

## QUARTERLY ACTIVITIES REPORT & APPENDIX 4C

**Sydney, AUS, Friday 31 July 2020:** Australian-based Mint Payments (ASX: MNW) ('Mint' or the 'Company') is pleased to provide the following quarterly activities report and Appendix 4C consolidated statement of cash flow for the period ended 30 June 2020.

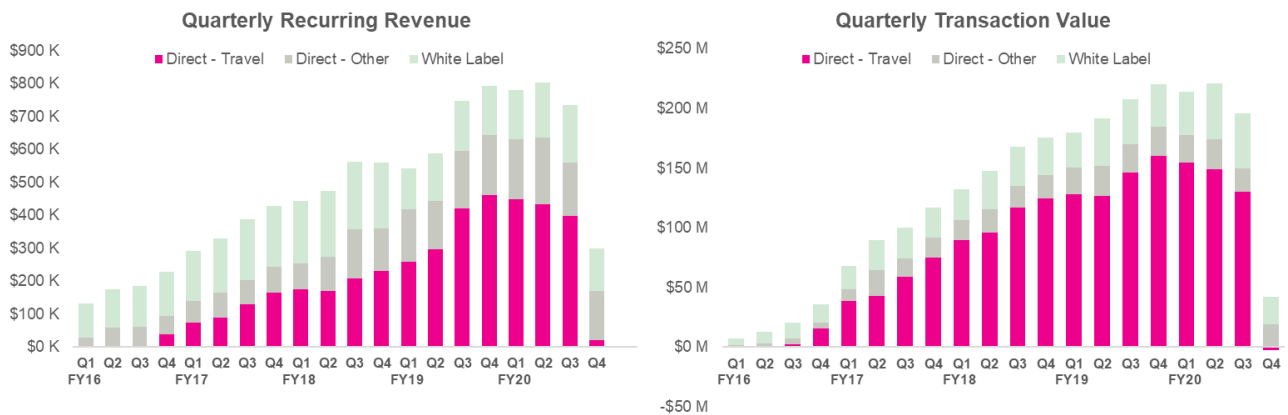
The challenging conditions of the previous period continued into Q4 FY2019/20 with the global pandemic (COVID-19) affecting all Direct and Indirect channels, in particular the Travel vertical. That said, positive signs have emerged as the Company continues to onboard new travel agents and see improvement in transaction values and recurring revenues to pre-COVID-19 levels in the Company's Direct-Other and Indirect channels, that has benefited from the strength of the recovery and opening up of markets in Australia and New Zealand over the past 6 weeks.

During the recent period Mint has been heavily focussed on ensuring the Company emerges from COVID-19 in a strong position via the following initiatives:

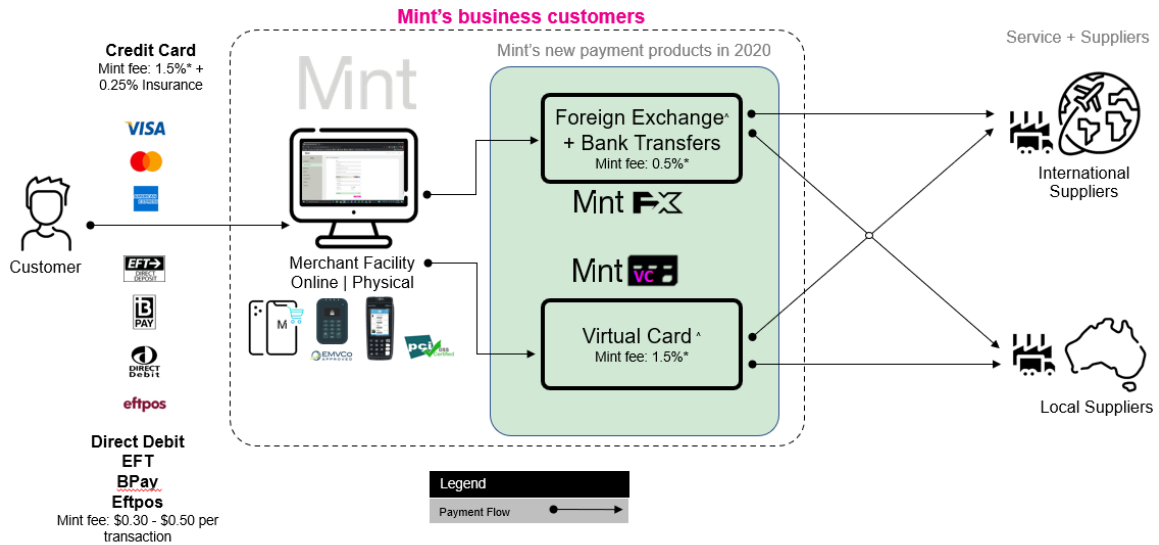
- + Continuing to maintain the Company's cost reduction programme introduced last quarter, reducing Mint's operating expenses by c.30% to help navigate the impact of COVID-19;
- + Onboarding new travel agents by marketing the benefits of Mint's payments platform in this environment (competitive rates, less working capital tied up in bonds, integration with travel management platforms to increase efficiency) so that as the travel industry recovers the Company is well positioned to capture the upside via an enlarged footprint;
- + Continuing to develop Mint's payment platform with a focus on new products that increase stickiness within each client and captures a greater share of wallet as the market recovers;
- + Strategic partnership with CVFR Travel to launch the first co-branded (white-label) payments product that includes the entire range of Mint's product offering (current and near term roadmap);
- + Securing up to an additional \$3.5m in capital in the Entitlement Offer launched in July 2020; and
- + Seeking approval to delist the Company from ASX to enable Mint to realise further cost savings and pursue new strategic opportunities (with a focus on financing and M&A).

## Q4 FY20: Market Update

- + Quarterly recurring revenues of \$299.5k, down 62% from previous corresponding period ("pcp") with contribution split across the following channels:
  - o Direct channel – Travel of \$21.0k, down by 95% from pcp
  - o Direct channel – Other of \$149.3k, down by 19% from pcp
  - o Indirect channel of \$129.2k down by 14% from pcp
- + Quarterly transaction values of \$39.7m, down 82% from pcp. The Total Transaction Value (TTV) contribution from each channel is as follows:
  - o Direct channel – Travel of -\$2.6m, down by 102% from pcp
  - o Direct channel – Other of \$19.0m, down by 22% from pcp
  - o Indirect channel of \$23.3m, down by 34% from pcp



- + The quarter's performance experienced a material decline in TTV as COVID-19 continued to impact all verticals and regions. Mint's Direct Travel channel suffered significant declines in the quarter, reporting a net negative TTV position owing to the extended period of refunds and chargebacks. Now that travel merchants have processed the majority of those refunds Mint is seeing an increase in customer onboarding due to its market leading travel payments platform. However the Company notes the likely impact of the return to lockdown in Victoria and entry restrictions on other states. A minor offset to these challenging conditions was the stronger than expected results from the Company's other Direct customers and its indirect channel, which, following the relaxing of stringent lockdown laws in New Zealand, delivered sound TTV results given the overall global climate.
- + Mint has utilised the time created by these difficult trading conditions to focus on delivering its strategic objectives, accelerating plans previously envisaged for the medium term roadmap. Critical to these plans has been to leverage Mint's unique product stack into new verticals where its payment platform can create a unique competitive advantage without materially increasing the Company's cost base. Mint is initially targeting payment solutions for the wholesale trade, online retail and services industries.
- + In Q2FY21 Mint will be launching new products to enable its customer base to pay suppliers (in addition to meeting their acquiring requirements). The first product launch will provide merchants with bank transfer and direct debit payment capabilities. Following that, Mint plans on launching a highly competitive foreign exchange (FX) product to pay overseas suppliers, followed by a virtual card product which in addition to FX, accounts for the majority of supplier payments requirements (see overview below). The new product launches will enable Mint to capture a larger share of wallet and add new revenue margin opportunities across its customer base.



\* Estimated fees charged by Mint, as a percentage (%) of total transaction values (TTV) processed on the Mint payments platform

^ New payment products that will be launched in FY21 that will enable Mint to add new revenue margin opportunities across its customer base

- + In July 2020, Mint successfully signed its partnership with CVFR Travel. The deal which had been closely worked on over the Q4 period and is a five-year supply and distribution agreement to deliver a co-branded integrated payments solution to CVFR's 700+ merchants. Development and integration (through Mint's suite of APIs) is currently underway and the co-branded Mint and CVFR solution is targeted for launch across Australia by in the final quarter of the 2020 calendar year.
- + Mint is in advanced discussions with a number of new corporate customers and distribution partners with the intention to license and utilise Mint's payment solutions across its supply chain. New partnerships and customers will allow Mint to capture new TTV and recurring revenues from new verticals and the travel industry as it recovers.
- + Current total funds available of \$3.7M (\$0.2M cash and \$3.5M of available debt) at the end of the quarter.
- + The Company is currently conducting an Entitlement Offer with major shareholders committed to taking up their rights and underwriting the capital raise. Mint is confident it will secure an additional \$3.5M in funding via the Entitlement Offer which will become available in August 2020.
- + All related party payments noted in section 6 of the accompanying Appendix 4C during the quarter relate to payment of directors' fees and salaries.

Managing Director and Group CEO Alex Teoh said:

"Quarter 4 was a challenging period right across the Australian and global landscape. While Mint's Total Transaction Volumes have declined materially – the team has used this time to focus its efforts to bringing to market the most advanced and complete payment solution for the SME market. We are extremely excited about our imminent launch of solutions that will address the needs of merchants on the supplier-side of payments. Adding these solutions to our product suite will help cover off the vast majority of our merchant payment needs, ensuring that Mint's customers continue to utilise the most efficient end-to-end merchant



payment platform available in the market while adding to Mint new revenue margin opportunities across its customer base.”

“Alongside this development work, we are thrilled to announce our partnership with one of the leading travel consolidator groups in Australia, CVFR. With over 30 years of experience in the industry, CVFR has an extensive network of over 700 travel agencies, historically processing over \$600 million per annum of payment transactions. We are excited to be offering with CVFR a range of payment solutions to agents, hotels, tourist attractions and businesses in the travel and tourism sector.”

“We recently announced our proposal to raise an additional \$3.5m in capital and delist Mint from the ASX, which management and the Board believe is in the best interests of the Company, shareholders and merchants. There will be absolutely no change to the merchant experience, it remains business-as-usual. What our merchants will see as a result of this is further development and launches of new payment types, methods and financial services alongside expansion into new regions.”

A copy of the Appendix 4C is attached.

Authorised for release by Alex Teoh, Group CEO.

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

**Name of entity**

Mint Payments Limited

**ABN**

51 122 043 029

**Quarter ended ("current quarter")**
30<sup>th</sup> June 2020

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	380	3,045
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(311)	(2,833)
(c) advertising and marketing	(1)	(97)
(d) leased assets	-	-
(e) staff costs	(562)	(3,318)
(f) administration and corporate costs	(354)	(1,369)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	26
1.5 Interest and other costs of finance paid	(72)	(441)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	207	1,191
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(709)</b>	<b>(3,796)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	(10)	(67)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(10)</b>	<b>(67)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,851
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	(14)	(154)
3.5	Proceeds from borrowings	-	1,000
3.6	Repayment of borrowings	(250)	(1,000)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(264)</b>	<b>2,697</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 period	1,185	1,368
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(709)	(3,796)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(10)	(67)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(264)	2,697
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>202</b>	<b>202</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	202	202
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>202</b>	<b>202</b>

**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**

(37)

-

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

**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.*

	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	12,000	8,500
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>		

7.5 **Unused financing facilities available at quarter end** 3,500

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.

- Secured working capital facility \$2,500,000 from Roadhound Electronics Pty Ltd
- Unsecured working capital facility \$6,500,000 from Roadhound Electronics Pty Ltd
- Unsecured working capital facility \$3,000,000 from TAAJ Corporation Pty Ltd
- Interest rate on the facilities is 4.5% per annum above the Reserve Bank of Australia's Cash Rate
- Term: 3 year term ending September 2020, which rolls over on a month to month basis

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(709)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	202
8.3 Unused finance facilities available at quarter end (Item 7.5)	3,500
8.4 Total available funding (Item 8.2 + Item 8.3)	3,702
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>5</b>

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: N/A

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: N/A

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: N/A



## 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: 31/07/2020 .....

Authorised by: Alex Teoh .....  
(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.