

ASX ANNOUNCEMENT

29 APRIL 2024

March '24 Quarterly Activities Report and Operational Update

Highlights

- Increased overall revenues by 360% quarter on quarter, with total cash receipts of \$317,000 for the March '24 quarter
- Increased bizmoLoan revenue by circa 20% quarter on quarter
- Peppermint Intelligence Limited (PINT) secured new contracts & contract extensions for various artificial intelligence (AI) & customer experience (CX) projects worth more than AUD\$545,000 since its acquisition in December '23
- Peppermint Bizmoto Inc. secured three new technology development contracts with strategic co-op partners, MASS-SPECC Cooperative Development Centre (MASS-SPECC) and Cooperative Health Management Federation (CHMF)
- Continued to work closely with MASS-SPECC's Pinoy Coop App delivery team to plan for the full-scale roll-out of the App to all 340+ cooperatives (circa 3.4 million individual members), in line with MASS-SPECC's roll-out schedule
- Ended March '24 Quarter with circa \$2 million at bank

PERTH, AUSTRALIA, 29 APRIL 2024: Peppermint Innovation Ltd (ASX: PIL) (“Peppermint” or “the Company”) presents its Quarterly Activities Report and Operational Update for the period ended 31 March 2024 and is pleased to provide the following commentary and update to shareholders.

Peppermint’s Managing Director and CEO Chris Kain said: “The March '24 quarter has delivered strong results for Peppermint with new and renewed contracts wins for our Artificial Intelligence (AI) & Customer Experience (CX) business division; new technology contracts with our strategic coop partners, MASS-SPECC and CHMF; strategic planning around the roll-out of MASS-SPECC's Pinoy Coop App to all 340+ cooperatives; a 20% increase in bizmoLoan revenue quarter-on-quarter and a 360% increase in overall revenues quarter-on-quarter.



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"Our strategic acquisition of PINT in December '23 has delivered a major shot in the arm for the Company and it has allowed Peppermint to leapfrog years of development in building similar AI and CX capabilities, methodologies, frameworks and outputs from scratch to sharply focus on the Company's business going forward.

In its existing business PINT continued to deliver strong March '24 quarterly results, having secured several new contracts and contract extensions for various AI & CX projects. In total, PINT has secured contracts worth more than AUD\$545,000 since being acquired for just £1 in December '23.

"PINT is forecasting a sales pipeline of circa AUD\$1 million as it looks to harness AI technologies to enhance services for both new and existing clients.

"We are also integrating PINT's AI & CX teams into our existing technology operations, allowing us to enhance our technological delivery capabilities and deliver cost optimisation and specialisation across our operations teams, thereby ensuring a more efficient overall structure. This strategy has already allowed us to accelerate our AI transformation across our bizmoLoan origination, scoring, management and collections to deliver improved customer and financial outcomes.

"We believe AI is the single most important technology mega-trend of our generation and we have a clear roadmap to become the most advanced AI-powered lender in the Philippines.

"Our strategic partnerships with MASS-SPECC and CHMF continue to deliver positive outcomes for Peppermint Bizmoto Inc. in the Philippines, with the Company signing three new technology development contracts worth more than AUD\$53,000 during the March '24 quarter.

"It is pleasing to see that our Co-op partners are continuing to invest in technology to assist the digital transformation of their respective membership bases and provide easier access to Peppermint Bizmoto's Electronic Money Issuer (EMI) wallet services.

"During the March '24 quarter, we also continued to work closely with MASS-SPECC's Pinoy Coop App delivery team to plan for the full-scale roll-out of the App to all 340+ cooperatives - representing some 340 million individual members - in line with MASS-SPECC's roll-out schedule.

"From a corporate perspective, Peppermint successfully raised more than AUD1.1M in a new share placement to sophisticated and professional investors; appointed a new Chief Financial Officer and commenced an organisational restructure and cost reduction program across our expanded team.

"We are pleased with the 360% increase in revenue this quarter versus our December '23 quarter and we will be aiming to grow that further in CY24.

Peppermint Intelligence Limited (PINT)

PINT continued to deliver a strong March '24 quarterly result, having secured several new contracts and contract extensions for various artificial intelligence (AI) & customer experience (CX) projects. PINT has secured contracts worth more than AUD\$545,000 since being acquired for just £1 in December '23.



PINT is strategically positioned across multiple sectors including finance, publishing, NGO's and retail, with operations spanning the United Kingdom, European Union, Australia and Southeast Asia.

It has an emphasis on employing AI to elevate digital platforms and customer experiences and is targeting a sales pipeline of more than AUD\$1 million. This approach aligns with PINT's vision of harnessing AI technologies as a significant opportunity for enhancing services for both new and existing clients, marking a key area of interest and growth.

Statista Market Insights research* shows the global AI market size is forecast to reach circa USD\$184 billion in 2024, increasing to circa USD\$826 billion by 2030.

PINT is also enhancing Peppermint's bizmoto platform by optimising the user experience to boost conversion rates and incrementally introducing automated loan processing, powered by AI. This approach aims to bolster financial inclusion across the Philippines by customising bizmoto's offerings and user-centric design, thereby fostering greater accessibility and accelerating customer adoption.

* <https://www.statista.com/outlook/tmo/artificial-intelligence/worldwide>

MASS-SPECC Cooperative Development Center (MASS-SPECC)

Peppermint Bizmoto Inc. secured two new technology development contracts with MASS-SPECC during the March quarter, further extending Peppermint Bizmoto's strong working relationship with the Philippines' oldest and largest regional cooperative federation.

The initial contract engaged Peppermint Bizmoto to deliver an Application Programming Interface (API) service that seamlessly integrated MASS-SPECC member cooperatives with existing mobile apps and provided access to the Pinoy Coop EMI wallet services, ensuring secure and efficient communication between the cooperative's mobile app and the Pinoy Coop API services. The contract was valued at Php 680,000, excluding VAT (circa AUD \$18,465).

The second MASS-SPECC contract engaged Peppermint Bizmoto to enhance the Pinoy Coop mobile registration process, with the goal of making the overall experience better for Pinoy Coop members. This contract was valued at Php 460,470, excluding VAT (circa AUD \$12,503).

During the March quarter, Peppermint Bizmoto continued to work closely with MASS-SPECC's Pinoy Coop App delivery team to plan for the full-scale roll-out of the App to all 340+ cooperatives (circa 3.4 million individual members) in line with MASS-SPECC's roll-out. This milestone will mark a significant step in MASS-SPECC's digital transformation journey and highlights the potential for widespread adoption of modern financial services within its network.

Peppermint Bizmoto and MASS-SPECC have started discussions regarding Phase 2 features of the Pinoy Coop App, aimed at further enhancing the user experience and functionality of the Pinoy Coop mobile app to provide key services, such as remittance.

In addition, Peppermint Innovation's Managing Director and Chief Executive Officer Chris Kain and Non-Executive Director Neal Cross have been invited to participate in a panel discussion at MASS-



SPECC's 2024 *Co-Operating for Inclusive Growth and Community Resilience Conference* in the Philippines on 29 May.

Cooperative Health Management Federation (CHMF):

Peppermint Bizmoto Inc. secured a new contract to develop an Application Programming Interface (API) to enhance the services of CHMF's 1coophealth system. The contract was valued at Php 846,0000, excluding VAT (circa AUD\$22,994).

The project aims to seamlessly integrate several co-op systems with CHMF's 1coophealth system, enabling features such as automatic onboarding, member updates and availment counts. Once fully operational, it will enable seamless integration between CHMF's system and circa 150,000+ coop users.

The API - while specifically designed for one of the regional cooperatives - can be repurposed for other cooperatives under the federation of CHMF, presenting further opportunities for Peppermint to extend its services and build its revenues.

BizmoLoan :

The financial performance of bizmoLoan enjoyed a significant upward trend during the March '24 quarterly period. During the last nine months, bizmoLoan has delivered a 21.46% increase in revenue from Q1 FY24 to Q2 FY24 and then an additional 20.60% increase in revenue from Q2 FY24 to Q3 FY24.

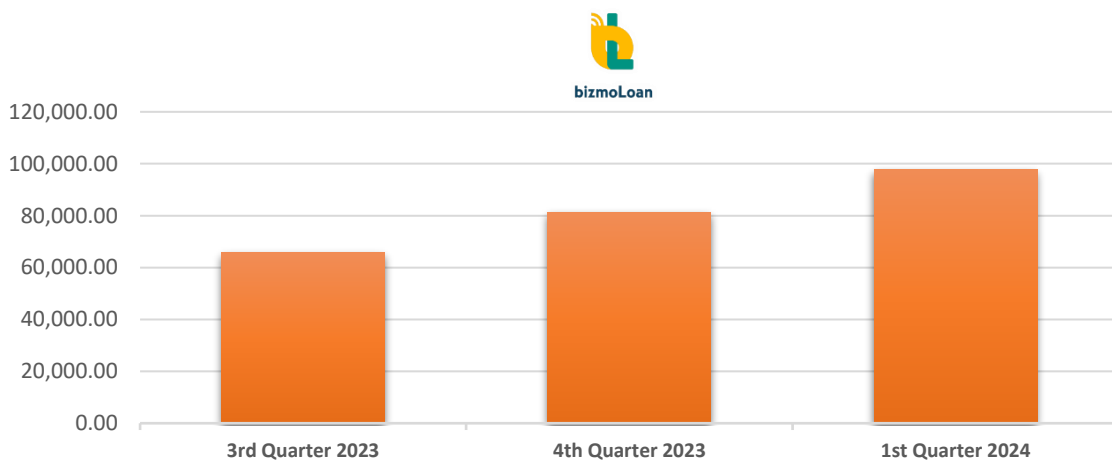


Figure 1: Quarterly revenue growth in Ph



Corporate

An Appendix 4C detailing expenditure for the March '24 Quarter is accompanying this Quarterly Activities Report and Operational Update.

Expenditure for the Quarter ended 31 March 2024 included:

- Administration and corporate costs of \$360,000 associated with running the Company, including ASX fees, audit fees, legal fees, share registry fees and rent.
- Product manufacturing and operating expenditure of \$158,000 incurred in producing products for sale;
- Advertising and marketing expenditure of \$184,000 related to marketing the Company and its products and services;
- Remunerations costs of \$554,000 comprising the costs of all staff employed by the Company and directors' remuneration. Of this, \$161,000 was paid by way of fees and salaries to related parties and \$15,000 was paid by way of superannuation to related parties.

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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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.

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.



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")

31 March 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	317	444
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(158)	(211)
(c) advertising and marketing	(184)	(430)
(d) leased assets	(4)	(14)
(e) staff costs	(554)	(1,259)
(f) administration and corporate costs	(360)	(822)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	7
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	(26)
1.9 Net cash from / (used in) operating activities	(940)	(2,311)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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) – cash acquired in an acquisition	-	270
2.6	Net cash from / (used in) investing activities	-	270

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,110	1,110
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	(68)	(68)
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)	-	-
3.10	Net cash from / (used in) financing activities	1,042	1,042

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,955	3,056
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(940)	(2,311)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	270

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,042	1,042
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,057	2,057

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	2,047	1,945
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	10	10
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,057	1,945

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
176
-

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

Quarterly cash flow report for entities subject to Listing Rule 4.7B

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	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-

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.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(940)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	2,057
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	2,057
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	2.2

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:

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:

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:

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: 29 March 2024.....

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.