

QUARTERLY UPDATE & APPENDIX 4C

Sydney, AUS, Thursday 30 April 2020: 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 31 March 2020.

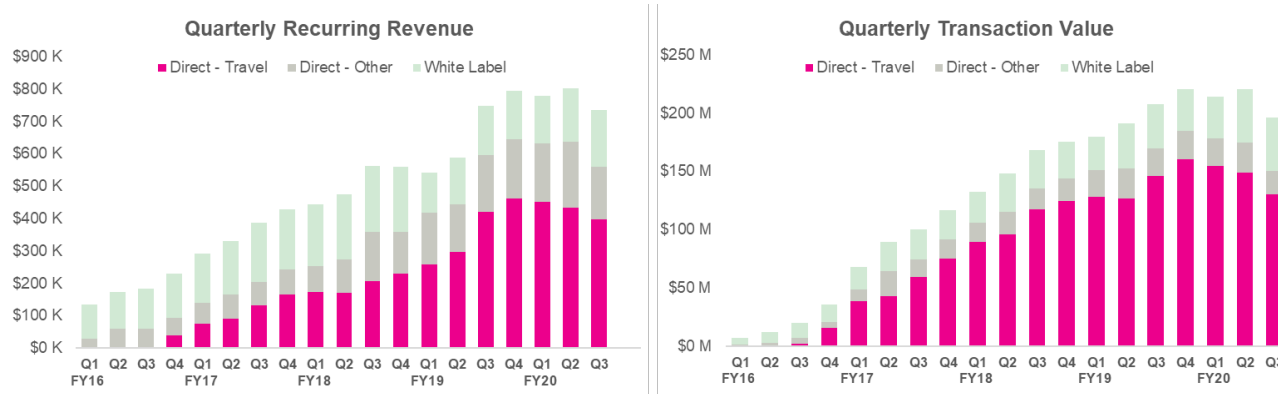
The Company saw adverse trading conditions emerge during the latter part of the quarter as a result of the global pandemic (COVID-19), affecting all Direct and Indirect channels, in particular the Travel vertical.

However as previously announced, Mint is well placed to emerge from COVID-19 in a strong position via the following initiatives:

- + Continuing to develop Mint's payment platform with a focus on new products that increase retention and capture additional market share.
- + Securing an additional \$1.5m in funding.
- + Successfully implementing a company-wide cost reduction programme.

Q3 FY20: Market Update

- + Recurring revenues of \$735k, down 2% from previous corresponding period ("pcp") with contribution split across the following channels:
 - o Direct channel – Travel of \$399k, down by 5% from pcp
 - o Direct channel – Other of \$162k, down by 8% from pcp
 - o Indirect channel of \$174k up by 15% from pcp
- + Total quarterly transaction values of \$196m, down 6% from pcp. The total transaction value contribution from each channel is as follows:
 - o Direct channel – Travel of \$130m, down by 11% from pcp
 - o Direct channel – Other of \$20m, down by 16% from pcp
 - o Indirect channel of \$46m, up by 21% from pcp



- + The quarter's performance experienced a material decline in Total Transaction Value (TTV) as COVID-19 took hold across all verticals and regions. Mint's Direct Travel channel suffered significant declines in early March following the closure of Australian borders and the introduction of travel restrictions. These challenging conditions were compounded when in late March more stringent lockdown laws came into effect across Australia and



New Zealand, reducing the ability of most verticals to trade and transact.

- + Despite these difficult trading conditions, Mint continued to focus on delivering its strategic product objectives for the year. Critical to these plans has been enhancing Mint's payment platform so that the Company is well positioned to capitalise on accelerating growth in our existing channels as conditions begin to normalise.
- + Delivering on Mint's payment product roadmap during this period of reduced volumes has been a key focus for the Company. Launching new payment types and methods throughout the supply chain will further enhance the Company's value proposition while increasing retention and share of wallet for each transaction processed by Mint.
- + The first of these new product launches is currently being integrated with pilot partners in the Travel vertical.
- + COVID-19 has accelerated Mint's review of new verticals where its payment platform can create a unique competitive advantage.
- + The Company secured a further \$1.5m in finance facilities from its existing lender (and major shareholder) Roadhound Electronics (on equivalent terms to the current facility in place with Roadhound Electronics).
- + This leaves total funds available of \$4.44M (\$1.19M cash and \$3.25M available debt facility) at the end of the quarter.
- + During the quarter, an extensive exercise was undertaken to reduce Mint's operating expenses by c.30% to help navigate the impact of COVID-19. Since announcing the first stage of the cost reduction programme to market, the Company has taken the following additional steps to ensure it meets its target:
 - Salary reductions are now in place for all staff.
 - Removal / cessation of all non-committed and non-essential activities.
 - Recontracting of essential services to improved commercials.
- + All related party payments noted in section 6 of the accompanying Appendix 4C during the quarter relate to payment of directors' fees and salaries.



OPERATIONAL UPDATE – Q3 FY20

Managing Director and Group CEO Alex Teoh said:

“In recent months we have seen COVID-19 deeply affect the lives, and livelihoods, of countless people around the globe. As the true scale of this pandemic continues to unfold, our thoughts and prayers go out to those who have suffered any type of loss during this time. Mint as an organisation is making all efforts to do what it can to support its merchants during this difficult period.”

“Q3 FY20 was one of the most challenging quarters in Mint’s recent history. Prior to significant travel restrictions coming into effect in March, Mint recorded solid increases in TTV across January and February 2020 (14% improvement relative to the comparable periods in 2019). However, as we entered the final month of the quarter, and the pandemic escalated across the globe, transaction volumes began to be adversely affected resulting in a 44% decrease in TTV when compared to February 2020.”

“Despite these challenging results Mint continued to remain focused on building and delivering exciting enhancements to its existing payments platform. The advent of this new functionality also increases the ability of Mint to penetrate new verticals, seamlessly integrating with any middle and back office suppliers. Additionally, these enhancements ensure that Mint is well positioned to capitalise on the inevitable economic recovery.”

A copy of the Appendix 4C is attached.

Authorised for release by Alex Teoh, Group CEO.

ENDS

Investor & Media Enquiries

Alex Teoh
CEO
Alex.Teoh@mintpayments.com
+61 (0)2 8752 7888

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**

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")
31st March 2020

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	862	2,665
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(619)	(2,522)
(c) advertising and marketing	(9)	(96)
(d) leased assets	-	-
(e) staff costs	(823)	(2,756)
(f) administration and corporate costs	(341)	(1,015)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	22
1.5 Interest and other costs of finance paid	(103)	(369)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	984
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,032)	(3,087)
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	(16)	(57)

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)	-	-
2.6	Net cash from / (used in) investing activities	(16)	(57)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	50	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	(27)	(140)
3.5	Proceeds from borrowings	1,000	1,000
3.6	Repayment of borrowings	-	(750)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	1	-
3.10	Net cash from / (used in) financing activities	1,024	2,961

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,209	1,368
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,032)	(3,087)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(16)	(57)

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)	1,024	2,961
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,185	1,185

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	1,185	1,185
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,185	1,185

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
90
-

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.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	12,000	8,750
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities		

7.5 **Unused financing facilities available at quarter end** 3,250

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(1,032)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	1,185
8.3 Unused finance facilities available at quarter end (Item 7.5)	3,250
8.4 Total available funding (Item 8.2 + Item 8.3)	4,435
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	4

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: 30/04/2020

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.