

Mint

MINT PAYMENTS LIMITED

ABN: 51 122 043 029

**APPENDIX 4D AND HALF-YEAR FINANCIAL REPORT
31 DECEMBER 2019**

APPENDIX 4D

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

1. Reporting period

The current reporting period is the period ended 31 December 2019 and the previous corresponding period is for the period ended 31 December 2018.

2. Results for announcement to the market

			Half-year ended 31 Dec 2019
Recurring revenue from contracts with customers	Up	40%	\$1,582,333
Revenue from ordinary activities	Up	1%	\$2,030,239
Net loss from ordinary activities attributable to members	Up	(1)%	\$2,291,317
Net loss attributable to members	Up	(1)%	\$2,291,317

Commentary

Further commentary on the results for the half-year can be found in the half year results presentation released subsequent to the Appendix 4D and the 'review of operations' section of the Directors' Report in the attached half-year financial report.

Dividends

No interim dividends have been paid or provided for during the period or the prior financial period by the Parent Entity.

Earnings/(loss) per share

	Half-year ended 31 Dec 2019	Half-year ended 31 Dec 2018
Basic earnings/(loss) per share (cents)	(0.28)	(0.29)
Diluted earnings/(loss) per share (cents)	(0.28)	(0.29)

3. Net tangible assets per share

	31 Dec 2019	31 Dec 2018
Net tangible assets per share (cents)	(0.62)	(0.52)

4. Audit qualification or review

The half-year financial report has been subject to review and the independent auditor's review report is attached as part of the financial report.

5. Attachments

The financial report of Mint Payments Limited for the half-year ended 31 December 2019 is attached. The half-year financial report should be read in conjunction with the most recent annual financial report.

The remainder of the information requiring disclosure to comply with ASX 4.2A.3 is contained in the attached half-year financial report.



MINT PAYMENTS LIMITED

ABN: 51 122 043 029

HALF-YEAR FINANCIAL REPORT 31 DECEMBER 2019

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The half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 30 June 2019 and any public announcements made by Mint Payments Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The Directors of Mint Payments Limited present their report on the consolidated entity consisting of Mint Payments Limited and the entities it controlled (“the Group” or “Mint Payments”) at the end of, or during, the half-year ended 31 December 2019.

DIRECTORS

The names of the Directors of Mint Payments Limited during the half-year and until the date of this report are:

Non-Executive

Peter Wright (retired on 31 January 2020)
William Bartee
Terry Cuthbertson
Anne Weatherston

Executive

Alex Teoh (Group Chief Executive Officer)

All Directors were in office for the entire period unless otherwise stated.

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the half-year under review were omni-channel payments solutions that utilises bank grade enabled technology and infrastructure on various POS, mobile, tablet devices and online interfaces. Mint Payments has an innovative payments technology and transactions processing platform that integrate business processes to service credit and debit card payments across multiple markets and multiple channels.

RESULTS AND REVIEW OF OPERATIONS

Operating Results

Key financial results for the half-year ended 31 December 2019 were:

- Overall, revenue from contracts with customers of \$1,686,432 in HY20 increased by 13% from prior financial half year. Importantly the Company has seen an increase in recurring revenues by 40% or \$452,727 from previous financial half year.
- Recurring revenues as a proportion of total sales revenues represents 78% of total revenues (compared to prior year of 56%).
- Reported net loss from ordinary activities attributable to members for the half-year ended 31 December 2019 was \$2,291,317, 1% or \$24,602 up from the previous corresponding year. After taking into account the lower R&D grants accrued compares to previous corresponding year, the underlying reported loss from ordinary activities attributable to members for the half-year ended 31 December 2019 was \$2,628,158, an improvement by 5% from the previous corresponding year.

Review of Operations

The highlights for the half-year ended 31 December 2019 include:

- The Company completed its integration with the new global payments and acquiring partner, launching as scheduled in Q2, this provides a strong platform for growth in the second half of FY2019/20.
- Continued success in 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.

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

- In August and October 2019, to grow and consolidate the momentum the Company has achieved in the direct travel payments industry, the Company successfully raised funds totalling \$2,851,002. The funding is in the form of:
 - \$2,580,002 raised from a mix of existing and new institutional and sophisticated investors through a placement of 112,271,925 fully paid ordinary shares at \$0.023 per share (\$80,000 worth of new shares was placed to Mint's financial advisor, North Ridge Partner, in exchange for services rendered in respect of the Placement);
 - \$271,000 through a Share Purchase Plan (SPP) of 12,904,747 fully paid ordinary shares at \$0.021 per share and the SPP represents a 2.5% discount to the volume weighted average price of Mint shares traded in the 5 days in which share traded up to and including the closing date.

The funds raised by the Placement and the SPP are to be used for:

- technology development to build out Mint's payment platform functionality and further integrate with the new global acquirer relationship;
- sales and marketing resources to capitalise on direct payments opportunity in the Australian SME travel industry; and
- general working capital.

DIVIDENDS

No dividends were declared or paid since the start of the financial half-year. No recommendation for payment of dividends has been made.

SIGNIFICANT EVENTS AFTER BALANCE DATE

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect the Consolidated Entity's operations, results of those operations or the state of affairs in future financial years.

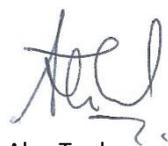
ROUNDING OF AMOUNTS

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the financial report have been rounded to the nearest dollar.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5 and forms part of this half-year financial report.

Signed in accordance with a resolution of the Directors.



Alex Teoh

Group Chief Executive Officer and Managing Director

Sydney, 28 February 2020



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AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Mint Payments Limited

In relation to the independent auditor's review for the half-year ended 31 December 2019, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Mint Payments Limited and the entities it controlled during the period.

A handwritten signature in black ink that reads "Mark Godlewski".

MARK GODLEWSKI

Partner

PITCHER PARTNERS

Sydney

28 February 2020

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Notes	Half-year ended 31 Dec 2019 \$	Half-year ended 31 Dec 2018 \$
Continuing operations			
Revenue and other income	3	2,030,239	2,010,208
Network and service delivery		(1,095,280)	(840,488)
Purchases & changes in inventories of finished goods		(74,185)	(50,282)
Employee benefit expense		(1,742,889)	(1,917,088)
Depreciation and amortization expense		(129,850)	(155,527)
Finance costs		(302,524)	(254,623)
Professional fees		(492,883)	(225,759)
Administration, property & communication expenses		(220,525)	(213,925)
Selling expense		(166,642)	(497,031)
Other expenses		(96,778)	(122,200)
Loss before income tax		(2,291,317)	(2,266,715)
Income tax expense		-	-
Net loss for the period		(2,291,317)	(2,266,715)
Other comprehensive Income			
Items that may be reclassified subsequently to profit & loss			
Foreign currency translation gain / (loss)		(2,405)	10,252
Total comprehensive loss for the period		(2,293,722)	(2,256,463)
Total comprehensive loss attributable to:			
Equity shareholders		(2,293,722)	(2,256,463)
Net loss attributable to:			
Equity shareholders		(2,291,317)	(2,266,715)
Earnings/(loss) per share for loss to equity shareholders			
Basic earnings/(loss) per share (cents)	6	(0.28)	(0.29)
Diluted earnings/(loss) per share (cents)	6	(0.28)	(0.29)

The accompanying notes form part of these financial statements.

MINT PAYMENTS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

Notes	As at 31 Dec 2019 \$	As at 30 Jun 2019 \$
Assets		
Current assets		
Cash and cash equivalents	1,208,965	1,367,915
Trade and other receivables	1,076,268	1,753,674
Inventories	864,097	892,483
Other financial assets	337,900	336,876
Total current assets	3,487,230	4,350,948
Non-current assets		
Plant and equipment	197,057	200,866
IT development	133,013	183,715
Total non-current assets	330,070	384,581
Total assets	3,817,300	4,735,529
Liabilities		
Current liabilities		
Payables	(1,205,601)	(1,687,817)
Unearned revenue	(2,000)	(500)
Provisions	(391,169)	(512,072)
Short term borrowings	(250,000)	-
Total current liabilities	(1,848,770)	(2,200,389)
Non-current liabilities		
Provisions	-	(11,315)
Long term borrowings	(7,500,000)	(8,500,000)
Total non-current liabilities	(7,500,000)	(8,511,315)
Total liabilities	(9,348,770)	(10,711,704)
Net assets	(5,531,470)	(5,976,175)
Equity		
Contributed equity	4 49,401,916	46,653,489
Reserves	2,602,084	2,614,489
Accumulated losses	(57,535,470)	(55,244,153)
Total equity	(5,531,470)	(5,976,175)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Half-year ended 31 Dec 2019 \$	Half-year ended 31 Dec 2018 \$
Cashflows from operating activities		
Receipts from customers	1,802,229	1,475,309
Operating grant receipts	983,671	1,678,704
Payments to suppliers and employees	(4,595,877)	(4,687,767)
Interest and other similar items received	20,797	16,243
Interest and other cost of finance paid	(266,076)	(200,555)
Net cash used in operating activities	(2,055,256)	(1,718,066)
Cashflows from investing activities		
Payments for plant and equipment	(29,706)	(31,166)
Payments for capitalised IT Development	(11,000)	(33,013)
Net cash used in investing activities	(40,706)	(64,179)
Cashflows from financing activities		
Repayment of borrowings	(750,000)	(525,000)
Proceeds from borrowings	-	1,500,000
Proceeds from issue of shares	2,801,002	-
Share issuance costs	(112,760)	(128,979)
Payment for other financial assets	(1,230)	-
Net cash provided by financing activities	1,937,012	846,021
Net increase/ (decrease) in cash and cash equivalents	(158,950)	(936,224)
Cash and cash equivalents at the beginning of the half-year	1,367,915	3,022,758
Cash at end of the half-year	1,208,965	2,086,534

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Share capital \$	Share based payment reserve \$	Foreign exchange reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2018	46,709,299	2,492,347	4,923	(50,813,378)	(1,606,809)
Loss for the half-year	-	-	-	(2,266,715)	(2,266,715)
Other comprehensive income for the half-year	-	-	10,252	-	10,252
Total comprehensive loss for the half-year	-	-	10,252	(2,266,715)	(2,256,463)
Recognition of share based payment	-	-	-	-	-
Issue of ordinary shares	-	-	-	-	-
Share issue costs	(15,811)	-	-	-	(15,811)
Balance at 31 Dec 2018	46,693,488	2,492,347	15,175	(53,080,093)	(3,879,083)

	Share capital \$	Share based payment reserve \$	Foreign exchange reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2019	46,653,489	2,593,672	20,817	(55,244,153)	(5,976,175)
Loss for the half-year	-	-	-	(2,291,317)	(2,291,317)
Other comprehensive income for the half-year	-	-	(2,405)	-	(2,405)
Total comprehensive loss for the half-year	-	-	(2,405)	(2,291,317)	(2,293,722)
Recognition of share based payment	-	(10,000)	-	-	(10,000)
Issue of ordinary shares	2,851,002	-	-	-	2,851,002
Share issue costs	(102,575)	-	-	-	(102,575)
Balance at 31 Dec 2019	49,401,916	2,583,672	18,412	(57,535,470)	(5,531,470)

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

1. Summary of significant accounting policies

Basis of preparation

The condensed financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards AASB 134 Interim Financial Reporting. The financial report has also been prepared on a historical cost basis.

The half-year financial report does not include all the notes of the type normally included with the annual report. As a result, it should be read in conjunction with the 30 June 2019 annual financial report of Mint Payments Limited, together with any public announcements made by Mint Payments Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the Australian Stock Exchange.

With the exclusion of AASB 16 Leases, the accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period. The adoption of AASB 16 does not have a material impact on the interim report.

Statement of compliance

Compliance with AASB 134, as appropriate for for-profit entities, ensures compliance with Australian Accounting Standards (AAS) and International Financial Reporting Standards (IFRS).

Rounding amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the financial report have been rounded to the nearest dollar.

Going concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group incurred a net loss of \$2,291,317 and a net cash outflow from of operations \$2,055,256 for the half-year ended 31 December 2019. As at 31 December 2019, the Group had cash assets of \$1,208,965, current assets of \$3,487,230 and current liabilities of \$1,848,770.

The financial report has been prepared on a going concern basis which the Directors consider to be appropriate based upon the forecast for the next 12 months. These forecasts are based on projected margins from contracted and new customers and available funding from the Group's finance facilities (\$2,750,000 undrawn as at 31 December 2019).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

2. Segment information

The consolidated entity operates in one segment being mobile payments. This is based on the internal reports that are reviewed and used by the Board of Directors (identified as the Chief Operating Decision Maker (CODM)) in assessing performance and in determining the allocation of resources.

The consolidated entity operates predominantly in one geographical region being Australia.

3. Revenue and other income

	Half-year ended 31 Dec 2019 \$	Half-year ended 31 Dec 2018 \$
<i>Sales Revenue</i>		
Revenue from sales of goods	7,576	27,582
Revenue from services	96,523	339,292
Recurring revenues	1,582,333	1,129,606
	<u>1,686,432</u>	<u>1,496,480</u>
<i>Other Income</i>		
R&D grant income	336,841	500,000
Interest income	6,966	13,728
Total revenue and other income	<u>2,030,239</u>	<u>2,010,208</u>

4. Contributed equity

	31 Dec 2019 No.	30 Jun 2019 No.
(a) Issued and paid up capital		
Ordinary Shares	<u>910,480,077</u>	<u>785,303,405</u>
(b) Movements in shares on issue		
	Half-year ended 31 Dec 2019 No. of Shares	Half-year ended 31 Dec 2019 \$
Beginning of the financial half-year	1-Jul-19	46,653,489
Issue of fully paid ordinary shares	10-Sep-19	1,435,077
Issue of fully paid ordinary shares	10-Sep-19	50,000
Issue of fully paid ordinary shares	11-Oct-19	271,000
Issue of fully paid ordinary shares	24-Dec-19	1,064,925
Issue of fully paid ordinary shares	24-Dec-19	30,000
Share issue costs	-	(102,575)
Closing Balance	31-Dec-19	<u>49,401,916</u>

5. Earnings/(loss) per share

	Half-year ended 31 Dec 2019 \$	Half-year ended 31 Dec 2018 \$
The following reflects the income and share data used in the calculation of basic and diluted earnings/(loss) per share:		
Net Loss attributed to equity shareholders	(2,291,317)	(2,266,715)
Loss used in calculating basic and diluted earnings/(loss) per share	(2,291,317)	(2,266,715)
	Number of shares	Number of shares
Weighted average number of ordinary shares used in calculating basic earnings/(loss) per share	808,894,876	785,303,405
Basic earnings/(loss) per share to equity shareholders	(0.28 cents)	(0.29 cents)
Diluted earnings/(loss) per share to equity shareholders	(0.28 cents)	(0.29 cents)

6. Dividends

No dividend was paid, recommended for payment nor declared during the period under review.

7. Contingent liabilities

There has been no change in contingent liabilities since the last annual reporting date.

8. Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial period that has significantly affected, or may significantly affect the Consolidated Entity's operations, results of those operations or the state of affairs in future financial years.

Mint Payments Limited is a listed public company, incorporated and operating in Australia.

Registered Office	Principal place of business
Level 4, 450 Victoria Road Gladesville NSW 2111 Australia	Level 4, 450 Victoria Road Gladesville NSW 2111 Australia

Directors' declaration

In the Directors' opinion:

- (a) the financial statements and notes of the Consolidated Entity are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Consolidated Entity's financial position for the half-year ended 31 December 2019 and of its performance for the period ended on that date; and
 - (ii) compliance with Accounting Standards and Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



ALEX TEOH
Group Chief Executive Officer and Managing Director
Sydney, New South Wales

28 February 2020



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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF MINT PAYMENTS LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Mint Payments Limited ("the company") and its Controlled Entities ("the consolidated entity"), which comprises the consolidated statement of financial position as at 31 December 2019, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of significant accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising Mint Payments Limited and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: "*Review of a Financial Report Performed by the Independent Auditor of the Entity*", in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporation Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: "*Interim Financial Reporting*" and the *Corporations Regulations 2001*. As the auditor of Mint Payments Limited and the entities it controlled, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of the half-year financial report consists of making enquiries, primarily of persons responsible for the financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Mint Payments Limited is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.



MARK GODLEWSKI
Partner

28 February 2020



PITCHER PARTNERS
Sydney