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COVID-19 impact

Mie Pay Limited (Mie Pay or the Company) wishes to provide an update in relation to the impact of COVID-19 on its business and the on-going steps being taken to manage the circumstances.

With the health and well-being of our staff and the wider community being a priority, all our staff and contractors have been required to work from home from 20 March and there have been no known COVID-19 cases within our business.

Due to the online focus of our business, working remotely has been practical and has allowed business activity to continue, although for the wider community and for our customers, the limitations imposed with the lockdown that was in place did result in reduced commercial activity for a period of time. With the recently announced easing of the restrictions we are anticipating an increase in transaction processing again, as more businesses return to work.

Although the potential impact of the COVID-19 pandemic was apparent, based on what was occurring elsewhere in the world, Mie Pay's level of revenue throughout the first quarter of 2020, was 49% up on the same quarter in 2019. With the total lockdown and the more extreme restrictions in place throughout New Zealand during April there was a reduction in revenue in April 2020 compared to April 2019 of 25%. During this period many of our customers were forced to shut down their operations and could not trade. However, revenue over the two-month period, of March and April during the period of the lockdown, was 29% up overall on the same two months in 2019 and over the last three months revenue was 34% above the level of revenue in the same three months in 2019. Our merchants' business activity is expected to gradually increase with New Zealand moving to Level 2 and the resumption of business activities, albeit with some restrictions still in place.

Another key metric for the Company for its growth strategy is new merchant acquisition. There had been a steady performance for IEPAY merchants (offline business) during the first quarter, but the number of new merchants secured in April declined by 40%, primarily due to the sales team not able to visit merchants and most of our potential merchants not able to be open during the lockdown. However, new merchants for ieMALL (online business) increased in April to almost three times the level of new merchants acquired during March. New merchants acquired during April in total represented a 69% improvement on the number of new merchants acquired during March.

Despite there not being an overly significant impact on the Company's revenue and merchant acquisition so far in 2020, there remain uncertainties in the economy related to the COVID-

19 outbreak and these uncertainties could further impact the Company's operations . As the situation is still evolving, the full effect of the outbreak is still uncertain. It is however reasonably possible that COVID-19 may have an adverse impact on the Company/Group's future revenues and results for the next reporting year, the extent of which will depend on how long the outbreak lasts. However, the results during the first quarter of 2020, for both merchant acquisition and revenue achieved, do not show a significant adverse impact to date, in comparison with actual results in the same period in the previous year.

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