

# Mint Wireless Limited (ASX: MNW)

## Annual General Meeting 2014





# 2014 OVERVIEW & HIGHLIGHTS

# 2014 Overview & Highlights

## Overview & Highlights

### Operational

- Successful launch of key foundation distribution customers, MYOB and Bank of New Zealand
- Signed new strategic customers
- Recruitment of additional sales, marketing and product development resources
- Invested in project delivery, operations and service team to cater for current and future growth

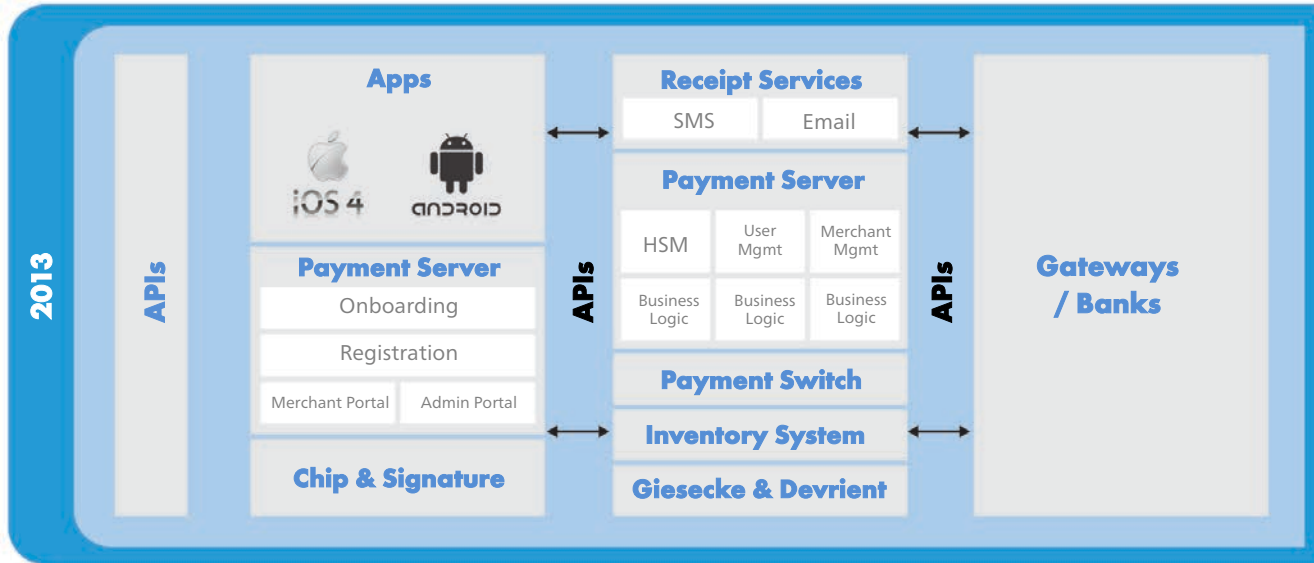
### Fundamentals in place

- Successful migration from Chip & Signature to Chip & PIN platform
- All certifications complete
- PCI Compliance
- Successful capital raising of \$10M for growth

### Next phase of growth

- Senior leadership team strengthened
- Strategic review and priorities confirmed
- Alignment to shareholders: value creation and returns focus

# 2014 - Strengthened the Mint Payments platform



- APCA & EFTPOS certification has taken longer than expected
- Delays has affected speed of roll out with major customers
- All certifications completed and fundamentals in place

- Largest accounting software provider in Australia and New Zealand with 1.2 million users
- MYOB PayDirect turns businesses' smartphones into payment terminals
- The solution is seamlessly integrated into MYOB's popular accounting software AccountRight
- PayDirect offers mobile accounting features like invoicing, contacts and accounts receivables
- Mint won the contract via a competitive process against major competitors
- 5 year agreement signed in Aug-13

### Results so far:

- Launched with MYOB PayDirect in Feb 2014
- Launched with Chip and Sign dongle
- Updated to Chip & Pin solution in Aug 2014
- Advertising and Marketing campaign commences in Sept 2014
- Delivered EFTPOS in Nov 2014
- Delivering AMEX in Dec 2014
- Introducing the new Chip & PIN device with contactless capabilities in Dec 2014



# Bank of New Zealand

- New Zealand's largest small business bank with over 100,000 small business customers
- Largest small business bank in NZ (owned by NAB in AU)
- BNZ deployed Mint's white label solution for speed to market
- Solution live in 8 weeks from signing
- Won via competitive process
- 3 year agreement signed in Oct-13

## First white label distribution partner for Mint

### Results so far:

- Phase I launched in Nov-2013 with Chip and Sign solution
- Phase II to be launched in first quarter (Q1) 2015
- Phase II to include upgrade to
  - Chip & PIN
  - Contactless
  - EFTPOS
  - Using the M010 device

**Current  
Partner**



# New contracts won - 2014

## New Contracts

Mint currently has three channels to market:

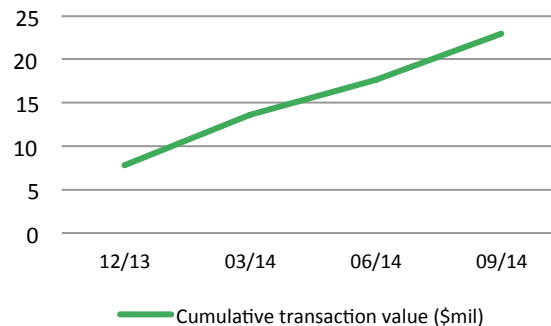
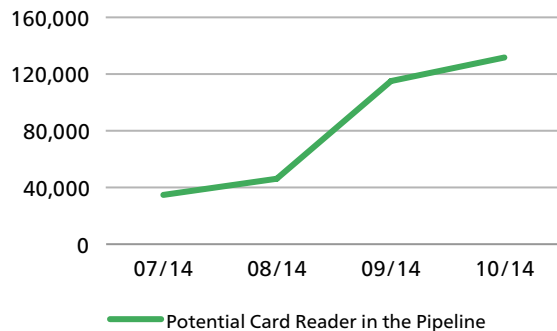
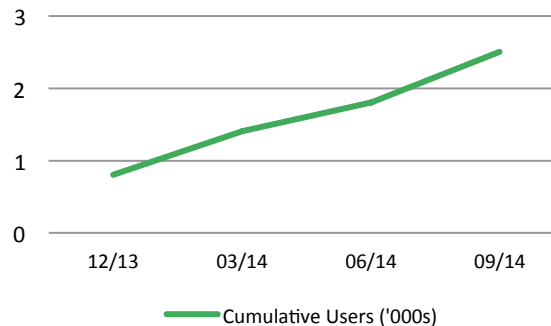
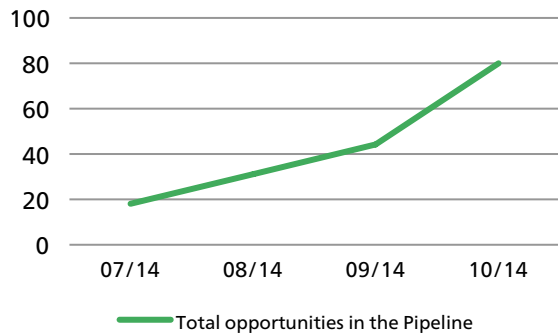
1. Direct Customers – Enterprise
2. Distribution Partners – Enterprise / SME
3. Integration Partners – SME



Electrolux	In house, integrated field service solution	Minimum of 200 users
AusCabs	Distribution Partner / E2E-taxi vertical	Minimum of 500 devices
Beyond Bank	White Label distribution partner	Credit Union: 500 - 1,000 potential devices in year one
CCIQ	White Label distribution partner	Chamber of Commerce: 500 - 1,000 potential devices in the year one
WolfStrike	White Label distribution partner	Small business partner: 1,000 potential devices in year one

# Key Performance Indicators

KPIs












# STRATEGIC REVIEW & PRIORITIES

# Business Drivers

## Business Drivers

	Number of Merchants
	Number of Transactions
	Value of Transactions

## Revenue Sources

	Annual or monthly fee Based on # users
	% of transaction fees (up to 2% net of cost and partner share)
	Small margin from hardware
	Project management fees (based on time and materials)

## Market Dynamics

### Customer Present Payments

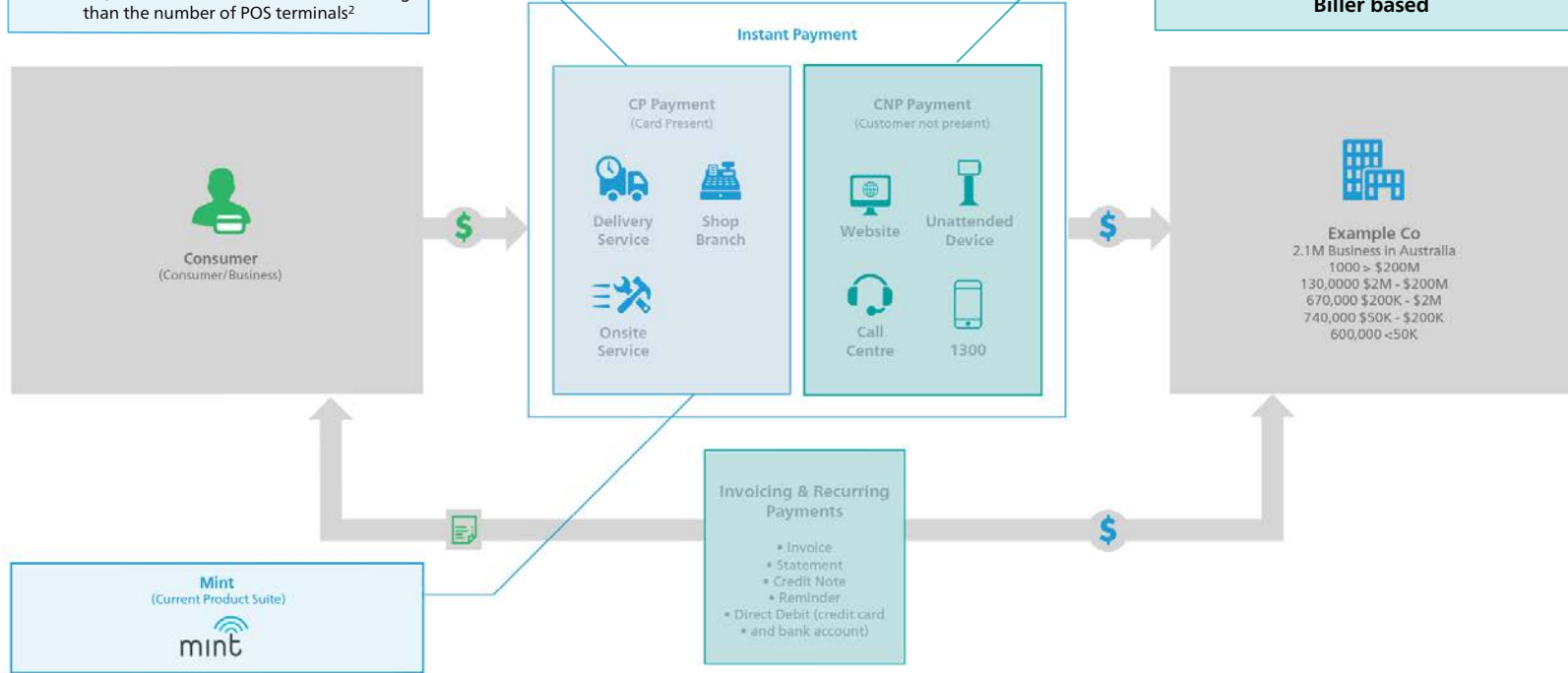
Value of mPOS transactions in Australia  
**A\$7.4 billion in 2014** growing to **A\$21.7 billion in 2016**<sup>1</sup>

In **2018**, mPOS devices to account for **52 million** units  
 At that time, the installed base of mPOS will be larger than the number of POS terminals<sup>2</sup>

### Customer Not Present Payments

Online card payments growing at  
**25% year on year growth**

**98% of online card payments is Biller based**



<sup>1</sup> Gartner 2013

<sup>2</sup> Smart Insights Report Overview 2013

# Strategic review and priorities

Getting ready for our next phase of growth

Sales and Distribution	<ul style="list-style-type: none"><li>• Deepen relationships with key strategic distribution customers</li><li>• Focus on growing active users and transaction values with existing and new distribution customers</li><li>• Vertical market approach</li></ul>
Expand Product Portfolio and Capabilities	<ul style="list-style-type: none"><li>• Develop or acquire card not present capabilities</li><li>• Complete omni-channel product strategy</li></ul>
Board and Governance	<ul style="list-style-type: none"><li>• Adopt a more traditional governance structure</li><li>• Appointment of additional independent non-Executive Director imminent</li></ul>
People & Culture	<ul style="list-style-type: none"><li>• Continue to invest and develop in leadership team</li><li>• Maintain “agile” mindset to grow in highly disruptive market</li></ul>
Expand into key Asia Pacific markets	<ul style="list-style-type: none"><li>• Complete market analysis of Asia Pacific market</li><li>• Develop business development opportunities in select, key markets in Asia</li></ul>

# Strategic review and priorities

Getting ready for our next phase of growth



## Sales and Distribution

- Deepen relationships with key strategic distribution customers
- Focus on growing active users and transaction values with existing and new distribution customers
- Vertical market approach

## Expand Product Portfolio and Capabilities

- Develop or acquire card not present capabilities
- Complete omni-channel product strategy

## Board and Governance

- Adopt a more traditional governance structure
- Appointment of additional independent non-Executive Director imminent

## People & Culture

- Continue to invest and develop in leadership team
- Maintain “agile” mindset to grow in highly disruptive market

## Expand into key Asia Pacific markets

- Complete market analysis of Asia Pacific market
- Develop business development opportunities in select, key markets in Asia


# Sales and distribution

- **Deepen relationships with key strategic distribution customers**
  - Long term 3 – 5 year agreements
  - Leveraging household brands known to SME's
  - Access to millions of SME's
  - Lower cost of distribution
- **Focus on growing active users and transaction values**
  - Improve speed of user roll out
  - Invest in account management and pre-sales resources
  - Implement targeted B2B marketing campaigns
- **Vertical market approach**
  - Own more of the value chain
  - Develop and target vertical industry segments with an end to end solution
  - More control over the speed of user roll out, higher value, ARPU and profitability
  - Example – Taxi & Hire car application



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# Expand product portfolio and capabilities

Develop or acquire customer not present capabilities



- Mint to introduce customer not present payments:
  - Virtual terminal
  - Payments page
  - Recurring payments
  - Tokenisation
- Most common request by customers
- Omni channel payments has high barriers to entry
- Greater share of the wallet
- Higher margins at lower average cost per user
- Higher transaction volumes
- Wider appeal of target customers and industries
- Increase stickiness with customers



# Expand product portfolio and capabilities

Complete omni channel product strategy (going up the value chain)



## Micro business

mPOS payment  
Low entry point



## SME

Industry vertical  
Contactless capability  
Integrated payments



## Retail

Fixed PED replacement  
High volume  
Robust



## Integrated Tablet Payment

POS Register replacement  
Cloud POS

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# Board and Governance

- **Expand Board in line with more traditional ASX governance structure**
  - Board has undertaken an internal and external review of company's corporate governance practices
  - In line with ASX requirements
- **Review undertaken by the Board and led by Independent Directors**
  - Completed assessment of Board and company requirements
  - Currently negotiating with shortlisted, highly qualified candidates to assist the Board in navigating the company through its next stage of growth
  - Offer made to selected candidate by 15 December 2014
- **Appointment of Anne Weatherston**
  - September 2014
  - Previously Group CIO of ANZ Bank, member of the Management Board
  - Bank of Ireland, Abbey / Santander, Gaz de France



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# People and Culture

- **Leadership**
  - Significant progress made this year with addition of experienced professionals from MasterCard, Commonwealth Bank, First Data and PayPal
  - Continue to grow our leadership team by adding talented, experienced and high performing people
- **Performance**
  - Develop a high performing team
  - Align personal performances with company goals
- **Customer centric**
  - Drive operational excellence through best practice processes
  - Focus on delivering customer happiness
- **Agile**
  - To remain “agile” in a highly disruptive, high growth payments market
  - To maintain Mint’s competitive advantage
- **High Morale**
  - Aligned with company values and staff retention

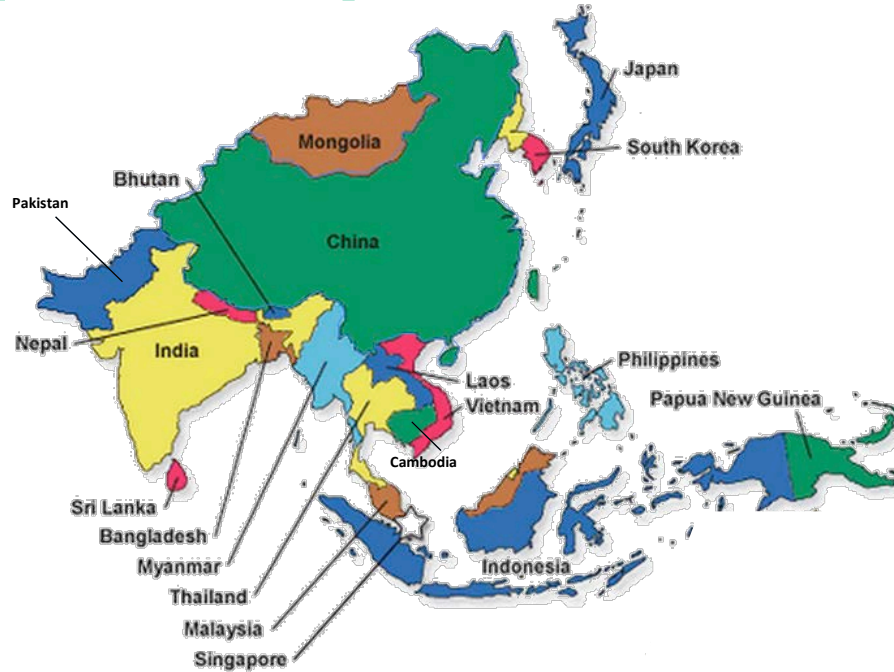


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# Expand into key Asia Pacific markets



- Mint is presently analysing the appropriate markets in Asia based on market maturity for mPOS
- Exploring various business and distribution models appropriate for a select number of markets Mint should focus on

Asia is expected to deliver **~11 million mPOS devices (~20% of worldwide forecast)** and transaction spend in excess of **~USD 85 billion by 2017**



# OUTLOOK



# Outlook



## Outlook

- **Continued investment in operations and product**
  - All certifications complete with no impediment to roll out
  - Accelerate introduction of customer not present payment product offering
  - Increase Mint's share of the wallet through higher transaction usage
- **Continued growth**
  - Sales focused organisation
  - Focus on growing active users and transaction values with existing and new distribution customers
  - Vertical market approach
- **Explore opportunities in Asia**
  - Complete market and business model analysis for Asia
  - Explore license and partnership opportunities in select, high growth Asia markets