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ASX ANNOUNCEMENT **30 OCTOBER 2020**

September 2020 Quarterly Activities Report and Operational Update

- **September '20 quarterly Cash receipts of $727,000 - representing a 123% increase on the corresponding September '19 quarter**
- **September '20 quarterly cash receipts are the Company's third best quarterly result - despite the impacts caused by COVID-19 movement restrictions and limitations on business operations in the Philippines**
- **A positive September '20 Quarterly result given the Philippines Government's General Community Quarantine order remained in place across most of Peppermint's bizmoto business locations, including metropolitan Manila and the provinces of Cavite, Laguna, Bulacan and Rizal**
- **Launched a targeted month-long marketing strategy during last week of September in response to COVID-19, achieving a 25% increase in registered bizmoto agents in less than a week, totalling 25,121 bizmoto agents to 30 September.**
- **Number of registered bizmoto agents increased weekly, now totalling 36,188 to 24 October**
- **More than 544 bizmoGo riders and 615 merchant customers were registered with bizmoTinda to 30 September for bizmoGo delivery and logistics services**
- **Our Stage 2 capital funding program to raise $2 million has commenced with funds to provide working capital, launch bizmoPay and implement a targeted bizmoto platform sales and marketing campaign**
- **Audit review of the half-year report 31 December 2019 and 2020 annual report underway - a pre-requisite for re-quotation on the ASX**
- **Peppermint working towards re-quotation on the ASX as soon as possible**

PERTH, AUSTRALIA, 31 OCTOBER 2020: Peppermint Innovation Ltd (**ASX: PIL**) ("Peppermint" or "the Company") presents its Quarterly Report for the period ended 30 September 2020 and is pleased to provide the following commentary and update to shareholders.

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Commenting on the September quarterly activities, Peppermint's Managing Director and CEO Chris Kain said:

"Peppermint has recorded its third highest quarterly cash receipts in the history of the company - A$727,000 - at a time when people have been quarantined in their homes and business operations have been severely restricted throughout the Philippines due to the COVID-19 pandemic.

"The September quarterly cash receipts represent a 123% increase on the corresponding September quarter in 2019, however, they have decreased by 23% from our record result in the June 2020 quarter.

"This is a good financial result for the Company considering the economic impact that has been caused by COVID-19 throughout the Philippines, with more than 80,000 business having ceased operating as of 30 August and unemployment reaching 4.6 million people in July.

"Like many businesses, Peppermint has had to adapt during these challenging COVID-19 times. We launched a targeted marketing campaign that resulted in more than 5,000 new agents registering for bizmoto in less than a week - taking our total number of registered agents to 25,120. This program has proved incredibly successful and we now have 36,188 registered bizmoto agents as of 24 October.

"We are also focused on expanding the range of activities and service offerings on our e-commerce platform to attract more customers, and we are confident our referral incentive program will further grow the number of registered bizmoto agents in the December quarter. In addition, a new insurance product covering accidental death, dismemberment and fire is currently being live tested by a select group of bizmoto agents and we expect to roll out this product soon to all agents via the bizmoto App.

"Overall, our objectives for the last quarter of 2020 will be securing new bizmoto agents, onboarding more API eLoad partners, increasing the use of the bizmoGo delivery App and rolling out and marketing the bizmoto customer App and the new improved bizmoGo App.

"In terms of the COVID-19 virus, the Philippines Government is expected to implement a 'less restrictive' General Community Quarantine regime across most cities during the December '20 quarter, thereby 'opening-up' the economy. The Filipino Government has also announced it will fund a stimulus package which will hopefully mitigate some of the negative impacts of the pandemic on poor and vulnerable households.

"In addition, the Filipino Government has reaffirmed its commitment to facilitating additional growth in the e-commerce market, with the Central Bank of the Philippines (BSP) highlighting a 70% increase in the use of the InstaPay platform and a 42% increase in the use of the PESONet platform during Covid-19 lockdown. These platforms are part of the nationally mandated BSP National Retail Payments System to facilitate direct real time payments, and we have already developed and deployed both payment platform modules across the Peppermint technology platform.

"On the corporate front, the Company is working hard towards re-quotation on the Australian Stock Exchange. Our Stage 2 capital funding program to raise A$2million has commenced with funds to provide additional working capital**,** implement a targeted bizmoto platform sales and marketing

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campaign and launch our micro-finance bizmoPay operations. Commitments to our Stage 2 capital funding program has allowed our auditor to commence their audit process of the Company's financial statements and accounts and, once the audited reports are lodged by the Company, we will then seek to be requoted on the ASX as soon as possible.

"On behalf of the Company, I would like to thank our incredible staff in the Philippines who have shown total commitment and dedication to their work during these incredibly challenging times. We are so grateful for all of your efforts in advancing the bizmoto business."

SEPTEMBER 2020 QUARTERLY OPERATIONAL UPDATE AND OUTLOOK

bizmoto Operations, Development and Platform Progress:

The bizmoto platform delivered cash receipts of A$727,000 during the September quarter which was a positive result given the Philippines Government's General Community Quarantine order remained in place across most of Peppermint's bizmoto business locations, Including metropolitan Manila and the provinces of Cavite, Laguan, Bulacan and Rizal. The September Quarterly cash receipts represented a 123% increase on the corresponding September 2019 quarter and a 23% decrease compared with the June 2020 quarterly cash receipts.

All key metrics for the bizmoto App utilisation increased, with the number of registered bizmoto agents rising by 25% to 25,121 to the end of September alone, with further growth to 36,188 by the 24th October, based on a targeted monthlong marketing campaign which commenced mid-September . The bizmoGo program generated smaller increases due to COVID-19 movement restrictions and business limitations imposed by the Philippines Government, with a total of 615 merchants (+3%) and 544 riders (+6%) registered as at the end of 30 September 2020.

During the September Quarter, the technical team has been focused on automating the back-end process of the bizmoto customer app, called '*Pabili*', following the completion of its front-end interface in the previous quarter. bizmoto *Pabili* allows customers to easily browse available goods from any listed merchant and then, with a simple click, place an order for delivery by a bizmoGo rider. Customers of bizmoto *Pabili* will have access to a significant number of merchants offering a wide selection of goods and services when it is launched.

In addition, no current issues have been identified with the new **bizmoto Android App 2.0** version during "live" testing which has occurred since late August. The new **bizmoto App 2.0** version will soon be rolled out to all bizmoto agents. The bizmoto App 2.0 version provides agents with a 'quick view' to their earnings and dashboard, which features services such as Bills Payment, eLoading, bizmoTinda and bizmoto Pabili.

In Q3, bizmoto's social media videos and content information attracted 3,000 minutes of viewing time, which represented a 445% increase from its previous 100-day period. The highest level of consumer engagement occurred with bizmoto's webinars and the Company will continue to create live webinar content with a view to teaching bizmoto agents how they can maximise the medium. In late September, bizmoto launched a referral marketing scheme which attracted about 285 additional referrals per day as well as increasing the number of active users.

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bizmoTinda:
Customers have welcomed the new bizmoTinda site which was launched in late April 2020 and have complimented its 'look and feel' as well as its range of functionality. Phase 2 enhancements to the new site, such as the inclusion of essential items in the list of categories and area and location mapping of merchants, will soon be rolled-out to customers.

bizmoPay:
Funds from the Stage 2 capital raise will be used to capitalise and officially launch bizmoPay as well as implementing a targeted sales and marketing campaign for the bizmoto platform. The Company is aiming to launch bizmoPay, contingent upon imposed regulatory time frames affected by Covid-19 in the Philippines, early next year.

Collaboration with BancNet on Mobile Banking Solution (MBS):
Partner Rural Bank is the first customer bank to complete the three-phase integration program and is awaiting its final clearance from BSP, having previously acquired its Certificate of Eligibility to operate an electronic funds transfer system through the use of Peppermint's Mobile Banking Solution (MBS). The commercial launch of Partner Rural Bank's MBS is expected soon.

UCPB Savings Bank is currently undergoing the user-acceptance testing phase and is expected to be the second bank that will launch the MBS before the end of 2020.

Peppermint remains in discussions with several other rural outsourcing banks about providing similar BancNet MBS subscription products, as well as awaiting the outcome of a proposal to develop mobile QR code platforms for a Filipino bank.

Co-Operative Business Partners:
MASS-SPECC
Peppermint continued discussions with MASS-SPEC around their latest requirement for a mobile banking solution that can connect other co-operatives under one network. MASS-SPECC's network has more than 300 co-operative members and more than a million co-operative members. Discussions around providing bizmoto services for MASS-SPECC's members are also underway.

Corporate:
As previously mentioned, the September quarter delivered cash receipts of $727,000 for the Company.

As detailed in the attached Appendix 4C, expenditure for the September Quarter was broadly in line with previous quarters with the exception of product manufacturing and operating costs which vary in line with revenue. This expenditure consisted of:

- Product manufacturing and operating costs of $629k are the costs directly related to the sales of Peppermint's goods and services;
- Sales and marketing costs of $8k which have been limited to preserve cash while the Group has focused on raising capital;

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- Staff costs of $244,000 to cover the costs of employing the software development team, operations team, and administration and management teams; and
- administration and corporate costs of $327,000 to represent all other costs of operating the business, including but not limited to regulatory fees, legal fees, rent and the provision of systems.

The Company has remained suspended from trading on the Australian Stock Exchange during the September 2020 quarter due to the "disclaimed audit opinion" on the Company's 2019 audited financial report. The Company will seek re-quotation on the Australian Stock Exchange as soon as possible once its audited financial reports are lodged with the ASX. The Company reminds shareholders that the reinstatement of the Company's securities requires satisfaction of all the requirements under the Listing Rules and is at the discretion of the ASX who can give no guarantee as to if and when the Companies securities will be reinstated.

As previously advised, the Company raised A$795,000 last quarter and is working towards finalising up to another A$2.5 million as part of the Stage 2 capital raise. The Stage 2 funding is to provide additional working capital as well as funding the launch of the Company's micro-finance bizmoPay operations.

Ends

This ASX announcement has been approved by Peppermint Innovation Limited's Board of Directors and authorised for release.

For more information, please contact:

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About Peppermint Innovation Ltd

Peppermint Innovation is an Australian company focused on the commercialisation and further development of the Peppermint Platform, a mobile banking, payment and remittance, delivery and logistics, ecommerce and finance technology to service the Philippines market – which was initially designed for banks, agents, associations and microfinance institutions. Peppermint currently operates the Peppermint Platform in the Philippines.

Forward Looking Statements: Statements regarding plans with respect to Peppermint's business plans are forward looking statements. There can be no assurance that Peppermint's plans will proceed as expected and there can be no assurance that Peppermint will be able to increase revenue.

Appendix 4C

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

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Name of entity

Peppermint Innovation Limited

ABN	**Quarter ended ("current quarter")**
56 125 931 964	30 September 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	727	727
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(629)	(629)
	(c) advertising and marketing	(8)	(8)
	(d) leased assets	-	-
	(e) staff costs	(244)	(244)
	(f) administration and corporate costs	(327)	(327)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(3)	(3)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	68	68
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(416)**	**(416)**

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	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 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**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	405	405
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	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**405**	**405**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	264	264
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(416)	(416)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	405	405
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**253**	**253**

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	248	259
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	5	5
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**253**	**264**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	168
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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

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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	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-

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.

n/a

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(416)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	253
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	253
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	0.6

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:
Yes

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:
The entity is seeking to raise capital and is currently suspended from the ASX.

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: The Company continues to raise capital to support its expanding business. The Company continues to receive subscription applications to provide capital and has signed agreements to raise the capital required to meet its business objectives upon the strength of which the Company Auditors are now completing their Company Audit.

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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.

Date: 30 October 2020

Authorised by: The Board of Directors
(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.

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