

QUARTERLY UPDATE & APPENDIX 4C

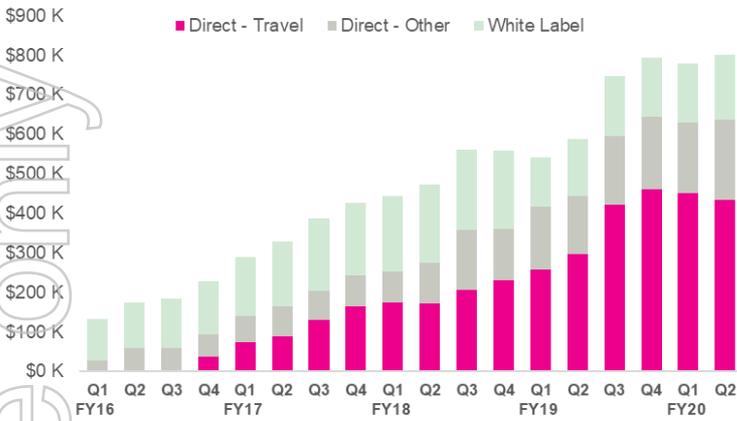
Sydney, AUS, Friday 31 Jan 2020: Australian-based Mint Payments (ASX: MNW) ('Mint' or the 'Company') is pleased to provide the following quarterly update and Appendix 4C consolidated statement of cash flow for the period ended 31 December 2019. The Company continued to perform well during the quarter; with growth coming from all of the Company's key financial and operating metrics.

Q2 FY20: Market Update

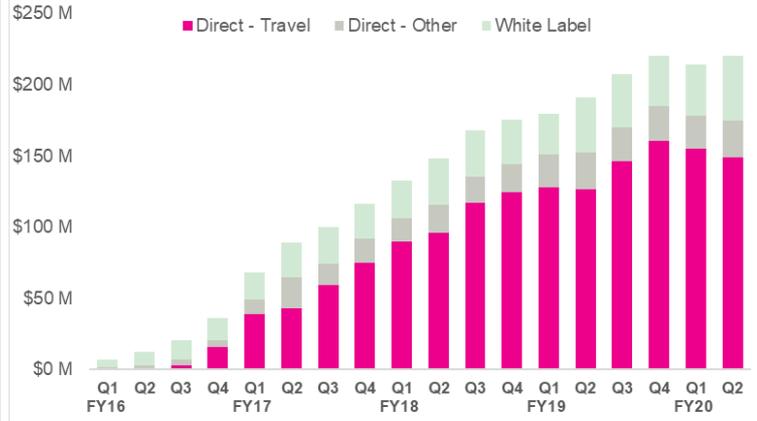
- + Total quarterly recurring revenues of \$802K, up by 37% from pcp. Mint's Direct channel has seen quarterly recurring revenues of \$639K up by 43% from pcp, driven in large by the Travel vertical of \$435K, up by 46% from pcp. The recurring revenue contribution from each channel is as follows:
 - o Direct channel – Travel of \$435K, up by 46% from pcp
 - o Direct channel – Other of \$202K, up by 38% from pcp
 - o Indirect channel of \$165K, up by 16% from pcp
- + Total quarterly transaction values of \$221M, up by 15% from pcp. The total transaction value contribution from each channel is as follows:
 - o Direct channel – Travel of \$149M, up by 17% from pcp
 - o Direct channel – Other of \$26M, up by 1% from pcp
 - o Indirect channel of \$46M, up by 18% from pcp
- + Mint successfully completed its integration with the new global payments and acquiring partner and launched as scheduled in Q2. This provides a strong platform to support our growth targets for the second half.
- + A strong quarter of merchant acquisition with large, notable merchants in the travel vertical joining the Mint network in Q2 including Tripaway Corporate Traveller, SNA Travel Group and Pure Travel. The Company has a strong pipeline of new merchant partners going into the second half of the financial year.
- + Total funds available of \$3.96M (\$1.21M cash and \$2.75M available debt facility) at the end of the quarter, with net operating cash outflows for the quarter of \$1.17M. The Company is focused on reducing its cash burn this financial year driven by increasing revenues and margins in the Direct Travel channel combined with prudent cost management.



Quarterly Recurring Revenue



Quarterly Transaction Value



- Total recurring revenues for the December quarter **increased by 37%** to **\$802K** when compared to the previous corresponding quarter
- This has been driven by the Company’s Direct channel which **increased by 43%** from the previous corresponding quarter, driven in large by the success of Mint’s industry focused payment solutions in the Travel vertical which **increased by 46%**
- The recurring revenue contribution from each channel is as follows:
 - Direct channel – Travel of \$435K, up by 46% from pcp
 - Direct channel – Other of \$202K , up by 38% from pcp
 - Indirect channel of 165K, up by 16%

- Transaction values **increased by 15%** to **\$221M** when compared to the previous corresponding quarter
- The total transaction value contribution from each channel is as follows:
 - Direct channel – Travel of \$149M, up by 17% from pcp
 - Direct channel – Other of \$26M , up by 1% from pcp
 - Indirect channel of \$46M, up by 18% from pcp

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OPERATIONAL UPDATE – Q2 FY20

Direct channel

Mint's Direct channel performed well throughout the second quarter, with continued gains over prior corresponding periods (up 15% vs Q2 FY19/20). Notable new merchants to join our platform during this period being Tripaway Corporate Traveller, SNA Travel Group and Pure Travel. The pipeline continues to be strong as we look to leverage the enhanced onboarding capabilities enabled by our global acquiring partner since going live in November 19 and our improved revenue margins (recurring revenue as a % of transaction value) that will begin to be evident from Q3 through this relationship.

Managing Director and Group CEO Alex Teoh said:

“Q2 FY20 has brought Mint's strongest quarter to date of recurring revenues, realising \$802k in the period, 37% better than the same period last year. We are seeing the returns coming through from our investment and concerted efforts to transform the travel payments industry, with 46% growth from this category alone. Supporting this our 'Direct – Other' channel performed well, up 38% from the prior corresponding period, off the back of organic customer and volume growth over the holiday period.

“These strong quarterly results were capped off by the successful integration and deployment of Mint with its new global acquirers platform in November 19. Customers are successfully transacting and already seeing the benefits and ease of using our platform as a result of this partnership. Delivery of this milestone represents a step-change for Mint as it is the first time in our history that we have had complete control over the ability to acquire, onboard and provision a payment service to a merchant without a dependency on a third party distributor or acquirer.

“Building on that successful launch, with our strong sales pipeline and rich product roadmap, Mint is well positioned to capitalise on accelerating the growth in our travel vertical through-out the second half of the financial year as we continue to reach our goal of monthly cash flow positive in 2020.

“We look forward to announcing new product features and partnerships in Q3, specifically targeting the travel vertical, as each of these further enhance the value proposition while increasing retention and monthly recurring revenues per merchant. Leveraging the platform's new capabilities, our customers can look forward to receiving a number of new features and enhancements very soon.”

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Indirect channel

Bank of New Zealand (BNZ) continues strong year-on-year growth with a record \$46m of total transaction value (TTV) processed in the quarter, up 18% on prior corresponding period, and the highest monthly TTV recorded to date in December 2019. As noted previously the Company has successfully shifted from its investment phase to maintenance / optimisation phase, this will allow for maximising profitability from the Indirect channel.

A copy of the Appendix 4C is attached.

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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

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Mint Payments Limited

ABN

51 122 043 029

Quarter ended ("current quarter")

31st December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date Dec-19 (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	797	1,803
1.2 Payments for		
(a) research and development	-	984
(b) product manufacturing and operating costs	(559)	(1,903)
(c) advertising and marketing	(21)	(87)
(d) leased assets	-	-
(e) staff costs	(881)	(1,933)
(f) administration and corporate costs	(371)	(674)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	12	21
1.5 Interest and other costs of finance paid	(145)	(266)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,168)	(2,055)

2. Cash flows from investing activities

2.1 Payments to acquire:

- (a) property, plant and equipment
- (b) businesses (see item 10)
- (c) investments

	-	-
	-	-
	-	-

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date Dec-19 (6 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	(32)	(41)
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) 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	(32)	(41)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	1,386	2,801
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(111)	(113)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(750)	(750)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)		
(a) Payment for other financial assets	6	(1)
3.10 Net cash from / (used in) financing activities	531	1,937

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	1,878	1,368
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,168)	(2,055)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(32)	(41)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	531	1,937

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date Dec-19 (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	1,209	1,209

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	1,209	1,209
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)	1,209	1,209

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
117
-

Payment of executive and non-executive directors' salaries and fees.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	10,500	7,750
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

- Secured working capital facility \$2,500,000 from Roadhound Electronics Pty Ltd
- Unsecured working capital facility \$5,000,000 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

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(500)
9.3 Advertising and marketing	(20)
9.4 Leased assets	-
9.5 Staff costs	(850)
9.6 Administration and corporate costs	(130)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(1,500)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

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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.

Sign here:  Date: 31/01/2020

Managing Director/ Chief Executive Officer

Print name: Alex Teoh

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.

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