MINT PAYMENTS LIMITED
ABN: 51 122 043 029

FINANCIAL REPORT
30 JUNE 2022

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CORPORATE DIRECTORY

Directors

Terry Cuthbertson
Non-executive Interim Chairman

William Bartee
Non-executive Director

Anne Weatherston
Non-executive Director

Alex Teoh
Group Chief Executive Officer and Managing Director

Company Secretary

James Swan

Registered Office

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North Sydney NSW 2060

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Fax: + 61 2 8752 7899

Postal Address

Level 6, 71 Walker Street
North Sydney NSW 2060

Australian Company Number

122 043 029

Australian Business Number

51 122 043 029

Auditors

Pitcher Partners
Level 16, Tower 2
Darling Park
201 Sussex Street
Sydney NSW 2000

Share Registry

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

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www.linkmarketservices.com.au

Website

www.mintpayments.com

In accordance with a resolution of Directors, the Directors present their Report together with the Financial Report of Mint Payments Limited (Mint) and its controlled entities (together referred to as the Consolidated Entity or Group) for the financial year ended 30 June 2022 and the Independent Audit Report thereon.

Directors

Details regarding the Directors of Mint at any time during or since the end of the financial year are as follows:

- Terry Cuthbertson
- William Bartee
- Anne Weatherston
- Alex Teoh

Current Director's qualifications, experience and special responsibilities are as follows:

Terry Cuthbertson, Non-Executive Interim Chairman
B.Bus, Qualified as a Chartered Accountant in Australia

Terry is Chairman of ASX listed Austpac Resources N.L. and Pacific Nickel Mines Ltd. Terry was Chairman of Symbio Holdings Ltd (formerly MNF Group Ltd) until 22 July 2021, Chairman of Australian Whisky Holdings Limited until 20 May 2019 and the Non-Executive Director of iSentric Limited until 31 May 2019. Terry has extensive corporate finance expertise, having advised several businesses and government organisations in relation to mergers, acquisitions and financing.

Formerly, Terry was a Partner of KPMG Corporate Finance and NSW Partner in Charge of Mergers and Acquisitions ("M&A"), where he coordinated government privatisations, mergers, divestitures and public offerings on the ASX for the New South Wales practice. Terry is the former Group Finance Director of Tech Pacific Holdings Limited, which was one of the largest information technology distributors in Asia with annual turnover in 1999 of approximately $2 billion and is a former Director of Tech Pacific Limited's businesses in Hong Kong, Singapore, India, Philippines, Indonesia and Thailand.

Terry is the Non-Executive Interim Chairman. Terry is a member of the Audit & Risk Management Committee and a member of the Remuneration & Nomination Committee.

William Bartee, Non-Executive Director
B.Sc, MBA and Juris Doctor

Bill is a Partner at Main Sequence Ventures and was a co-founder/ Partner at Blackbird Ventures. Prior to this, Bill was the CEO and co-founder of Mantara, a company that made high performance, content based message routing systems for global trading systems.

Bill is passionate about working with management teams that are focused on building important and innovative companies. He has experience across a range of companies including software, telecommunications, security, computing and internet businesses.

From 1997 to 2001, Bill helped build and lead the early stage investing for Macquarie Technology Ventures ("MTV"), a venture fund focused on software, telecommunications, internet and life sciences.

Prior to moving to Australia, William had 12 years of research, operational and entrepreneurial experience in the United States and holds Bachelor of Science, MBA , and Juris Doctor degrees.

Bill is Chairperson of the Remuneration & Nomination Committee.

Anne Weatherston, Non-Executive Director
MBA

Anne has been a member of the Mint Board since 2014. She is a career technologist with a track record of leading the successful delivery of large technology enabled, organisational change programmes. She was previously the Group CIO of ANZ, EnergyAustralia and prior to that Bank of Ireland.

Since retiring as a fulltime executive she has diversified into non-executive roles and is a member of the Board of Archa, an Australian based SME credit card start up, Alba Bank, a UK based start-up bank focused on SME's and Piraeus Bank, one of the four Greek systemic banks where she is also the Chair of the Audit Committee.

Anne is Chairperson of the Audit & Risk Management Committee and a member of the Remuneration & Nomination Committee.

Alex Teoh, Group Chief Executive Officer and Managing Director
B.Sc (Business and Information Systems)

Alex has over 20 years of experience in the IT, Telecommunications and Financial Services sector.

Alex was previously a Principal Consultant at the Hong Kong office of PricewaterhouseCoopers (PwC) Consulting. Alex was a member of the practice's senior management team responsible for its Customer Relationship Management strategy and solutions offering in East Asia (which includes Hong Kong, Singapore, Thailand, Malaysia and the Philippines). Prior to PwC, Alex worked as a Senior Consultant at Cap Gemini Ernst & Young Consulting, assisting in securing and implementing supply chain and application development contracts.

Prior to Mint, Alex has held senior management positions in companies involved in the IT and supply chain industries.

Alex is one of the founders of the Mint Business and is primarily responsible for the strategic and corporate activities of Mint. Alex has been on the Board of Mint since 15 November 2006.

James Swan, Company Secretary and Chief Financial Officer
B. Comm (Accounting and Finance), Member of Charted Accountants Australia and New Zealand (CA ANZ)

James is a chartered accountant with over 10 years' consulting experience in Australia and the UK. James specialises in financial modelling, M&A transactions, strategy and financial management, utilising these skills to help support and drive growth for Mint in the role of Chief Financial Officer.

Previous consulting roles at Crowe Horwath Australia, Crowe UK and McGrathNicol have seen James develop strong expertise across a wide range of financial and M&A activity including acquisition and vendor due diligence, IPOs, transaction project management, financial modelling, integration and valuations.

In his time in professional services, James worked with a variety of clients, ranging from start-ups to global listed corporates across a broad range of industries including technology, payments, F&B, construction, engineering, mining, aviation, telecommunications, retail, healthcare, education, sustainable energy and gaming. James was involved in supporting Mint in the acquisition of IPG during his time at McGrathNicol.

James started with Mint in January 2022.

Principal Activities

The principal activities of the consolidated entity during the year were innovative end-to-end payments and technology solutions for customers. Mint focuses on user experience acting as a payment orchestration layer to deliver a full-service payments workflow ecosystem, to help companies and their customers to transact in more rewarding ways.

Operating Results

FY22 was a transformative year for the Company, with key financial results for the year ended 30 June 2022 being:

- On 1 September 2021, the Company completed the acquisition of 100% of the share capital of IPG Group (IPG), an eCommerce payment gateway company incorporated in Hong Kong along with three branches in operation in Hong Kong, Europe and Australia. The acquisition was transformative for the Company and has helped contribute to significant financial growth in FY22.

- The Company processed $2bn in Total Transaction Value (TTV) in FY22, compared to $670m in FY20 and 329m in FY21.

- Revenue from contracts with customers for the year was $9,129,255, an increase of 405% from the previous financial year. Total revenue for the year was $10,259,653, an increase of 278% from the previous financial year. IPG contributed $6m to total Group revenue in FY22, whilst like-for-like revenue growth (excluding IPG) was $1.3m (72%) higher than FY21. Despite being COVID impacted for seven months of the year (July 2021 to January 2022), Mint's organic revenue (excluding IPG) for FY22 was 10% ($0.3m) higher than FY20. Due to significant merchants onboarded during 2021 and the shift away from legacy gateway agreements, Mint is trading substantially higher than pre-COVD levels (140%), positioning the Group well to maximize on recent growth. Mint has generated significant growth since February 2022, driven by the early signs of travel recovery from COVID-19 with the opening of domestic and international borders, resulting in the June quarter annualised recurring revenue being $12m.

- The Company generated positive normalised EBITDA of $1.1m (excluding acquisition costs of $1.2m) for FY22 driven by the acquisition of IPG from September 2021 and significant travel growth since February 2022. The Company's Pro forma EBITDA was $1.5m for FY22 incorporating normalised earnings for IPG for July and August 2021 to reflect a full-year impact of the IPG acquisition.

- Reported loss from ordinary activities was $4,139,361, which was a 33% increase from the previous financial year. Despite positive EBITDA for the year, the Company had a significant number of non-cash and non-operating expenses, which led to a reported loss for the financial year. Key items below EBITDA include amortisation relating to the IPG acquisition, fair value losses on financial instruments and deferred consideration, interest on debt facilities and acquisition costs for the IPG acquisition. The table below provides a reconciliation between reported loss and reported EBITDA:

Line item	**$**
Reported loss	(4,139,361)
Add back:	
Amortisation and depreciation	2,232,343
Interest expenses	952,637
Acquisition costs	1,204,453
Fair value losses	866,396
Reported EBITDA	1,116,468

- The Company acquired IPG Group for a net consideration of $13m including deferred consideration (earn out payments) of $1.5m and fully paid ordinary shares of $2.5m. To support the acquisition and underpin expansion plans, Mint successfully raised $10m from existing and new investors through the issue of $7m in convertible preference shares and $3m in convertible notes.

- On 30 June 2022, the Company refinanced the $3,000,000 in convertible notes raised on 1 September 2021 with the issue of $3,650,000 non-convertible debt notes. As part of the refinance of the convertible notes to debt notes, all preference shares held in the Company automatically converted to ordinary shares on a one-for-one basis. As a result, all shares in the Company at 30 June 2022 were fully paid ordinary shares. The refinance and conversion of preference shares was undertaken optimise the funding and capital structure for the business moving forward to support Mint's growth plans and aspirations for the future.

- Following the refinance on 30 June 2022, the Company successfully raised $3,100,000 from existing and new investors through the issue of fully paid ordinary shares. This capital raise was undertaken to support product expansion and provide funding for investment for growth to consolidate Mint's position as a full-service end-to-end technology payments solution provider.

Review of Operations

The highlights for the year ended 30 June 2022 include:

- In August 2021, Mint launched a new product, MintEFT Payments Platform with real-time electronic funds transfer (EFT) payments to provide the most innovative end-to-end payments platform dedicated to Travel Industry.

- In August 2021, Helloworld Group appointed Mint Payments as their official payments partner and signed an exclusive 3-year partnership agreement with Mint to deliver end-to-end payments solutions across the global network of Helloworld Travel Limited (ASX: HLO). As a part of the partnership, HLO's proprietary mid-office system, Resworld, will be integrated exclusively with Mint's Virtual Terminal and the new product, MintEFT. Mint will be the sole payments provider integrated with the Resworld system covering both C2B and B2B payments.

- In August 2021, Flight Centre Travel Group (FCTG) (ASX: FLT)'s independent division appointed Mint Payments as its official EFT provider for agents across the Flight Centre Independent, Travel Partners and Travel Associates at Home brands.

- In September 2021, Mint announced the successful transformative acquisition of IPG Group, a leading full-service eCommerce payment gateway. The combined group will leverage each other's strengths in Card Present (CP) and Card Not Present (CNP) capabilities to deliver an omni-channel payment solution that will include a range of new payment methods designed to deliver customer value through integration with leading industry systems and the acquisition will also provide revenue growth opportunities through cross-selling the group's range of payment products. Mint and IPG are strategically aligned - providing market leading end-to-end payment solutions across niche industry verticals. IPG will bring key technology as well as Asian and European presence/customers. IPG Group is a well-established cash flow positive business and the acquisition has resulted in the combined group generating positive operational cash flows from day 1.

- In September 2021, iTravel appointed Mint Payments as official payments partner. This builds on the existing relationship between iTravel and Mint for credit card processing and will provide greater payments capabilities for iTravel's network.

- In September 2021, VTO Ultimate fast tracked integration with MintEFT to streamline EFT payments for their customers. The new integration is in addition to the existing Mint Payments credit card capabilities already available through their mid-office system.

- In September 2021, Express Travel Group (ETG) appointed Mint Payments as an official EFT partner. The arrangement has seen Mint's B2B product made available to ETG's network of independent travel agencies across Australia, enabling the streamlined payment of suppliers in place of the now-discontinued eNett System.

- In October 2021, TKG Platform, a subsidiary of Tweet World Travel Group, signed an exclusive partnership agreement with Mint Payments for its payment solutions services which will see both TKG Payment Gateway and TKG Pay powered by Mint Payments.

- In October 2021, Mint announced the expansion of its product offering for the New Zealand market, with Mint's new B2B payments solutions, MintEFT, to be made available to businesses in New Zealand in 2022. The release of MintEFT in the New Zealand market has seen Mint's existing offering expand from card-present and virtual C2B options to include a solution for B2B supplier payments.

- In November 2021, Mint was appointed as an official payments partner for luxury travel group, Abercrombie & Kent (A&K). The agreement has seen A&K's agency partners utilising MintEFT for their B2B payment requirements, enabling real-time payments between travel agents and suppliers across Australia and other countries.

- In November 2021, Mint was appointed as an official payments partner for Australia's largest locally owned touring and cruising group, The APT Travel Group (APT). The agreement has seen brands under the APT Group leveraging the new MintEFT platform's ability to facilitate real-time supplier payments between agency partners.

- In November 2021, Qantas Business Rewards and Mint Payments (Mint) entered into a new partnership that will see Qantas Business Rewards (QBR) being made available to Mint's merchants who opt into the rewards program. The reward offer has replaced Mint Rewards, will provide merchants with a significant opportunity to earn Qantas Points through their normal payment process.

- In January 2022, global cruise line operator, Royal Caribbean Group (RCG), signed an agreement with Mint Payments for MintEFT to facilitate payments from travel agents across its brands in Australia, encompassing Royal Caribbean International, Silversea, and Celebrity Cruises. The agreement has seen MintEFT made available as a preferred payment option from December 2021, enabling a secure and simple process for processing payments and refunds for customer bookings.

- In April 2022, Mint announced the singing of an exclusive 5-year agreement as the preferred payment partner for the National Lotteries and Newsagents Association (NLNA). The partnership includes plans to develop a comprehensive end-to-end payments ecosystem across the Australian newsagency network within the next 12 months and is set to include solutions for in-store, online, and B2B payments. The exclusive agreement with Mint will provide the Newsagency retail category, who process close A$1 Billion in total transaction value, with a customised fee structure, streamlined onboarding process and dedicated support services.

- In June 2022, Mint announced the signing of an agreement with Travellers Choice as a preferred supplier partner. Through the partnership between Mint and Travellers Choice, agents will be able to easily receive payments from customers as well as reconcile, track and manage payments to suppliers and wholesalers. Travellers Choice agents will be able to access Mint Virtual Terminals for credit and debit card payments, as well as MintEFT for B2B supplier payments and bank transfers. With integrations into leading mid-office systems, these payment products will streamline the workflow of booking, payment and reconciliation providing time and cost savings and increasing visibility of spend.

- Mint generated sustained merchant growth since July 2021, with total merchants increasing from 1,162 to 1,563 in June 2022. In particular, Travel merchants increased from 430 to 890 in the same period, representing nearly 3x pre COVID-19 travel merchants. This sustained merchant growth positions Mint well to continue to maximise growth as the travel industry recovers, on top of the anticipated continued growth of IPG.

Further information about the Consolidated Entity's results of its operations together with the information about the financial position of the Consolidated Entity is in the attached Financial Report.

Significant changes in the state of affairs

Apart from the matters noted above, there were no other significant changes in the state of affairs of the Consolidated Entity during the financial year.

Events Subsequent to Reporting Date

There has not been any other 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.

Likely Developments

FY22 has been a transformative year for the Company. Since the completion of the IPG acquisition, Mint has generated positive EBITDA each month, a material increase in gross margin and month-on -month TTV growth. The Company's like-for-like revenue since March 2022 has been significantly higher than pre-COVID levels (over 130% higher than pre-COVID levels) before considering the additional revenue from IPG.

Mint's travel TTV was c. $55m per month pre COVID-19 with only c. 300 merchants. Mint's travel TTV was $83m in September 2022, 50% higher than pre-COVID levels, despite travel recovery at c. 60% of pre-COVID levels. Whilst consumer travel demand is close to pre-COVID levels (particularly for domestic travel, with international travel from Australia lagging), there are considerable supply limitations in the market with airlines struggling for resourcing to support demand and large markets such as China and Japan still relatively closed to leisure travel. We anticipate the market will not fully recover until 2024/2025, supporting management's view that there is considerable growth still available in the travel sector for Mint.

The travel growth illustrated opposite is also before factoring in the significant opportunities available with Helloworld during 2023 and the introduction of new supplier B2B payment products for the travel industry. We forecast travel TTV and revenue to increase materially in FY23/24, particularly with a focus on new merchant wins and the launch of new products.

Mint's go-to market strategy is focused on the development of new products as part of the product roadmap to enhance user experience, functionality and customer retention with multiple launches forecast for 2022 and 2023. Development is well advanced and we have partnered with global leading banking infrastructure partners to support Mint's growth objectives, and Mint's strategy to be a customer focused payments orchestration creating a payment workflow ecosystem for merchants. Mint is funding this development through operational cash flows.

IPG continues to perform strongly as a core revenue stream for Mint. IPG is forecasted to continue its stable and reliable revenue and earnings contribution to the Group, while benefiting from the realisation of planned cost savings and synergies in FY23.

The Company continues to monitor macro risk factors, in particular rising cost of living and interest rates globally, which may impact Mint's growth objectives. The Company has a number of risk mitigation measures in place to offset and macro impact, whilst continuing to focus on driving key growth initiatives and generate significant return for shareholders.

Dividends

No dividend was paid, recommended for payment nor declared during the year.

Share Options

Unissued Shares under Option

As at the date of this report, there were no unissued ordinary shares of Mint Payments Limited.

Shares issued on exercise of options

There were no ordinary shares of Mint Payments Limited issued during or since the end of the financial year as a result of the exercise of an option.

Directors' Meetings

Mint has an Audit and Risk Management Committee and Remuneration and Nomination Committee. The number of Directors' meetings, number of committee meetings and the number of meetings attended by each of the Directors during the financial year under review are:

	Board Meetings		Audit & Risk Management Committee Meetings		Remuneration & Nomination Committee Meetings	
Director	**Meetings held during Director's tenure**	**Meetings Attended**	**Meetings held during Director's tenure**	**Meetings Attended**	**Meetings held during Director's tenure**	**Meetings Attended**
T Cuthbertson	7	7	2	2	N/A	N/A
W Bartee	7	7	N/A	N/A	N/A	N/A
A Weatherston	7	7	2	2	N/A	N/A
Alex Teoh	7	7	N/A	N/A	N/A	N/A

Indemnification and Insurance of Officers and Auditors

Directors and the Secretary are indemnified by Mint against any liability incurred in their capacity as an officer of Mint or a related body corporate to the maximum extent permitted by law. Mint has Directors and Officers Liability insurance.

Mint has not paid any premiums in respect of any contract insuring its auditor against a liability incurred in that role as an auditor of Mint. Pitcher Partners, Mint's auditor has the benefit of an indemnity to the extent Pitcher Partners reasonably relies on information provided by Mint which is false, misleading or incomplete. No amount has been paid under this indemnity during the financial year ended 30 June 2022 or to the date of this Report.

Non-Audit Services

Details of the amounts paid to Pitcher Partners as the auditor of Mint for audit and non-audit services provided during the year are set out in Note 22 to the financial statements.

The Auditor's Independence Declaration under section 307C of the *Corporations Act 2001* is set out on page 11 and forms a part of the Directors' Report for the year ended 30 June 2022.

Proceedings on behalf of the Consolidated Entity

During the year under audit and in the interval between the end of the financial year and the date of the report, no person has applied for leave of Court to bring proceedings on behalf of the Company or the Consolidated Entity under section 237 of the *Corporations Act 2001*.

Environmental Regulation

The consolidated entity's operations are not subject to any significant Commonwealth or State environmental regulations or laws.

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 (where indicated).

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

ALEX TEOH
Group Chief Executive Officer and Managing Director

Sydney, New South Wales
13 January 2023

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AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF MINT PAYMENTS LIMITED
ABN 51 122 043 029

In relation to the independent audit for the year ended 30 June 2022, 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 APEC 110 *Code of Ethics of Professional Accountants (including Independence Standards)*.

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

Mark Godlewski

M A Godlewski
Partner

PITCHER PARTNERS
Sydney

13 January 2023

Consolidated Statement of Profit or Loss

For the year ended 30 June 2022

	Notes	Consolidated Entity 2022 $	Consolidated Entity 2021 $
Revenue and other income	**7**	10,259,653	2,715,598
Network and service delivery		2,571,116	1,310,118
Purchases & changes in inventories of finished goods		1,157	73,569
Employee benefits expense (excluding share option expense)		4,313,310	2,608,670
Depreciation and amortisation expense	**6**	2,232,343	170,759
Finance costs	**6**	1,142,744	539,316
Professional fees		585,073	371,951
Selling expense		169,557	113,391
Administration, property & communication expenses		1,085,724	373,911
Impairment losses arising from contracts with customers	**6**	130	596
Other expenses		227,011	271,606
Total expenses		**12,328,165**	**5,833,887**
Loss before abnormal items		**(2,068,512)**	**(3,118,289)**
Loss on impairment		(866,396)	-
Acquisition costs		(1,204,453)	-
Loss before income tax		**(4,139,361)**	**(3,118,289)**
Income tax (expense)/ credit	**8**	-	-
Net loss for the year		**(4,139,361)**	**(3,118,289)**
Loss attributable to:			
Equity shareholders		(4,139,361)	(3,118,289)
Loss for the year		**(4,139,361)**	**(3,118,289)**

	Consolidated Entity 2022 $	Consolidated Entity 2021 $
Loss for the year	**(4,139,361)**	**(3,118,289)**
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation	151,409	821
Total comprehensive loss for the year	**(3,987,952)**	**(3,117,468)**
Total comprehensive attributable to:		
Equity shareholders	(3,987,952)	(3,117,468)

	Notes	Consolidated Entity 2022 $	Consolidated Entity 2021 $
CURRENT ASSETS			
Cash and cash equivalents	**4**	1,586,001	896,703
Trade and other receivables	**9**	5,250,654	979,639
Inventories	**10**	196,449	206,253
Other financial assets	**11**	367,884	330,055
TOTAL CURRENT ASSETS		**7,400,988**	**2,412,650**
NON-CURRENT ASSETS			
Plant and equipment	**12**	235,806	70,782
Intangibles	**13**	7,990,609	30,523
Goodwill	**14**	2,012,965	-
Restricted cash		1,000,000	-
TOTAL NON-CURRENT ASSETS		**11,239,380**	**101,305**
TOTAL ASSETS		**18,640,368**	**2,513,955**
CURRENT LIABILITIES			
Payables	**15**	1,274,877	1,290,830
Unearned revenue		1,750	1,750
Provisions	**16**	477,710	483,880
Short term borrowings	**4**	8,500,000	8,500,000
Other creditors – current	**17**	1,730,797	-
TOTAL CURRENT LIABILITIES		**11,985,134**	**10,276,460**
NON-CURRENT LIABILITIES			
Provisions	**16**	-	24,651
Long term borrowings	**4**	3,650,000	-
Other creditors – non-current	**17**	4,075,214	
TOTAL NON-CURRENT LIABILITIES		**7,725,214**	**24,651**
TOTAL LIABILITIES		**19,710,348**	**10,301,111**
NET ASSETS/ (LIABILITIES)		**(1,069,980)**	**(7,787,156)**
EQUITY			
Contributed equity	**18**	63,370,276	52,665,148
Reserves	**19**	2,597,032	2,445,623
Accumulated losses	**19**	(67,037,288)	(62,897,927)
TOTAL EQUITY/ (DEFICIENCY)		**(1,069,980)**	**(7,787,156)**

	Notes	Consolidated Entity 2022 $	Consolidated Entity 2021 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		8,470,665	1,811,023
Operating grant receipts		541,528	1,154,856
Payments to suppliers and employees		(11,398,903)	(4,996,825)
Interest received		3,403	1,120
Interest paid		(948,329)	(402,836)
Net cash used in operating activities	**23**	**(3,331,636)**	**(2,432,662)**
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(195,008)	(2,236)
Payments for IT development		-	(38,797)
Cash acquired from acquisition of business		1,512,905	-
Payments for acquisition of businesses		(7,250,100)	-
Payments for acquisition costs		(1,204,453)	-
Net cash used in investing activities		**(7,136,656)**	**(41,033)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		8,182,125	3,755,191
Cost of share issue		(24,535)	(454,670)
Share buy back		-	(131,951)
Proceeds from borrowings		3,000,000	-
Net cash provided by financing activities		**11,157,590**	**3,168,570**
Net decrease in cash and cash equivalents		**689,298**	**694,875**
Cash and cash equivalents at beginning of year		896,703	201,828
Cash and cash equivalents at end of the year	**4**	**1,586,001**	**896,703**

	Share Capital $	Share Based Payment Reserve $	Foreign Exchange Reserve $	Accumulated Losses $	Total $
Balance at 1 July 2020	**49,388,516**	**2,673,672**	**7,270**	**(59,779,638)**	**(7,710,180)**
Loss for the year	-	-	-	(3,118,289)	(3,118,289)
Other comprehensive loss	-	-	821	-	821
Total comprehensive loss for the year	**-**	**-**	**821**	**(3,118,289)**	**(3,117,468)**
Recognition of share based payments	-	-	-	-	-
Issue of ordinary shares	3,623,240	(236,140)	-	-	3,387,100
Share issue costs	(346,608)	-	-	-	(346,608)
Balance at 30 June 2021	**52,665,148**	**2,437,532**	**8,091**	**(62,897,927)**	**(7,787,156)**
Balance at 1 July 2021	**52,665,148**	**2,437,532**	**8,091**	**(62,897,927)**	**(7,787,156)**
Loss for the year	-	-	-	(4,139,361)	(4,139,361)
Other comprehensive loss	-	-	151,409	-	151,409
Total comprehensive loss for the year	**-**	**-**	**151,409**	**(4,139,361)**	**(3,987,952)**
Recognition of share based payments	-	-	-	-	-
Issue of ordinary shares	10,767,128	-	-	-	10,767,128
Share issue costs	(62,000)	-	-	-	(62,000)
Balance at 30 June 2022	**63,370,276**	**2,437,532**	**159,500**	**(67,037,288)**	**(1,069,980)**

NOTE 1: CORPORATE INFORMATION

The financial report of Mint Payments Limited (the Company or "Mint") for the year 30 June 2022 was authorised for issue on 13 January 2023 under delegated authority in accordance with a resolution of the Directors on 13 January 2023.

Mint Payments Limited (the Parent Entity) is a Company limited by shares incorporated in Australia. The financial report includes the Consolidated Entity comprised by Mint and its subsidiaries ("Group" or "Consolidated Entity").

The nature of the operations and principal activities of the Group are described in the Directors' Report.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation
The 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. The financial report has also been prepared on a historical cost basis. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Statement of compliance
The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

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 $4,139,361 and a net cash outflow from of operations $3,331,636 for the year ended 30 June 2022. Net loss for the Group includes a considerable element of non-cash items, whilst net cash outflow from operations incorporates one-off acquisition costs relating to the IPG acquisition. As at 30 June 2022, the Group had cash assets of $1,586,001, current assets of $7,400,988, current liabilities of $11,985,134 and a net assets deficiency of $1,069,980. It should be noted that under accounting standards, deferred equity consideration of $2.5m (probability discounted) must be recognised as a liability due to the structure of the agreement resulting in the shares being able to be purchased back for $1 if IPG earn-out targets are not met. Due to the potential $1 contingent liability, the full share consideration is treated as a liability until the earn-out period is complete. As a result, if this was not to be recognised as a liability (the true extent of the potential liability), the Company's net assets would be $1,351,229.

The Group also has undrawn working capital borrowing facilities of $3,000,000 available to be utilised throughout the next twelve months if required.

The financial report has nonetheless been prepared on a going concern basis which the Directors consider to be appropriate based upon the forecast for the year ending 30 June 2023 which includes the receipt of the funding via Entitlement Offer, the R&D tax incentives and available undrawn working capital borrowing facilities.

b) Principles of consolidation
The consolidated financial statements are those of the Consolidated Entity comprising the Parent Entity and its controlled entities.

Where an entity either began or ceased to be controlled during the year, the results are included only from the date control commenced or up to the date control ceased.

The financial statements of subsidiaries are prepared for the same reporting period as the parent Company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The balances and effects of transactions, between controlled entities included in the consolidated financial statements have been eliminated.

Investments in controlled entities are carried at cost, as calculated based on the fair value of consideration paid by the Company.

c) Acquisitions of assets

The purchase method of accounting is used for all acquisitions of assets (including business combinations). Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of the acquisition plus incidental costs directly attributable to the acquisition.

Where equity instruments are issued in an acquisition, the value of the instruments is their market price as at the acquisition date, unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

d) Cash and cash equivalents

Cash on hand and in banks and short-term deposits is stated at nominal value.

For the purposes of the consolidated cash flow statement, cash and cash equivalents includes cash on hand and in banks, and money market investments readily convertible to cash within 3 months, net of outstanding bank overdrafts.

e) Intangible assets

Patents, trademarks and licenses

Patents, trademarks and licenses are recorded at cost less accumulated amortisation and impairment.

Customer relationships

Customer relationships acquired in the business acquisition are valued with the income approach, the multi-period excess earnings method (MEEM). Amortisation is recognised as an expense on a straight-line basis over the period during which economic benefits are expected to be received.

Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

Development costs measured at cost less accumulated amortisation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or development of the software. An intangible asset arising from the development phase of an internal project is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The intangible assets are amortised over 5 years.

f) Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

g) Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity:

- identifies the contract with a customer;
- identifies the performance obligations in the contract;
- determines the transaction price which takes into account estimates of variable consideration and the time value of money;
- allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and
- recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

g) Revenue from contracts with customers (Continued)

Sale of goods
Revenue from the sale of goods and disposal of other assets is recognised when the Consolidated Entity has transferred to the buyer the significant risks and rewards of ownership of the goods.

Recurring Revenue
Income from transaction fees and software licence fees are recognised as recurring revenue.

Services
Revenue is recognised upon rendering of services and the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of expenses incurred that are recoverable.

Software licence fees
Revenue from the sale of software licences is recognised on an accrual basis in accordance with the substance of the relevant agreement.

Dividend and interest revenue
Dividend revenue is recognised on a receivable basis. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

h) Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received, and all conditions complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. When the grant relates to an asset, it is deducted from the asset to which it relates, the net value of which is amortised over its expected useful life.

The group is treating its actual and expected receipt of the new R&D Tax Incentive refund as a government grant. Where the expenditure has been expensed, the R&D tax incentive is recognised as revenue. Where the expenditure had been capitalised as an asset, the R&D Tax Incentive attributable to the capitalised expenditure, is deducted from the cost of the asset and released to the profit and loss account as a reduction in amortisation expense over the expected useful life of the asset.

Grant receipts in relation to cash flow boost and job-keeper payments are presented as 'other income' and not offset against any relevant expenses.

i) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, with the exception of accrued expenses and expense provisions, are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables.

Cash flows are included in the Consolidated Cash Flow Statement on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO, are classified as operating cash flows.

j) Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes.

j) Income tax (Continued)

Deferred income tax liabilities are recognised for all taxable temporary differences:

(i) except where the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

(ii) in respect of taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

(i) except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

(ii) in respect of deductible temporary difference associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company / Consolidated Entity intends to settle its current tax assets and liabilities on a net basis.

As at the date of this report, deferred tax assets have been recognised only to the extent to which they offset deferred tax liabilities as it is not yet considered sufficiently probable that future taxable profits will be generated in the appropriate jurisdictions to enable these to be utilised.

Tax Consolidation

The parent entity and its controlled entities have formed an income tax consolidated group under the tax consolidation legislation. The parent entity is responsible for recognising the current tax liabilities and deferred tax assets arising in respect of tax losses, for the tax consolidated group. The tax consolidated group will also enter a tax funding agreement whereby each Company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

k) Foreign currency

Foreign currency transactions

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Exchange differences are recognised in profit or loss in the period in which they arise. The functional currency of Mint Payments Limited and all of its subsidiaries is Australian dollars.

Group companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. These differences are recognised in profit or loss in the period in which the operation is disposed.

l) Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Consolidated Entity. Trade accounts are normally settled within 30-60 days.

Payables to related parties are carried at amortised cost. Interest, when charged by the lender, is recognised using the effective interest rate method.

m) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for expected credit losses.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance.

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

n) Issued capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the proceeds received.

o) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

p) Right-of-use assets

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

q) Plant & equipment

Plant and equipment and fixtures & fittings are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on plant and equipment and is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period. The following estimated useful lives are used in the calculation of depreciation:

Plant and equipment	5 - 15 years

r) Provisions

Provisions are recognised when the Consolidated Entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

Provisions are made in respect of the consolidated entity’s estimated liability on all products and services under warranty at balance date. The provision is measured as the present value of future cash flows estimated to be required to settle warranty obligations. As the group has limited warranty experience the provision is based on current expectations.

r) Provisions (Continued)
When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is probable that recovery will be received, and the amount of the receivable can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received, and the amount of the receivable can be measured reliably.

An onerous contract is considered to exist where the Consolidated Entity has a contract under which the unavoidable cost of meeting the contractual obligations exceed the economic benefits estimated to be received. Present obligations arising under onerous contracts are recognised as a provision to the extent that the present obligation exceeds the economic benefits estimated to be received.

s) Share based payments
Share-based compensation benefits are provided to employees via the Mint Payments Limited Employee Option Plan.

The fair value of options granted under the Mint Payments Limited Employee Option Plan is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of the options granted is adjusted to reflected market vesting conditions but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the statement of comprehensive income with a corresponding adjustment to equity.

Share-based payments may be used to pay for services provided to the Group and are recorded at fair value at the invoice date through the share based payment reserve until the date at which shares are issued.

t) Borrowings
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

u) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required, and these benefits can be measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Consolidated Entity in respect of services provided by employees up to reporting date.

Defined contribution superannuation plans

Contributions to defined contribution superannuation plans are expensed when incurred.

v) Impairment of non-financial assets

At each reporting date, the Consolidated Entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Consolidated Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of comprehensive income immediately.

w) New and revised accounting standards effective at 30 June 2022

The group has applied all new and revised Australian Accounting Standard that apply to annual reporting periods beginning on or after 1 July 2021.

The application of these standards had no impact on the financial statements.

x) 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 (where indicated).

y) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

NOTE 3: SEGMENT INFORMATION

The consolidated entity operates predominantly in three geographical segments – ANZ (Australia, New Zealand), Europe (Cyprus, the United Kingdom) and Asia (Hong Kong, Singapore). 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.

Year ended 30 June 2022	**ANZ $**	**Europe $**	**Asia $**	**Consolidated $**
Revenue				
Recurring sales revenues	3,132,400	5,378,112	618,743	**9,129,255**
Interest income	3,386	-	17	**3,403**
Other revenues	1,126,995	-	-	**1,126,995**
Total Revenue	**4,262,781**	**5,378,112**	**618,760**	**10,259,653**
Operating expenses	(10,429,737)	(484,413)	(1,414,015)	**(12,328,165)**
Loss on impairment	(866,396)	-	-	**(866,396)**
Acquisition costs	(1,204,453)	-	-	**(1,204,453)**
Profit/ (loss) before income tax expense	**(8,237,805)**	**4,893,699**	**(795,255)**	**(4,139,361)**
Income tax expense	**-**	**-**	**-**	**-**
Profit/ (loss) after income tax expense	**(8,237,805)**	**4,893,699**	**(795,255)**	**(4,139,361)**

Year ended 30 June 2021	**ANZ $**	**Europe $**	**Asia $**	**Consolidated $**
Revenue				
Recurring sales revenues	1,708,279	-	100,161	**1,808,440**
Interest income	1,107	-	13	**1,120**
Other revenues	897,833	-	8,205	**906,038**
Total Revenue	**2,607,219**	**-**	**108,379**	**2,715,598**
Operating expenses	(5,644,804)	-	(189,083)	**(5,833,887)**
Loss on impairment	-	-	-	**-**
Acquisition costs	-	-	-	**-**
Profit/ (loss) before income tax expense	**(3,037,585)**	**-**	**(80,704)**	**(3,118,289)**
Income tax expense	**-**	**-**	**-**	**-**
Profit/ (loss) after income tax expense	**(3,037,585)**	**-**	**(80,704)**	**(3,118,289)**

NOTE 4: FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

Mint Payments Limited's Audit and Risk Management Committee (Committee) assists the Board of Directors (Board) perform the duties of a risk management committee in identifying and evaluating sources of financial and other risks. The Committee and Board seek to balance the potential adverse effects of financial risks on Mint's financial performance and position with the "upside" potential made possible by exposure to these risks and by taking into account the costs and expected benefits of the various methods available to manage them.

AASB 7 Financial Instruments: Disclosures requires the disclosure of information to assist users of the financial report in assessing the extent of risks related to financial instruments faced by the Group. These risks include financial risks such as market risks (including currency risk, fair value interest rate risk and commodity price risk), credit risk & liquidity risk. These disclosures are not nor are they intended to be an exhaustive list of risks to which Mint is exposed.

a) Market risk

i) Foreign exchange risk

Mint Payments Limited is based in Australia, the Consolidated Entity reports its financial performance and position in Australian dollars (A$). The Group operates internationally, with the result being that the Group is to some extent exposed to foreign exchange risk arising from fluctuations predominantly in the Euro (EUR), Hong Kong Dollars (HKD), Great British Pounds (GBP), Singapore Dollars (SGD) and unless those exposures are appropriately hedged.

As at balance date, the Board's position is to hold foreign currencies where liabilities are expected to be settle in their currency at a future date or take up forward contracts where appropriate so as to minimise exposure to adverse foreign exchange fluctuations.

ii) Interest rate risk and fair values

As the Group has certain floating interest rate deposits there is a risk that the economic value of these deposits may fluctuate because of changes in market interest rates. This risk is considered an acceptable by-product of the Group's efforts to manage its cash flow obligations. As at balance date, the fair value of financial assets and liabilities is equivalent to their carrying amount.

The table below sets out the carrying amount of the financial instruments exposed to interest rate risk (all of which mature within one year):

	Consolidated Entity 2022 $	Consolidated Entity 2021 $
Financial Assets		
Cash assets	1,586,001	896,703
Weighted average effective interest rate 0.07% (2021 – 0.01%)		
Financial Liabilities		
Borrowings	12,150,000	8,500,000

The security and expiry for the borrowing facilities are as follows:

A $8,500,000 working capital borrowing facility (2021: $8,500,000) secured through a fixed and floating charge over the assets and undertakings of Mint (Aust) Pty Ltd. This facility expired in September 2021 and has continued on a month to month basis. The working capital borrowing facilities attract an interest rate equal to the Reserve Bank of Australia cash rate plus 4.5% per annum.

The $3,000,000 convertible notes raised on 1 September 2021 has been refinanced with the issue of $3,650,000 non-convertible debt on 30 June 2022. The loan note will expire in December 2023 with fixed interest rate of 12% per annum.

In addition, a $3,000,000 in working capital borrowing facility (2021: $3,000,000) unsecured is held by Mint (Aust) Pty Ltd. This facility expired in September 2020 and has continued on a month to month basis. The working capital borrowing facilities attract an interest rate equal to the Reserve Bank of Australia cash rate plus 4.5% per annum. The facility is undrawn.

NOTE 4: FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Continued)

b) Capital management policies and procedures

The Group's capital management objectives are:

- To ensure the Group can fund its operations and continue as a going concern
- To provide an adequate return to shareholders

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

The Group monitors capital on the basis of the carrying amount of equity plus borrowings less cash and cash equivalents as presented on the face of the statement of financial position.

There are no externally imposed capital requirements. There are no covenants on the borrowings.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

The gearing ratio for the reporting periods under review is summarised as follows:

	Consolidated Entity	**Consolidated Entity**
	2022	**2021**
	$	**$**
Borrowings	12,150,000	8,500,000
Total debt	12,150,000	8,500,000
Total contributed equity	63,370,276	52,665,148
Debt to issued capital ratio	**19.17%**	**16.14%**

c) Credit risk

The Group trades only with recognised, trustworthy third parties and it is the Group's policy to perform credit verification procedures in relation to any customers wishing to trade on credit terms with the Group. The Group's maximum exposure to credit risk arising from potential default of the counter-party is equal to the carrying value of receivables.

d) Liquidity risk

Prudent liquidity management involves the maintenance of sufficient cash, committed credit facilities and access to capital markets. It is the policy of the Board to ensure that the Group is able to meet its financial obligations and maintain the flexibility to pursue attractive investment opportunities through keeping committed credit lines available where possible, ensuring the Group has sufficient working capital.

The group has working capital borrowing facilities of $15,150,000 (2021: $11,500,000) of which $12,150,000 (2021: $8,500,000) was utilised at balance date.

Summarised sensitivity analysis

The following table summarises the sensitivity of the Group's financial assets & financial liabilities to interest rate risk, foreign exchange risk & another price risk.

NOTE 4: FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Continued)

		Interest (AUD)				Foreign Exchange (AUD)			
		- 1% 2022 $		+ 1% 2022 $		- 10% 2022 $		+ 10% 2022 $	
	Carrying Amount	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
Financial Assets									
Cash & cash equivalents	AUD1,043,324	(10,433)	(10,433)	10,433	10,433	n/a	n/a	n/a	n/a
	GBP 107	n/a	n/a	n/a	n/a	19	19	(19)	(19)
	NZD 13,881	n/a	n/a	n/a	n/a	1,252	1,252	(1,252)	(1,252)
	USD 77,763	n/a	n/a	n/a	n/a	11,288	45	(45)	(45)
	SGD 15,333	n/a	n/a	n/a	n/a	1,600	1,600	(1,600)	(1,600)
	EUR 243,430	n/a	n/a	n/a	n/a	36,945	36,945	(36,945)	(36,945)
	HKD 171,047	n/a	n/a	n/a	n/a	3,164	3,164	(3,164)	(3,164)
Accounts receivable	SGD 9,672	n/a	n/a	n/a	n/a	1,009	1,009	(1,009)	(1,009)
	USD 398,206	n/a	n/a	n/a	n/a	57,803	57,803	(57,803)	(57,803)
Financial Liabilities									
Trade payables	GBP 6,962	n/a	n/a	n/a	n/a	(1,228)	(1,228)	1,228	1,228
	SGD 19,766	n/a	n/a	n/a	n/a	(2,062)	(2,062)	2,062	2,062
	USD 90,811	n/a	n/a	n/a	n/a	(13,182)	(13,182)	13,182	13,182
Borrowings	AUD 12,150,000	121,500	121,500	(121,500)	(121,500)	n/a	n/a	n/a	n/a

NOTE 5: CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS

In preparing this Financial Report the Group has made certain estimates and assumptions concerning future occurrences. There is an inherent risk that the resulting accounting estimates will not equate exactly with actual events and results.

a) Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Capitalisation of IT development expenditure

The Group capitalised IT development expenditure on the basis either that this is expected to be recouped through future successful exploitation of the associated technology or through subsequent sale of the asset.

Deferred tax assets

The Group has carried forward tax losses which have not been recognised as deferred tax assets as it is not yet considered sufficiently probable that these losses will be recouped by means of future profits taxable in the relevant jurisdictions.

b) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Provision for obsolescence inventory

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

NOTE 5: CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS (Continued)

The provision for obsolete inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory recoverability and useful life.

Impairment of IT development expenditure

The future recoverability of capitalised IT development expenditure is dependent on a number of factors, including whether the Group decides to continue to exploit the related technology itself or, if not, whether it successfully recovers the related asset through sale. Factors that could impact the future recoverability include the level of market demand, future technological changes, costs of commercialisation, input costs, future legal changes and changes to the pricing structure for credit card payment gateways.

As at 30 June 2022, the carrying value of capitalised IT development is $2,115,026 (2021: $30,523) after an impairment charge of $Nil for the current year (2021: $Nil).

NOTE 6: OPERATING LOSS	**Consolidated Entity 2022 $**	**Consolidated Entity 2021 $**
Loss before income tax has been determined after the following specific expenses:		
Depreciation and amortisation of non-current assets		
Plant and equipment	70,900	98,279
IT development	896,026	72,480
Customer Relationship	1,265,417	-
	2,232,343	**170,759**
Finance costs – interest expenses	952,637	401,790
Finance costs – bank fees	190,107	137,526
	1,142,144	**539,316**
Research and development expenses	2,224,968	1,111,983
Rent expense	172,573	146,502
Defined contribution superannuation expense	315,963	198,825
Obsolescence inventory provision	-	186,231
Bad debts written off	130	596

NOTE 7: REVENUE	**Consolidated Entity 2022 $**	**Consolidated Entity 2021 $**
Revenue from contracts with customers		
Revenue from sale of goods [(a)]	709	64,772
Revenue from services [(b)]	77,805	69,131
Recurring revenues [(a)]	9,050,741	1,674,537
	9,129,255	**1,808,440**
Other Income		
R&D grant income	929,364	471,533
Payroll tax relief	31,774	-
Job-keeper and job-saver payments	155,357	434,505
Cashflow boosts	10,500	-
Interest	3,403	1,120
	10,259,653	**2,715,598**

(a) Revenue is recognised at a specific point in time.
(b) Revenue is recognised over time.

NOTE 8: INCOME TAX	**Consolidated Entity 2022 $**	**Consolidated Entity 2021 $**
(a) The components of tax (expense)/ credit:		
Current tax	-	-
Total Income tax (expense)/ credit	-	-
(b) The prima facie tax on loss before income tax is reconciled to the income tax as follows:		
Loss before income tax	**(4,139,361)**	**(3,118,289)**
At the statutory income tax rate of 25% (2021: 26%)	(1,034,840)	(810,755)
Non-deductible expenses	1,197,924	305,672
Non-assessable (income)/expenses	(1,290,704)	(167,282)
Change in unrecognised temporary differences	316,256	76,444
Tax rate differential on foreign income	12,394	7,181
Tax losses not recognised during current period	798,970	588,741
Income tax (expense) / credit	-	-

The Group has not recognised net deferred tax assets of $10,167,127 (2021: $9,723,674) respectively at reporting date as it is not probable that the losses will be recouped in the short term.

NOTE 9: RECEIVABLES	**Note**	**Consolidated Entity 2022 $**	**Consolidated Entity 2021 $**
Receivables from contracts with customers		1,411,434	347,675
Expected credit losses		(85,485)	(85,485)
Net trade receivables	(i)	1,325,949	262,190
Other receivables	(ii)	2,687,495	107,237
Prepayments and other assets		269,349	126,499
R & D receivable		967,861	483,713
		5,250,654	**979,639**
0-3 months			-
3-6 months			-
Over 6 months		(85,485)	(85,485)
Allowance for expected loss		**(85,485)**	**(85,485)**

(i) Impaired receivables: as at 30 June 2022 current trade receivables of the group with a nominal value of $Nil (2021: $Nil) were impaired. The amount of the allowance for doubtful debt was $85,485 (2021: $85,485).

(ii) Other receivables of $2,585,000 relating to the capital raise completed at 30 June 2022.

a) Movements in the provision for impairment of receivables.

At 1 July		-	-
Provision for impairment recognised during the year		-	-
At 30 June	(ii)	-	-

NOTE 9: RECEIVABLES (Continued)

(iii) The creation and release of the provision for impaired receivables has been included in 'other expenses' in the statement of profit or loss. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash. The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due.

	Note	Consolidated Entity 2022 $	Consolidated Entity 2021 $
b) Receivables not impaired			
Not past due		972,066	156,506
31-60 days from invoice		28,619	1,441
61-90 days from invoice		45,943	4,432
more than 91 days from invoice		364,806	185,296
Net trade receivables	(iii)	**1,411,434**	**347,675**

(iv) As of 30 June 2022, trade receivables of $353,883 are past due (2021: $105,685) but not impaired.

NOTE 10: INVENTORIES	Consolidated Entity 2022 $	Consolidated Entity 2021 $
Finished goods		
- at cost	570,000	579,805
- provision for obsolescence	(373,551)	(373,552)
Total inventories	**196,449**	**206,253**

NOTE 11: OTHER FINANCIAL ASSETS	Note	Consolidated Entity 2022 $	Consolidated Entity 2021 $
Security Deposits	(i)	367,884	330,055
		367,884	**330,055**

(i) Security deposits are in relation to the Group's obligations for its Sydney Offices of $124,516 and as security for an indemnity for losses that may arise under a customer contract of $243,368. Security deposits are measured at amortised cost.

NOTE 12: PLANT AND EQUIPMENT	Consolidated Entity 2022 $	Consolidated Entity 2021 $
Plant & equipment		
At cost	1,165,226	929,218
Accumulated depreciation	(929,420)	(858,436)
	235,806	**70,782**
Plant and equipment		
Carrying amount at beginning	70,782	143,232
Additions	235,812	26,732
Disposals	-	(761)
Translation of foreign assets on consolidation	112	(142)
Depreciation expense	(70,900)	(98,279)
	235,806	**70,782**

NOTE 13: INTANGIBLES	**Consolidated Entity 2022 $**	**Consolidated Entity 2021 $**
IT Development	5,672,066	2,763,822
Accumulated amortisation change	(3,557,040)	(2,733,299)
Net carrying amount – IT Development	**2,115,026**	**30,523**
Opening net book amount – IT Development	30,523	87,182
Additions – acquired in a business combination	2,577,000	-
Additions	442,027	28,000
R&D Tax Incentive received in respect of expenditure capitalised	(38,498)	(12,180)
Disposals	-	-
Amortisation charge	(896,026)	(72,480)
Closing net book value – IT Development	**2,115,026**	**30,523**
Customer Relationship	7,141,000	-
Accumulated amortisation change	(1,265,417)	-
Net carrying amount – Customer Relationships	**5,875,583**	**-**
Opening net book amount – Customer Relationships	-	-
Additions – acquired in a business combination	7,141,000	-
Disposals	-	-
Amortisation charge	(1,265,417)	-
Closing net book value – Customer Relationships	**5,875,583**	**-**
Total intangible assets	**7,990,609**	**30,523**

NOTE 14: BUSINESS COMBINATION

On 1st September 2021, Mint acquired 100% of the ordinary shares of IPG Group ("IPG") for a total purchase value of $13,000,100 on an undiscounted basis. Per the share sale agreement, the purchase consideration comprises $9,000,100 initial cash consideration, $2,500,000 escrowed securities as share consideration and $1,500,000 of deferred cash consideration. The initial consideration is payable under five separate tranches within 24 months post completion, the share consideration is subject to the Voluntary Escrow Deed with buyback option for 2 year period post completion and the deferred consideration is payable at the end of the 24 month period.

The first tranche of $6,250,100 was paid on completion of the acquisition, the second tranche of $500,000 is due 6 months post completion, the third tranche of $1,250,000 is due 12 months post completion, the fourth tranche and the fifth tranche of $500,000 would be due at the 18 months and 24 months post completion respectively.

The total intangible assets acquired on purchase of IPG is $12,245,965. It represents the expected synergies from hosting costs, PCI costs, employee costs, software subscription, property costs and some general administration and operation costs. IPG contributed total revenue of $5,957,357 and profit after tax of $547,554 to the consolidated entity for the period from 1 September 2021 to 30 June 2022. Details of IPG's assets, liabilities and estimated goodwill acquired on acquisition are further detailed as follows:

NOTE 14: BUSINESS COMBINATION (Continued)

	Fair Value $
Cash and cash equivalents	1,482,423
Trade and other receivables	540,829
Other assets	18,940
Plant and equipment	78,083
Trade and other payables	(36,873)
Employee benefits	(85,979)
Loans – current	(160,466)
Loans – non-current	(1,321,957)
Net assets acquired	515,000
IT Development and other intangibles	9,718,000
Expected goodwill on acquisition	2,012,965
Acquisition-date fair value of the total consideration payable	**12,245,965**
Fair value discount of the deferred consideration	754,135
Total consideration payable per contract	**13,000,100**

	Consideration$
Represented by:	
Cash consideration paid (tranche 1)	6,250,100
Shares issued (tranche 1)	2,500,000
Expected cash consideration payable (tranche 2)	500,000
Expected cash consideration payable (tranche 3)	1,250,000
Expected cash consideration payable (tranche 4)	500,000
Expected cash consideration payable (tranche 5)	500,000
Expected deferral consideration payable	1,500,000
	13,000,100

Net cash consideration paid to acquire the company	**6,250,100**
Bank guarantee	**1,000,000**
Acquisition-date fair value of the total cash consideration transferred in the period	**7,250,100**
Less: cash and cash equivalents acquired	**(1,482,423)**
Net cash used	**5,767,677**

The fair value of trade and other receivables is $540,829 and includes trade receivables with a fair value of $2,382. The gross contractual amount for trade receivables due is $2,382, of which $Nil is expected to be uncollectible.

The acquisition accounting for this transaction is provisional at the date of this report and any adjustments made to the provisional amounts will be reflected in subsequent financial reporting periods.

NOTE 15: PAYABLES	Consolidated Entity 2022 $	Consolidated Entity 2021 $
CURRENT		
Trade payables	399,264	760,558
Other payables, accruals and income in advance	875,613	530,272
	1,274,877	**1,290,830**

NOTE 16: PROVISIONS	Consolidated Entity 2022 $	Consolidated Entity 2021 $
CURRENT		
Employee benefits	457,710	396,280
Make good provision	20,000	87,600
	477,710	**483,880**
NON-CURRENT		
Employee benefits	-	24,651
	-	**24,651**
	477,710	**508,531**
Movements in provisions for employee benefits		
Carrying amount at the beginning of the year	420,931	345,110
Additional provision recognised	119,397	249,104
Utilised during the year	(82,618)	(173,283)
Carrying amount at the end of the year	**457,710**	**420,931**

NOTE 17: OTHER CREDITORS	Note	Consolidated Entity 2022 $	Consolidated Entity 2021 $
CURRENT			
Deferred cash consideration – current	(i)	1,730,797	-
		1,730,797	**-**
NON-CURRENT			
Deferred cash consideration – non-current	(i)	1,654,005	-
Deferred equity consideration – non-current	(i)	2,421,209	-
		4,075,214	**-**
		5,806,011	**-**

(i) Deferred consideration relates to IPG acquisition, including:

(a) cash consideration that is 100% payable but paid in tranches over the 2 years from acquisition;

(b) contingent consideration that is dependent on acquired business revenue over the 2 years and to be payable 2 years from acquisition; and

(c) escrow security which are subject to a buyback if the major business of acquired entity is terminated within 24 months post acquisition.

The deferred consideration, as per share sale agreement, has been discounted each tranche and period based on discount rate.

Under accounting standards, deferred equity consideration of $2.5m (probability discounted) must be recognised as a liability due to the structure of the agreement resulting in the shares being able to be purchased back for $1 if IPG earn-out targets are not met. Due to the potential $1 contingent liability, the full share consideration is treated as a liability until the earn-out period is complete. Subject to all earn-out targets being met, this will convert to share capital.

NOTE 18: CONTRIBUTED EQUITY	2022 No.	2021 No.
a) Issued and paid up capital		
Ordinary Shares	**1,761,569,075**	**1,127,373,760**

b) Movements in shares on issue

	Date	No. of Shares	$
Beginning of the financial year	**1-Jul-21**	**1,127,373,760**	**52,655,148**
Issue of fully paid ordinary shares	30-Jun-22	461,875,000	7,390,003
Issue of fully paid ordinary shares	30-Jun-22	155,000,000	3,100,000
Issue of fully paid ordinary shares	30-Jun-22	17,320,315	277,125
Share issue costs			(62,000)
Closing Balance	**30-Jun-22**	**1,761,569,075**	**63,370,276**

Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a meeting or by proxy, is entitled to one vote. Upon a poll every holder is entitled to one vote per share held. Effective 1 July 1998, the Corporations legislation in place abolished the concepts of authorised capital and par value shares. Accordingly, the Company does not have authorised capital, nor par value in respect of its issued shares.

NOTE 19: RESERVES AND ACCUMULATED LOSSES	Consolidated Entity 2022 $	Consolidated Entity 2021 $
a) Share based payment reserve		
Balance at the beginning of year	2,437,532	2,673,672
Movement during the year	-	(236,140)
Balance at end of year	**2,437,532**	**2,437,532**
b) Foreign exchange reserve		
Balance at the beginning of year	8,091	7,270
Movement during the year	151,409	821
Balance at end of year	**159,500**	**8,091**
	2,597,032	**2,445,623**
c) Accumulated Losses		
Balance at the beginning of year	(62,897,927)	(59,779,638)
Net loss for the year	(4,139,361)	(3,118,289)
Balance at end of year	**(67,037,288)**	**(62,897,927)**

The share-based payment reserve is used to record items recognised as expenses on valuation of employee shares and options. It is also used to pay for services provided to the Group and are recorded at fair value at the invoice date through the share based payment reserve until the date at which shares are issued.

The foreign exchange reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

NOTE 20: SHARE BASED PAYMENTS

a) Employee option plan
As at balance date, the Company has no options on issue.

Options carry no dividend or voting rights. Upon exercise, each option is convertible into one ordinary share to rank pari passu in all respects with the Company's existing fully paid ordinary shares.

Each option granted under the Mint Payments Limited Employee Option Plan entitles the employee to acquire one ordinary share of Mint Payments Limited. There are no voting or dividend rights attaching to the options until they are exercised by the employee, at which point ordinary shares which rank equally with all other Mint shares.

All options expire on the earlier of their expiry date or termination of the individual's employment. There was no movements in options on issue in FY22.

b) Employee share plan
During or since the end of the financial year, nil ordinary shares have been issued as result of exercise of options granted under the Mint Payments Limited Employee Option Plan and nil ordinary shares have been issued under the Mint Payments Limited Employee Share Plan.

Shares issued under the employee share plan are based on the volume weighted average share price of the relevant period in which the key performance indicators relate to and issued without consideration. Shares issued under the employee share plan are performance rights, which convert to fully paid ordinary shares that rank pari passu in all respects with the Company's existing fully paid ordinary shares subject to meeting key performance objectives.

NOTE 21: KEY MANAGEMENT PERSONNEL DISCLOSURES

The Directors of Mint Payments Limited during the year were:

- **Terry Cuthbertson,** Non-Executive Interim Chairman
- **Anne Weatherston,** Non-Executive Director
- **William Bartee,** Non-Executive Director
- **Alex Teoh,** Group Chief Executive Officer and Managing Director

Other Key Management Personnel in office at any time during the financial year were as follows:

- **Amy Meekin**, Chief Risk Officer
- **Hugh Twomey**, Chief Growth Officer (started on 10 January 2022)
- **James Swan**, Chief Financial Officer (started on 10 January 2022)
- **Sandra Willis**, Chief Operating Officer (effective from 1 September 2021)
- **Andrew Teoh,** Managing Director of Mint Payments Asia Pte Ltd (ceased on 31 January 2022)
- **Nicholas Cooper,** Group Finance Director (ceased on 27 October 2021)
- **Witold J Christek,** Head of Technology (ceased on 27 August 2021)

Other than the above personnel, no other persons had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly during the year.

a) Loans to Key Management Personnel

There were no loans made to Directors of Mint Payments Limited or other Key Management Personnel of the Group (or their personally related entities) during the year.

b) Compensation

The aggregate compensation made to directors and other members of Key Management Personnel of the consolidated entity is set out below:

NOTE 21: KEY MANAGEMENT PERSONNEL DISCLOSURES (Continued)

	Consolidated Entity 2022 $	Consolidated Entity 2021 $
Short-term employee benefits	840,666	552,837
Post-employment benefits	82,599	52,057
Share-based payments	-	51,638
	923,265	**656,531**

c) Other transactions with Key Management Personnel

Mint (Aust) Pty. Ltd. has a $3,000,000 unsecured working capital borrowing facility (2020: $3,000,000) with TAAJ Corporation Pty Ltd, an entity associated with Alex Teoh. The working capital borrowing facility attracts an interest rate equal to the Reserve Bank of Australia cash rate plus 4.5% per annum and expired in September 2020. The facility has been rolled over on a month to month basis. During the year, Mint (Aust) Pty Ltd paid $Nil in interest to TAAJ Corporation Pty Ltd.

NOTE 22: AUDITORS REMUNERATION

During the year, the following fees were paid or payable for services provided by the auditor of the Parent Entity, its related practices and non-related audit firms:

	Consolidated Entity 2022 $	Consolidated Entity 2021 $
Amounts received or due and receivable by **Pitcher Partners for:**		
(i) Audit and other assurance services		
An audit or review of the financial report of the entity and any other entity in the consolidated entity	61,766	55,202
Total remuneration for audit and other assurance services	**61,766**	**55,202**
(ii) Other non-audit services	-	-
Total remuneration for non-audit services	**-**	**-**
Total remuneration of Pitcher Partners	**61,766**	**55,202**

NOTE 23: RECONCILIATION OF LOSS AFTER INCOME TAX TO THE NET CASH USED IN OPERATIONS	Consolidated Entity 2022 $	Consolidated Entity 2021 $
Net loss after income tax	(4,139,361)	(3,118,289)
Non-Cash Items		
Depreciation	70,900	98,279
Amortisation of Intangibles	2,161,443	72,480
Interest expenses accrued but not paid	36,445	-
Disposal of inventory	-	-
Provision for obsolescence	-	186,231
Share options expense	-	-
Bad debts written off	130	596
Impairment loss	866,396	-
Acquisition cost in investment activities	1,204,453	-
Foreign exchange	57,470	(128,470)
	257,877	**(2,889,174)**
Changes in assets and liabilities		
(Increase)/decrease in trade & other receivables	(1,543,738)	93,274
(Increase)/decrease in inventory	9,804	99,927
(Increase)/decrease in prepayments & other assets	(1,692,318)	78,943
(Decrease)/increase in trade & other payables	(246,461)	108,545
(Decrease)/increase in provisions	(116,800)	75,823
	(3,589,513)	**456,512**
Net cash used in operating activities	**(3,331,636)**	**(2,432,662)**

NOTE 24: SUBSEQUENT EVENTS

There has not been any other matter or circumstances 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.

NOTE 25: COMMITMENTS AND CONTINGENCIES	Consolidated Entity 2022 $	Consolidated Entity 2021 $
Lease expenditure commitments		
a) Operating leases (non-cancellable):		
Minimum lease payments (i)		
- Not later than one year	1,509	3,600
- Later than one year and not later than five years	-	1,509
- Later than five years	-	-
- Aggregate lease expenditure contracted for at reporting date	**1,509**	**5,109**

(i) Relates predominately to the Sydney office equipment lease.

NOTE 26: RELATED PARTY TRANSACTIONS

There have been no transactions with related parties during the year ended 30 June 2022 other than as disclosed elsewhere in the financial report.

NOTE 27: PARENT ENTITY DETAILS

Summarised presentation of the parent entity, Mint Payments Limited, financial statements:

a) Summarised statement of financial position	Parent Entity 2022 $	Parent Entity 2021 $
Assets		
Current assets	3,336,152	138,620
Non-current assets	11,551,048	-
Total assets	**14,887,200**	**138,620**
Liabilities		
Current liabilities	2,321,197	818,066
Non-current liabilities	7,725,214	-
Total liabilities	**10,046,411**	**818,066**
Net assets	**4,840,789**	**(679,446)**
Equity		
Share capital	63,370,273	52,665,148
Reserves	2,375,093	2,375,093
Accumulated losses	(60,904,577)	(55,719,687)
Total equity	**4,840,789**	**(679,446)**

The directors reassessed the recoverability of the intercompany loans and believe these were impaired in the prior years.

b) **Summarised statement of comprehensive income**

Loss for the year	(5,184,890)	(3,477,002)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	**(5,184,890)**	**(3,477,002)**

c) **Wholly owned Group**

Details of interest in wholly owned controlled entities are set out at part (d) of this note. Details of dealings with controlled entities are as follows:

Inter-Company accounts
Mint Payments Limited provides working capital to its controlled entities. Transactions between Mint Payments Limited and other controlled entities in the wholly owned Group during the year ended 30 June 2022 consisted of:
(i) Working capital advanced by Mint Payments Limited;
(ii) Provision of services by Mint Payments Limited; and
(iii) Expenses paid by Mint Payments Limited on behalf of its controlled entities.

The above transactions were made interest free with no fixed terms for repayment.

NOTE 27: PARENT ENTITY DETAILS (Continued)

d) **Investments in Controlled Entities**

Name of Entity Controlled Entities	Country of Incorporation	Class of Shares	Equity Holding 2022 %	Equity Holding 2021 %
Mint (Aust) Pty Limited	Australia	Ordinary	100	100
Mint Intellectual Property Pty Limited	Australia	Ordinary	100	100
Mint Australia Pty Limited	Australia	Ordinary	100	100
Mint Sales Australia Pty Limited	Australia	Ordinary	100	100
Mint New Zealand Pty Limited	Australia	Ordinary	100	100
IPG Solutions Pty Limited	Australia	Ordinary	100	Nil
Mint Wireless International UK Limited	United Kingdom	Ordinary	100	100
IPG Europe Limited	Cyprus	Ordinary	100	Nil
IPG Group Limited	Hong Kong	Ordinary	100	Nil
IPGPAY Limited	Hong Kong	Ordinary	100	Nil
Mint Payments Asia Pte. Ltd.	Singapore	Ordinary	100	100

e) **Ultimate Parent Company**

The ultimate parent company in the wholly-owned Group is Mint Payments Limited, a Company incorporated in Australia.

f) **Parent entity guarantees**
The parent entity has not given any guarantee or indemnity in respect of the debt facilities of the controlled entities.

g) **Parent entity contingent liabilities**
The parent entity did not have any contingent liabilities as at 30 June 2022 (2021: $Nil).

h) **Parent entity contractual commitments**
As at 30 June 2022, the parent entity did not have any contractual commitments for the acquisition of the property, plant and equipment.

Mint Payments Limited is an unlisted public Company, incorporated and operating in Australia.

Registered Office	Principal place of business
Level 6, 71 Walker Street	Level 6, 71 Walker Street
NORTH SYDNEY	NORTH SYDNEY
NSW 2060	NSW 2060
Australia	Australia

The entity has a formally constituted audit committee.

In the Directors' opinion:

(a) the financial statements, notes and the additional disclosures included in the Directors' Report designated as audited, of the Company and of the Consolidated Entity are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of Consolidated Entity's financial position as at 30 June 2022 and of its performance for the year ended on that date; and

(ii) compliance with Accounting Standards and *Corporations Regulations 2001*; and

(iii) compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board; 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
13 January 2023

PITCHER PARTNERS

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MINT PAYMENTS LIMITED
ABN 51 122 043 029

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Mint Payments Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Mark Godlewski

MARK GODLEWSKI

Partner

13 January 2023

Pitcher Partners

PITCHER PARTNERS

Sydney