

ASX ANNOUNCEMENT

Appendix 4C & Quarterly Review

- Strong operational traction towards commercialisation of Peppermint's non-bank mobile payment and remittance platform:
 - MyWeps and Metro Gas pilots commenced and are progressing well, with early efforts focused on developing agent familiarity and platform enhancements to assist commercial adoption.
 - Agreement with SUNMar to conduct a 3-month pilot of Peppermint's white-labeled bill payment and eLoad services commenced.
 - 49 Bayad Center billers are now live on the Peppermint platform, 4 are awaiting on-boarding post testing, and a further 10 are in testing phase.
- Continued growth of Peppermint's mobile banking and payments platform:
 - Revenue of AUD\$330,590, up 25% on prior quarter
 - Registered users of 237,054, up 9% on prior quarter
 - 5.6 million transactions, for the quarter
- Awarded a FinTech Australia award (a 'Finnie') for Excellence in Financial Inclusion (Social Good)

PERTH, AUSTRALIA 31 JULY 2017: Peppermint Innovation Ltd (**ASX: PIL**) (the Company or Peppermint) has today lodged its Appendix 4C Report for the period ended 30 June 2017 and is pleased to provide a review of its progress for the quarter.

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

Significant operational progress has been made with Peppermint's 'non-bank' remittance and payments platform, with the MyWeps, Metro Gas and SUNMar pilots commencing during the quarter. These pilot programs have attracted strong interest from agents and business partners alike, and are intended to engender agent familiarity and produce platform user enhancements to underlie commercial adoption post pilot stage. Early feedback is encouraging and helpful as Peppermint continues to identify other business partners and channels to proliferate the adoption of the Company non-bank mobile payment and remittance platform.

The pilots are a key step forward for the Company to commercialising its non-bank offering and signify the Company's strong progress towards a commercial roll out of its non-bank platform in support of the Philippines' National Strategy on Financial Inclusion (NSFI) initiative. Peppermint is pioneering innovative technology that offers accessible financial services to the ~70% of the Filipino population who currently do not use traditional banking methods.

In recognition of its efforts, Peppermint was pleased to accept a Finnie at FinTech Australia's inaugural awards night, recognising the Company for 'Excellence in Financial Inclusion (Social Good)'.



MyWeps Mobile Remittance pilot commenced

During the quarter, the MyWeps Mobile Remittance pilot commenced. Currently 351 MyWeps remittance agents, out of a possible 500 permitted under the Mobile Remittance Pilot granted to MyWeps by the BSP, are registered to provide their customers with the opportunity to remit money, pay bills and buy eLoad services via the MyWeps platform. The three-month trial is taking place across the National Capital Region, key regional areas, and six specific municipalities in provinces that have been identified as marginalised or underserved by the Filipino central bank, the Bangko Sentral ng Pilipinas (BSP).

Initial feedback is extremely positive from pilot participants and management is pleased with the pilot's progress. There has been a strong focus in the early stages of the pilot on platform enhancements, active database clean-up and reporting functionality catering to requests from the agent base and our business partner to facilitate more user friendly functionality and platform user analysis.

Metro Gas mobile bill payments pilot underway

In May 2017, a three-month pilot of the Metro Gas Agent App commenced, with Metro Gas delivery personnel offering its customers the option to pay household bills at the time an LPG delivery is accepted. Metro Gas delivers LPG to over 60,000 customers via an established network of 50 delivery personnel, delivering on average 15-20 deliveries every day of the week in the Philippines.

30 of the possible 50 delivery personnel are registered to use the platform. Early stage focus with Metro Gas has been training delivery personnel platform and determining optimal customer pricing models, with feedback indicating strong support for the additional convenience and security offered by the Metro Gas Agent App.

Peppermint has delivered specific platform enhancements and a web based tool to track the performance of platform users at the request of Metro Gas. The Company continues to work closely with Metro Gas to assist pilot adoption with a commercial rollout anticipated following the end of the three-month period.

SUNMar Express pilot

During the quarter, Peppermint signed a service agreement with SUNMar Express Global Services Inc. (SUNMar) to provide Peppermint's Mobile Bill Payment and eLoad services to SUNMar and its network of business branches, partners and agents.

SUNMar provides a range of products and services to its Filipino customers through its local partner branches and network of over 14,000 agents.

An initial 3-month pilot of the white-label, SUNMar branded app, powered by Peppermint's Mobile Bill Payments and eLoad Platform is underway with 13 partner and agent branches registered and the first 4 actively using the platform. Upon the request of SUNMar, Peppermint has developed a web tool with specific agent reporting functionality planned for implementation in August. Additionally, other functionality in terms of new products and services delivered via the agent network app are being explored as further value add services to offer customers. This pilot agreement further extends Peppermint's reach into the densely populated regional areas in the north and south of the Philippines.



Additional Bayad Center Billers added

During the quarter, Peppermint added an additional 11 billers under its arrangement with the Bayad Centre, taking the total number of active billers to 49. A further 4 billers are soon to be on-boarded post a successful testing program, and 10 billers are about to undertake testing.

The Company continues to make steady progress on-boarding the remaining billers, enabling customers of Peppermint's agent network mobile non-bank payments platform to pay household bills with an increasing number of service providers.

UCPB Strategic Partnership

The UCPB strategic partnership, the Peppermint Faster Remittance System, will enable a direct credit to bank facility for international money transfers via Peppermint Fast Remittance System. The system still is progressing through a scoping analysis as Peppermint waits for complete project specifications.

Peppermint continues to work closely with UCPB on other potential development and strategic projects that will compliment banking and payment services offered by the bank.

Australian outbound remittance business

The outbound remittance business has achieved AUSTRAC registration, is compliant with AML/CTF requirements and has opened operational bank accounts. These steps are key enablers for the commencement of an international remittance business out of Australia.

Operational Progress: White Labelled Mobile Banking and Payments Platform

Revenue growth supported by increasing users and transaction volumes

Transactions via Peppermint's Mobile Banking and Payments (MBS) platform reached 5.6 million during the period, from 237,054, registered users, an increase of 9% from the previous quarter.

UnionBank update

Peppermint has been in discussions with UnionBank to try to resolve the delay in the batch registration of UnionBank customers, which they had requested. Despite the increase during the Quarter in the number of users of and number of transactions across the UMobile App powered by Peppermint, UnionBank have indicated that they are going to substitute the UMobile App with their own in house app for UnionBank account holders electing to utilise mobile banking. At this stage UnionBank have not launched their mobile banking app and continue to utilise the Umobile App under the terms of the existing service provider agreement. Peppermint is continuing to work with UnionBank to resolve this matter and understand how we can assist with, and provide, specific functionality and services to empower UnionBank's own mobile app based on our technical experience and platform knowhow.



Financial Update

During the quarter, Peppermint's sales revenue was 12.5 million Philippine Pesos, up 24% on prior quarter's revenue of 10.1 million Philippine Pesos. In AUD, total unaudited revenue for the quarter was \$330k, up on the prior quarter's revenue of \$265k.

Total receipts from customers for the quarter were \$326k, an increase of 31% on prior quarter's cash receipts of \$248k.

The Company had \$429k cash at bank as at 30 June 2017, is sufficiently funded to continue to execute its growth strategy and operational plans for the coming quarter, and is now working with strategic partners with respect to future funding.

Outlook

The team at Peppermint is extremely pleased with the strong operational progress made in this past quarter. The launch of the MyWeeps, Metro Gas and SUNMar pilots are a significant achievement for the Company as it continues to focus on promoting financial inclusion in the Philippines by working towards the commercialisation of its non-bank platform. This is the major focus of Peppermint's efforts where it is pioneering innovative technology that offers accessible financial services to the circa 103 million people of the Philippines.

Chris Kain, Managing Director commented: "The preliminary results from our MyWeeps, Metro Gas and SUNMar pilots provide strong validation of the need for our platform and the value it provides to the Filipino people. We are pleased with the progress made with our non-bank offering, with the provision of technologically enabled services which promote financial inclusion in the Philippines, the primary objective of Peppermint. We continue to work towards a future full scale commercial rollout of our non-bank platform."

-Ends-

For more information, please contact:

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About Peppermint Innovation Ltd

Peppermint Innovation Ltd is an Australian company listed on the Australian Securities Exchange which is focused on the commercialisation and further development of the Peppermint Platform, a mobile banking, payment 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 being used by leading commercial banks in the Philippines and non-bank payment pilots have commenced in the Philippines in conjunction with multi level marketing organisations.



+Rule 4.7B

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")

30 June 2017

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	326	977
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(270)	(922)
	(c) advertising and marketing	(57)	(175)
	(d) leased assets	-	(2)
	(e) staff costs	(277)	(1,087)
	(f) administration and corporate costs	(134)	(497)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	8
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	(411)	(1,699)



Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	27	27
	(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	27	27

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)



Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
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	813	2,107
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(411)	(1,699)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	27	27
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(6)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	429	429

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	83	54
5.2	Call deposits	341	754
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)	429	813

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**

186

-

Director's fees, executive remuneration and consulting fees.



7. Payments to related entities of the entity and their associates
**Current quarter
\$A'000**

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

n/a

8. Financing facilities available
Add notes as necessary for an understanding of the position
**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

241

9.3 Advertising and marketing

32

9.4 Leased assets

-

9.5 Staff costs

321

9.6 Administration and corporate costs

145

9.7 Other (provide details if material)

-

9.8 Total estimated cash outflows
754


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: 31 July 2017

Print name:

Anthony Kain
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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.

