experiences.

### **Indirect channel**

Bank of New Zealand (BNZ) continues to progress well with record months in Q1 with over \$35M of total transaction values processed, up 26% on prior corresponding period. Despite the focus on the Direct channel there is continued, steady growth deriving from key partners (BNZ, NETS), with further upside expected from the delivery of new EFTPOS terminal. The Company has successfully shifted from an investment phase (platform build) to a maintenance and optimisation phase that will allow for maximising profitability from the Indirect channel.

A copy of the Appendix 4C is attached.

**ENDS**



## **Investor & Media Enquiries**

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## **About Mint Payments**

Mint Payments helps companies of all sizes transact in more rewarding ways—whenever, wherever and however the world wants to pay.

With a focus on Travel, Hospitality, On-The-Go and White-Label clients across Asia Pacific, Mint Payments offers a seamless, omni-channel payment suite that helps customers unlock profits, launch pioneering payment products, and enjoy more rewarding experiences. Online, in-store, in-app and beyond.

Discover more at **[mintpayments.com](https://mintpayments.com)**

## 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**

Mint Payment Limited

**ABN**

51 122 043 029

**Quarter ended ("current quarter")**

30<sup>th</sup> September 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date Sep-19 (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,006	1,006
1.2 Payments for		
(a) research and development	984	984
(b) product manufacturing and operating costs	(1,344)	(1,344)
(c) advertising and marketing	(66)	(66)
(d) leased assets	-	-
(e) staff costs	(1,052)	(1,052)
(f) administration and corporate costs	(303)	(303)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	9	9
1.5 Interest and other costs of finance paid	(121)	(121)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(887)</b>	<b>(887)</b>

<b>2. Cash flows from investing activities</b>		
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 Sep-19 (12 months) \$A'000
	(d) intellectual property	-	-
	(e) other non-current assets	(9)	(87)
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	<b>Net cash from / (used in) investing activities</b>	<b>(9)</b>	<b>(87)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	1,415	1,415
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(2)	(2)
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)		
	(a) Payment for other financial assets	(7)	(7)
3.10	<b>Net cash from / (used in) financing activities</b>	<b>1,406</b>	<b>1,406</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,368	3,023
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(887)	(3,333)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(9)	(87)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,406	1,765

Consolidated statement of cash flows		Current quarter \$A'000	Year to date Sep-19 (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>1,878</b>	<b>1,878</b>

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	1,878	1,878
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,878</b>	<b>1,878</b>

**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**

117

-

*Payment of executive and non-executive directors' salaries and 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**

-

-

8. <b>Financing facilities available</b> <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	10,500	8,500
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.		
<ul style="list-style-type: none"> <li>- Secured working capital facility \$2,500,000 from Roadhound Electronics Pty Ltd</li> <li>- Unsecured working capital facility \$5,000,000 from Roadhound Electronics Pty Ltd</li> <li>- Unsecured working capital facility \$3,000,000 from TAAJ Corporation Pty Ltd</li> <li>- Interest rate on the facilities is 4.5% per annum above the Reserve Bank of Australia's Cash Rate</li> </ul>		

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(600)
9.3 Advertising and marketing	(40)
9.4 Leased assets	-
9.5 Staff costs	(850)
9.6 Administration and corporate costs	(190)
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>(1,680)</b>

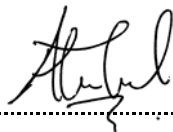
10. <b>Acquisitions and disposals of business entities</b> <b>(items 2.1(b) and 2.2(b) above)</b>	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-



### 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:



Date: 31/10/2019

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Managing Director/ Chief Executive Officer

Print name: Alex Teoh

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### 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.