

ASX ANNOUNCEMENT

Appendix 4C & Quarterly Review

- Strong operational progress for Peppermint's non-bank mobile payment and remittance platform:
 - Pilots with MyWeps and MetroGas to commence in second quarter of 2017 powered by Peppermint's technology targeting the 'unbanked' population
 - 55 Bayad Center billers registered within the MyWeps Agent App, with 38 billers live and 17 billers in various stages of testing
 - Peppermint's continues to make steady progress establishing its Australian based operations, laying the foundations for an operational launch
- Peppermint's mobile banking and payments platform continues to grow:
 - Revenue of \$265,497, up 16% on prior quarter
 - Registered users of 217,794, up 10% on prior quarter
 - Increased transactions to 5.8 million for the quarter

PERTH, AUSTRALIA 28 APRIL 2017: Peppermint Innovation Ltd (**ASX: PIL**) (the Company or Peppermint) has today lodged its Appendix 4C Report for the period ended 31 March 2017 and is pleased to provide a review of its progress for the quarter.

Operational Progress: Peppermint's 'Non-Bank' Platform

Significant operational progress was made during the quarter, with the Company poised to roll out its 'non-bank' remittance and payments platform offering via two initial pilot programs with MyWeps and Metro Gas. Peppermint's non-bank platform is an initiative in support of the Philippines' National Strategy on Financial Inclusion (NSFI), with Peppermint's innovative technology providing the circa 70% of the Filipino population who are unbanked with a secure, time-saving solution to easily pay bills and remit money, as well as convenient financial services to the general Philippine population which stands at approximately 103 million people.

Central Bank of the Philippines (BSP) approves MyWeps Mobile Remittance pilot

During the quarter, the BSP granted approval to My Weps International Inc. (My Weps) to pilot test My Weps Mobile Remittance powered by Peppermint's Mobile Agent Remittance Platform. A first of its kind in the Philippines, remittance services will be provided without the need for a traditional over the counter transaction at a bricks and mortar outlet.

This is a significant milestone for the Company's non-bank platform as it continues to progress its plans to commercialise its non-bank offering. Under the pilot, remittance services will be provided using the established 1Bro Global Agent network and the MyWeps mobile app, powered by Peppermint's mobile remittance technology. Five hundred mobile agents will



take part in the pilot, allowing Filipino customers to remit funds in a secure and convenient way, without the requirement to travel and queue at a remittance centre to do so.

The Company has been working closely with MyWeps and the BSP to assist 1Bro Global Agents to comply with appropriate security clearances and AMLA training as required by the BSP, with the pilot to commence once this agent accreditation process is complete.

The pilot is a significant milestone for Peppermint's 'non-bank' offering and management remains committed to ensuring the appropriate level of diligence and planning goes into ensuring its every success.

Distribution agreement signed with Metro Gas

During the quarter, the Company signed a distribution agreement with Metro Gas, a Filipino company which delivers LPG to over 60,000 customers via an established network of 50 delivery personnel who each average 15-20 deliveries, every day of the week.

Peppermint's mobile agent payments technology will be used by Metro Gas delivery personnel to offer its customers the option to pay household bills when taking an LPG delivery. The offering will provide customers' with front door bill payment convenience; a service normally offered at a bricks and mortar payments center, via Peppermint's secure bill payments platform. The Company has focused its efforts on integrating Peppermint's technology into Metro Gas' current mobile tablet based delivery platform and is now in the position to commence a pilot program.

Bayad Center Billers on-boarding continues to progress

Peppermint has now on-boarded 55 billing parties under its arrangement with the Bayad Center, allowing consumers to pay household bills via Peppermint's mobile bill payment platform. As at 31 March 2017, the total number of active billers was 38, with an additional 17 billers in varying stages of testing and progressing towards being operational on the platform. Once fully on-boarded, the Bayad Center partnership will allow customers to pay bills through MyWeps Agent App with up to 200 large service providers, including utilities, government services, telecommunications, cable TV and internet service providers.

Australian Business Unit (ABU) Rollout

Peppermint is making steady progress establishing its Australian based operations, achieving AUSTRAC registration and implementing appropriate AML/CTF programs during the quarter.

Operational Progress: Peppermint's White Labelled Mobile Banking and Payments Platform

Steady revenue growth supported by increased users and transaction volumes

During the quarter, Mobile Banking and Payments (MBS) platform transaction volumes continued to grow steadily, with 5.8 million transactions during the period. Registered users



increased 10% on the prior quarter, with close to 218,000 users now using Peppermint's Mobile Banking & Payments (MBS) platform.

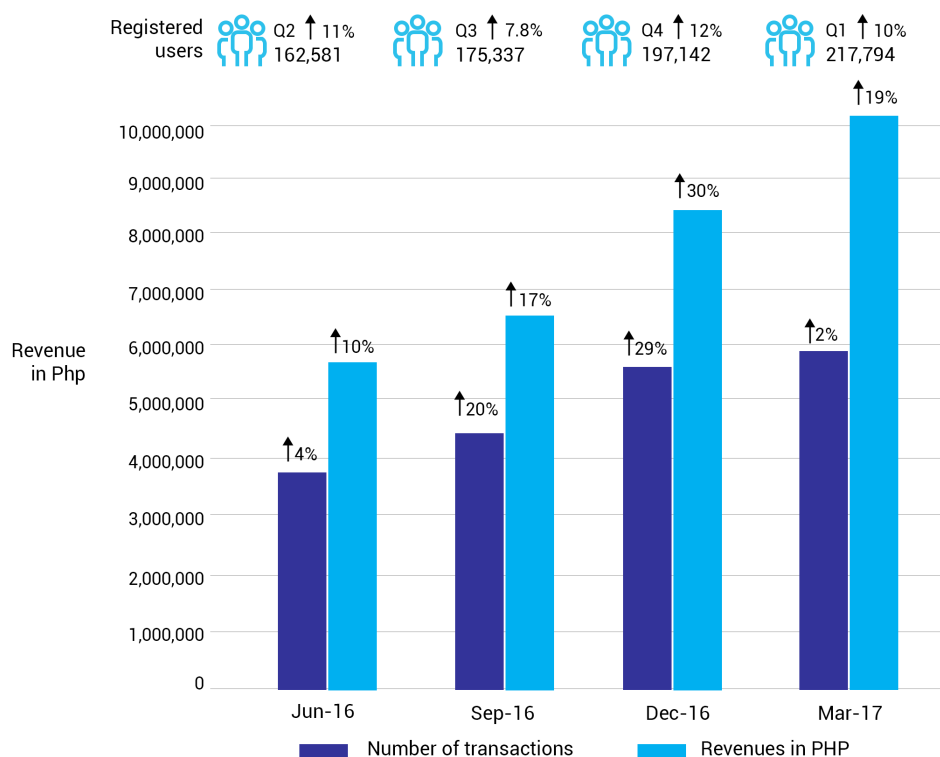


Figure 1: Quarterly Peso revenue, transaction volumes and registered users for rolling 12 month period.

UnionBank customer enrolment

As reported in our last quarterly, Peppermint is ready to commence batch registration of up to 2.5 million UnionBank customers to the UMobile App powered by Peppermint. Upon receiving this request from UnionBank, Peppermint worked with the Bank to gear up its operations to facilitate this significant increase in registered UMobile users. Unfortunately UnionBank's on boarding has been delayed and Peppermint is in discussions with UnionBank and is looking to resolve this issue while continuing to work with the Bank to assist with other matters.

Financial Update

During the quarter, the Company generated sales revenue of 10.1 million Philippine Pesos, up 19% on the prior quarter's revenue of 8.5 million Philippine Pesos. In AUD, total unaudited revenue for the quarter was AUD \$265,497 up on prior quarter revenue of AUD \$228,151.

Total operating cash inflows were \$248,000, for the quarter, comprised of receipts from customers. Total operating cash outflows for the quarter of \$362,000, predominantly related to costs of sales and staff.

The Company had \$813,000 cash at bank as at 31 March 2017 and remains well positioned to continue to execute its operational and growth strategy.



Outlook

The Peppermint team continues to work on bringing disruptive and ground-breaking technology to the Philippines and is making steady progress working alongside the BSP to deliver payments and remittance technology to the large unbanked population. Promoting financial inclusion in the Philippines remains a core focus of the management team, as it continues to work towards commercialising its non-bank technology platform.

Additionally, the outbound remittance corridor from Australia is a large and growing market, with more than one billion dollars sent from Australia to the Philippines in 2015 alone. Peppermint continues to focus on its Australian operations to enable commercial launch as soon as possible.

Chris Kain, Managing Director comments: "It's great we have now come to the point with our platform where we are dealing with the necessary logistics to offer our non-bank payment and remittance platform to the Filipino public. I expect the next 12 months will be an exciting time operationally for us and although we have continued to benefit from recurring revenues generated by our mobile banking and payments platform, the real potential of Peppermint's offering lies with our innovative non-bank payments and remittance solution where the opportunity for future growth and revenues is enormous."

"This is a marathon, not a sprint, but the rewards at the end of the race are great. We are dedicating time and energy to ensure the correct processes and procedures are being put in place and building a platform that is a solution for the future that stands up to the highest regulatory requirements"

-Ends-

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, payments and remittance technology designed for banks, mobile money operators, money transfer and funds remittance companies, payment processors, retailers/merchants, credit card companies and microfinance institutions. Peppermint currently operates the Peppermint Platform in the Philippines.

Peppermint has a particular focus in the developing world (starting with the Philippines) and on providing an attractive tool to the unbanked population to access mobile banking and remit money to and from family and others through a system not tied to a particular bank or telephony company.

The Peppermint Platform is now being used by leading commercial banks in the Philippines.



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

Peppermint Innovation Limited

ABN

56 125 931 964

Quarter ended ("current quarter")

31 March 2017

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	248	651
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(226)	(652)
(c) advertising and marketing	(25)	(118)
(d) leased assets	-	(2)
(e) staff costs	(298)	(810)
(f) administration and corporate costs	(62)	(363)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	7
1.5 Interest and other costs of finance paid	-	(1)
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	(362)	(1,288)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
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	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
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	-	(6)
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	-	(6)

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	1,175	2,107
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(362)	(1,288)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(6)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	813	813

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	54	78
5.2	Call deposits	754	1,092
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)	813	1,175

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

178

-

Director's fees, executive remuneration and consulting 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

-

-

n/a

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	-	-
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.		

n/a

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	253
9.3 Advertising and marketing	45
9.4 Leased assets	-
9.5 Staff costs	264
9.6 Administration and corporate costs	32
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	594

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	-	-

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:
(Director/Company secretary)

Date: 28 April 2017

Print name: Anthony Kain

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.