Mint

Investor Update
Q3 FY2024

April 2024

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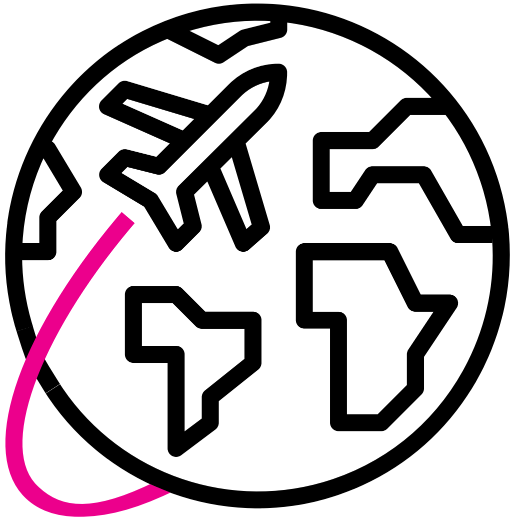
We are operating at scale and growing

Q3 FY2024 (Jan – Mar 24)



$736m Transaction value (v $704m in Q3 FY23, ↑ 5%)	**$5.3m** Recurring revenues (v $3.9m in Q3 FY23, ↑ 36%)	**136%** Revenue growth in our core travel vertical compared to Q3 FY23
9.8m Transactions (v 29.5m in Q3 FY23, ↓ 67%)	**$307k** Pro forma EBITDA	**2,147** Merchants (v 1,732 at June 2023, ↑ 24%)

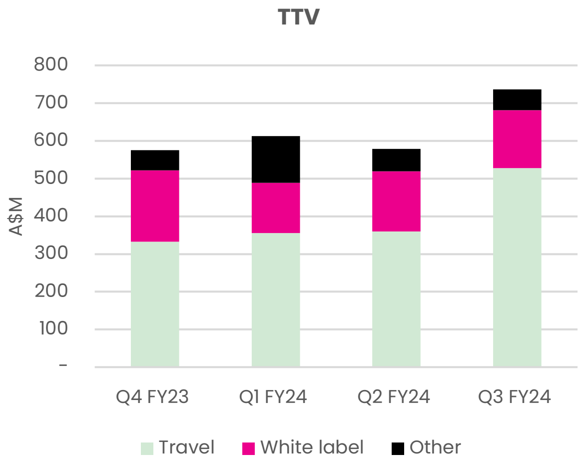
Q3 FY2024 | January to March

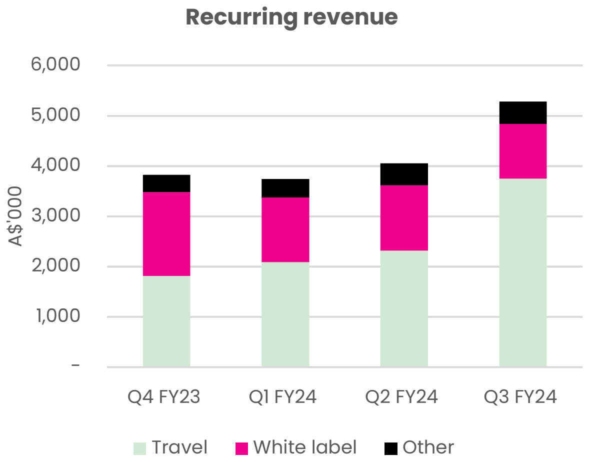
Financial Performance – Q3 FY2024 (unaudited)

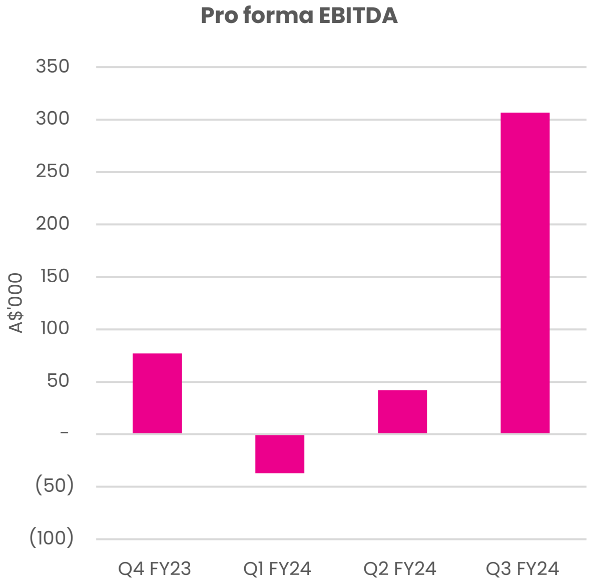
- **$736.5m** in Total Transaction Value (TTV) (⬆ 27% higher than the December 2023 quarter and ⬆ 5% higher than the March 2023 quarter). **TTV growth from the travel vertical** (⬆ 47% higher than the December 2023 quarter and ⬆ 67% higher than the March 2023 quarter) was offset by reductions in white label (⬇ 4% lower than the December 2023 quarter and ⬇ 46% lower than the March 2023 quarter). Lower white label TTV does not have a direct impact on revenue, as the white label business is based on transaction volume not TTV, however, revenue for white label is down 45% against comparable periods.
- In line with **Mint's strategic growth plans** to mitigate against white label TTV and revenue concentration, TTV in travel (Mint's strategic growth vertical) pleasingly increased significantly for the quarter off the back of a number of large new merchants onboarded and activated.
- **Total Revenue of $5,285k** was ⬆ $1,233k vs. last quarter (30%) and ⬆ $1,410k vs. last year (like-for-like growth of 36%). Additionally, travel revenue increased 62% in Q3 FY24 compared to Q2 FY24, and up 136% compared to Q3 FY23.
- **Pro forma EBITDA** for the quarter was **$307k**. Mint's quarterly EBITDA has been increasing each quarter during FY24, with Mint's focused on driving travel growth to offset the anticipated decline in TTV and revenue from the European white label business which has had an impact of c. $600k to gross profit compared to the prior year. The growth in travel, particularly in Q3 has helped offset the decline, which alongside recent cost minimisation strategies positions Mint well to scale.
- With the white label reduction now stabilised, Mint's **strategic growth vertical of travel is projected to drive increased gross margins and EBITDA** going forward.

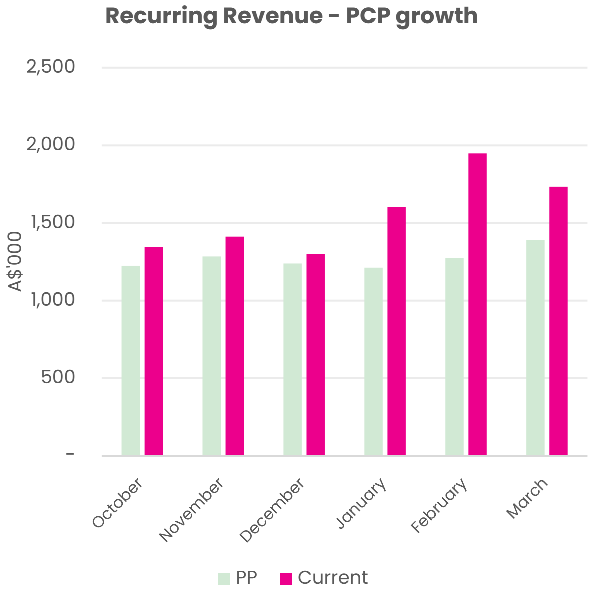
Highlights

- **Continued quarterly growth in travel** – Mint's travel TTV for the March quarter was $528.2m, compared to the December 2023 quarter of $360.1m (⬆ 47%) and March 2023 quarter of $316.0m (⬆ 67%), driven by new merchant growth and strategic travel partnerships.
- The increased TTV has resulted in March 2024 quarterly travel revenue being **62% higher than the December 2023 quarter and 136% higher than the March 2023 quarter.**









Financial Summary

Quarterly Performance				
A$'000	**Q1 FY24 (unaudited)**	**Q2 FY24 (unaudited**	**Q3 FY24 (unaudited)**	**YTD FY24 (unaudited)**
Travel	2,088	2,317	3,751	8,156
White label	1,285	1,300	1,088	3,673
Other	374	434	446	1,254
Revenue	3,746	4,052	5,285	13,083
Cost of sales	(1,824)	(2,106)	(3,238)	(7,168)
Gross profit (excl. other income)	1,922	1,946	2,047	5,915
Other income	50	727	529	1,306
Gross profit	1,972	2,673	2,577	7,221
Employee costs	(1,685)	(1,555)	(1,442)	(4,682)
Other overheads	(867)	(930)	(1,154)	(2,950)
Reported EBITDA	**(580)**	**187**	**(19)**	**(412)**
Pro forma adjustments	543	(145)	325	723
Pro forma EBITDA	**(37)**	**42**	**307**	**311**
KPIs				
TTV	*612,554,342*	*579,203,124*	*736,451,903*	*1,928,209,370*
Travel	*355,481,775*	*360,083,112*	*528,190,945*	*1,243,755,831*
White label	*133,202,369*	*159,144,484*	*152,988,923*	*445,335,777*
Other	*123,870,198*	*59,975,529*	*55,272,035*	*239,117,762*
Transaction volume	*11,530,296*	*12,360,498*	*9,807,213*	*33,698,007*
Avg. ticket size	*53.13*	*46.86*	*75.09*	*57.22*
Revenue % of TTV	*0.61%*	*0.70%*	*0.72%*	*0.68%*
Gross margin (excl. other income)	*51.3%*	*48.0%*	*38.7%*	*45.2%*

Commentary – Q3 FY24

- **Revenue of $5.3m for the March 2024 quarter**, 30% higher than the December quarter due to a significant increase in revenue from Mint's travel vertical, with travel increasing by 62%. Additionally, Mint's other direct vertical (excluding travel) revenue increased by 3% driven predominately due to merchant wins in the ticketing vertical in Asia. Mint's revenue growth was partially offset by white label revenue decreasing by 16%.
- **Travel revenue continued to increase**, with existing travel merchant growth (24% growth from existing merchants in Q3) supplemented by new merchant volumes (139% growth from new merchants in Q3). Mint's travel revenue for Q3FY24 was 62% higher than Q2FY24 due to new merchant growth with a number of large new merchants onboarded in Q2 transacting meaningful volumes in Q3. Mint should see the ongoing benefits of annualised TTV of over $500m from a small number of large network groups won during Q2 and Q3. Mint's Q3 FY2024 travel revenue was more than 600% higher than pre-COVID levels before factoring other verticals.
- **Gross margin** reduced in Q3 due to the change in revenue mix with the growth in travel exceeding growth in white label. White label does not incur any direct cost, compared to travel which factors in acquiring (interchange and scheme fees) costs and other direct payment related costs.
- **White label revenue decline has stabilized.** Revenue and volume reduced since February 2023 for Mint's white label business as a result of a change in risk profile from one acquirer resulting in suspension of a number of merchants. The volume and revenue has since stabilized from March 2024.
- **Other income increased significantly in Q2, due to the business recognising income in relation to the Australian Government's R&D tax rebate.** Mint recognized R&D income due to the business' forecast revenue for FY24 not anticipated to exceed the threshold enabling a refundable tax rebate. Mint adopted a prudent approach in Q1 by not recognizing the revenue, but with sight of FY24 revenue Mint has recognized this income due to high probability of receipt. Mint's pro forma adjustments for each quarter factor in the reallocation of the R&D rebate equally each month for FY24.
- **Continued management of employee and overhead costs** to minimise EBITDA reductions as a result of the reduction in white label volume. Whilst Mint continues to invest in new product development, the business has ensured cost efficiencies where available to mitigate EBITDA and cash burn.
- **Pro forma adjustments** for the YTD period primarily relate to a $382k inventory write-down relating to M10 and M20 devices on the balance sheet (inventory was written down to nil) in February with Mint planning to shut down this product line to be replaced by more modern terminals, one-off legal fees relating to a historical non-travel merchant and redundancy costs incurred to reduce Mint's ongoing overhead.
- **Well positioned to grow travel revenues in FY24.** Mint continues to be well positioned to maximise revenue growth as travel market volumes exceed pre-COVID levels. Mint is forecasting travel total transaction value (TTV) and revenue to continue to increase materially in 2024, particularly due to continued new merchant wins and completion of key software integrations.
- **Margin expansion plans to increase Mint's share of wallet through the development and roll-out of Mint's travel product roadmap.** Mint's travel product roadmap developed significantly in Q3 with a key focus on delivering Mint's vision of being a full-service, end-to-end payments ecosystem, providing a seamless experience for travel merchants to manage all their customer payment acceptance and supplier payment transaction needs. Mint is planning to launch a number of new products during Q4 FY24 and Q1 FY25 which should drive additional revenue and TTV growth from Mint's existing merchant base.

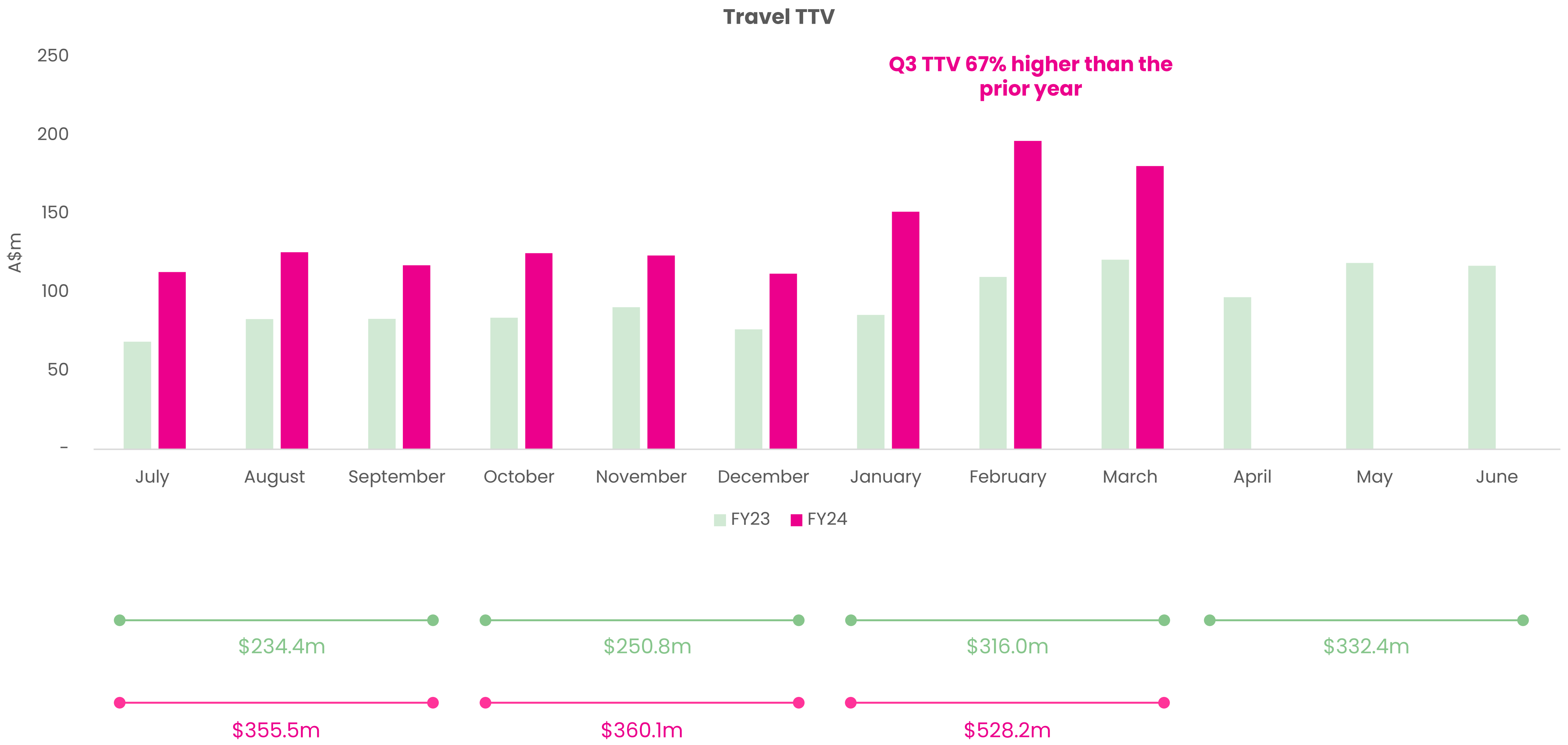
Balance Sheet

Consolidated balance sheet		
A$'000	**Jun-23 (audited)**	**Mar-24 (unaudited)**
Cash	1,171	513
Restricted cash	1,000	-
Trade debtors	1,368	1,570
Other debtors	1,908	1,348
Prepayments	420	592
Inventory	382	(0)
Other current assets	277	51
Current assets	**6,527**	**4,074**
PP&E	61	37
Goodwill & intangibles	8,215	6,761
ROU asset	1,133	951
Other non-current assets	628	848
Total assets	**16,564**	**12,670**
Trade creditors	(645)	(1,081)
Provisions	(806)	(853)
Other creditors	(648)	(770)
Employee liabilities	(329)	(524)
Deferred consideration	(4,329)	-
Current liabilities	**(6,757)**	**(3,228)**
Loans	(12,150)	(12,500)
Lease liability (AASB16)	(1,181)	(1,046)
Total liabilities	**(20,088)**	**(16,773)**
Net assets	**(3,524)**	**(4,103)**
Share capital	63,372	65,966
Reserves	2,954	3,345
Retained earnings	(69,851)	(73,414)
Equity	**(3,524)**	**(4,103)**

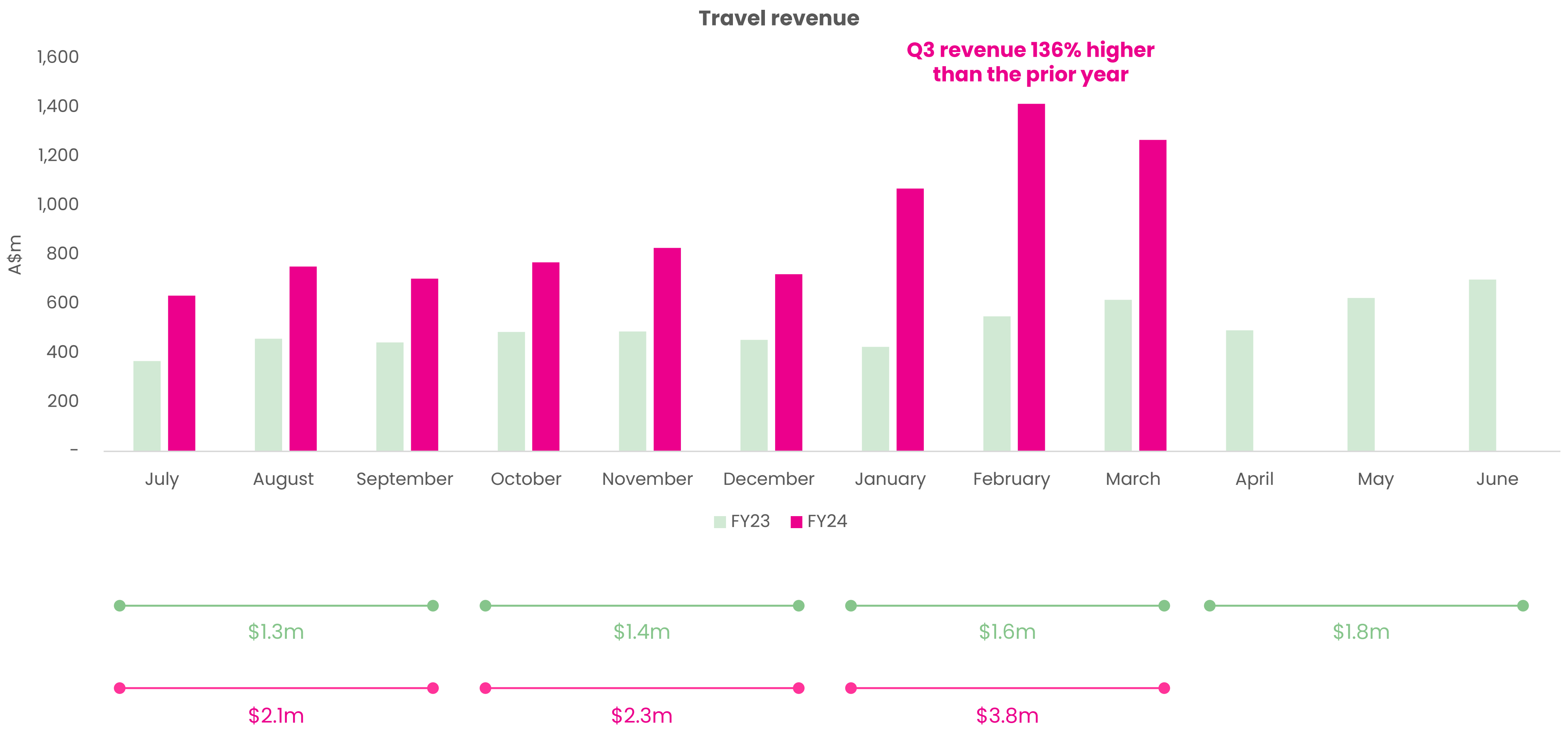
Commentary

- Cash has reduced for the financial year-to-date period to March 2024 with **positive operating monthly cash flows** for the period offset by deferred consideration payable in relation to the IPG acquisition and interest repayments on Mint's debt facilities.
- Mint's **cash balance** in March was $513k. In April 2024, completed a capital raise of $634k in equity from new and existing shareholders at a 2.9c per share value, implying a pre-money enterprise value of $67.8m and equity value of $55.8m. Further to this, the Company has approvals to access $850K in funding that is secured against the FY24 R&D refund to bolster the Company's cash position to support the rapid growth experienced by Mint in 2024.
- Restricted cash of $1m was released as part of the final deferred consideration paid to the IPG vendor. Mint paid $1m from unrestricted cash and $1m held in restricted cash to fund the $2m final consideration. Additionally, as part of the final deferred consideration process, $2.5m of deferred share consideration was released from escrow (to fully paid ordinary shares) and reallocated from liabilities to share capital.
- Other debtors predominantly relates to Mint's accrual of the R&D tax incentive.
- As part of the half-year audit, Mint determined to write down all inventory (relating to M10 and M20 devices) on the balance sheet to nil (write down of $382k) with Mint planning to shut-down this product line to be replaced by more modern terminals. Management does not anticipate any resale value for the inventory with the fleet no longer considered modern payment terminals, hence writing the value to nil.
- Intangible assets and goodwill relates to the IPG acquisition, with $5.2m sitting in intangibles (amortised over five years) and $2.0m as goodwill.
- Mint has recognised a right of use asset and associated lease liability in accordance with AASB 16 in relation to Mint's new Sydney CBD office. Under AASB 16, the right of use asset is depreciated, interest recorded relating to the lease liability and cash rental payments allocated to the reduction of the lease liability balance. As such, rental costs are recorded below EBITDA on the P&L under AASB 16 (as depreciation and interest). For the purposes of Mint's management accounts on the previous page, we have presented EBITDA pre AASB 16 to recognise rental expenses in EBITDA. Mint also reclassified its Sydney CBD office security deposit from current assets to non-current assets as part of the half-year audit resulting in the movement in the two accounts from June 2023 to March 2024.
- Mint recorded a taxable profit in Australia for FY23, with Mint utilising accumulated tax losses resulting in no tax payable. Mint has recorded a deferred tax asset (DTA) to recognise a portion of over $30m of accumulated tax losses as a DTA. Under accounting standards there must be a high probability of taxable profit within the next 12 months to recognize a DTA.
- Mint's total debt obligations in July 2026: $12.5m debt with Roadhound.

Travel TTV (Mint's key growth vertical) increased by 55% to $1.2bn for the YTD period to March 2024



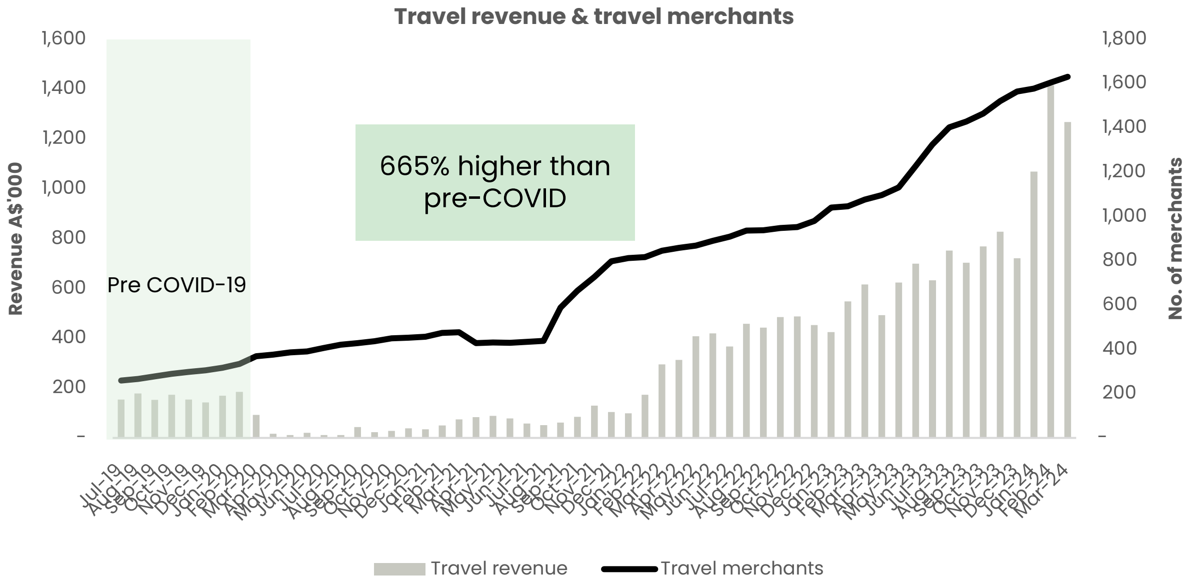
Travel revenue (Mint's key growth vertical) increased by 90% to $8.2m for the YTD period to March 2024



Looking Ahead

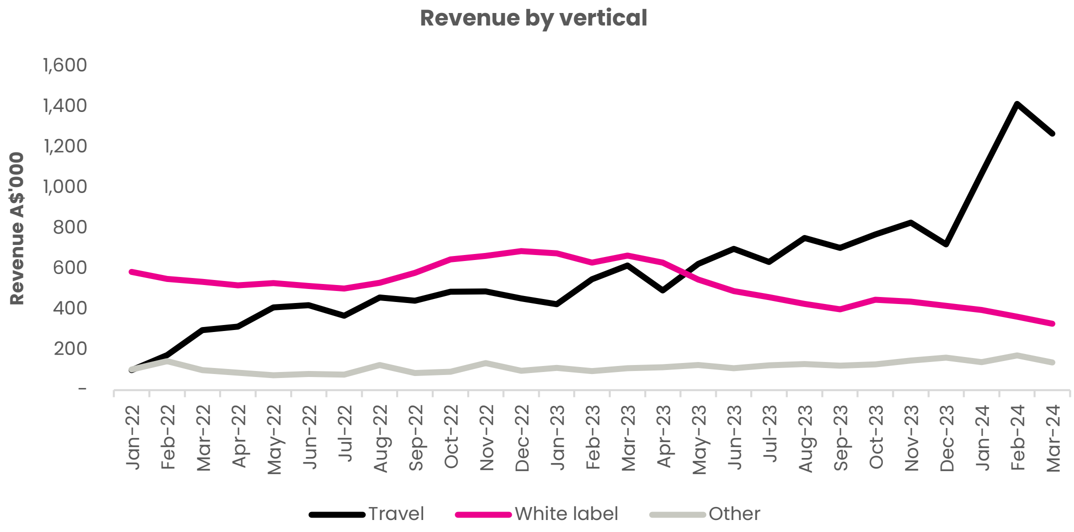
The last twelve months

- TTV of $2.5bn, annualised revenue of $21.1m, driven by material quarterly growth from the travel vertical, and positive EBITDA of $0.3m for the YTD FY24 period. TTV and revenue significantly higher than pre COVID-19 levels, driven by the IPG acquisition, significant uplift in travel merchants onboarded and transacting.
- Mint travel revenue for Q3 FY2024 was more than 600% higher than pre-COVID levels.
- Although month-to-month TTV over the last 6 months has been relatively flat, as per the "revenue by vertical" graph on the bottom right, Mint's travel revenue for Q2 and Q3 far exceeded the white label business, off the back of Mint's focus on driving growth in this focus area to reduce customer concentration risk. We expect this trend to continue with revenues from travel payments being the source of the Group's growth, in line with Mint's long term strategic plans.



Looking ahead

- As illustrated in the charts opposite, Mint has experienced substantial merchant growth in the travel industry since the commencement of the COVID-19 pandemic.
    - Mint's travel TTV was c. $55m per month pre COVID-19 with only c. 300 merchants.
    - Mint's travel TTV was $196m in February 24, with over 1,631 merchants.
- We anticipate travel TTV and revenue to continue to increase materially in 2024 as Mint is well positioned to maximise growth as the recovery of travel continues and as new payment acceptance and supplier payment solutions are rolled out; resulting in an increase share of wallet.
- Whilst the current economic climate is an area Mint remains conscious of, 20+ years of economic data shows that pre-Covid Australian Households historically spent between 6.5% and 7.5% of their Gross Disposable Income on Holiday travel with the average of around 7%. This points to the fact Consumers prioritise spending on Holidays regardless of economic circumstances, with Holiday Travel spend typically behaving as a non-discretionary spend item.
- White label gateway continues to perform as a core revenue stream for Mint, despite a reduction in revenue in 2023. As a white label gateway, Mint has lower level controls over customer behavior and influence on volume, however, we are expecting revenues from our white-label vertical to have stabilized to its current levels of monthly revenue.



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