MINT PAYMENTS LIMITED

ABN: 51 122 043 029

FINANCIAL REPORT
30 JUNE 2023

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Contents **Page**

CORPORATE DIRECTORY

Directors

Terry Cuthbertson
Non-executive Chairman

William Bartee
Non-executive Director

Martin Cowley
Non-executive Director

Alex Teoh
Group Chief Executive Officer and Managing Director

Company Secretary

James Swan

Registered Office

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Sydney NSW 2000

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Postal Address

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Sydney NSW 2000

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

Boardroom Pty Limited
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Sydney NSW 2000

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www.boardroomlimited.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 "the Group") for the financial year ended 30 June 2023 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 (Retired on 24 April 2023)
- Martin Cowley (Appointed on 25 April 2023)
- Alex Teoh

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

Terry Cuthbertson, Non-Executive 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 Chairman, Chair 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.

Martin Cowley, Non-Executive Director
MA (Modern Languages)

Martin is currently the Executive Chairman at sports and technology travel companies, Travica and eRoam, and is an Ambassador Oceania at The World Travel and Tourism Council (WTTC). Prior to moving to Australia, Martin held Executive roles at both SWIRE Group and Cathay Pacific Airways. He additionally spent ten years at Sabre, one of the world's leading travel technology companies, as both CEO of Sabre Pacific and Senior Vice President EMEA.

Most recently, Martin was Interim CEO at Conferma Pay, the leading provider of Virtual Card Technology Solutions based in Manchester, UK. Martin's experience with Conferma Pay is particularly relevant for Mint Payments with the launch of its virtual card solution catered for the Australian and New Zealand markets as part of its end-to-end payments ecosystem for the travel industry.

Martin's extensive knowledge in the travel and payments space is invaluable to Mint Payments in supporting its mission to become the leading provider of payment solutions for the travel industry in Australia and New Zealand.

Martin is a member of the Audit & Risk Management 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 retired as Non-Executive Director effective on 24 April 2023. Anne was 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.

Principal Activities

The principal activity of the consolidated entity during the year was innovative end-to-end payments technology solutions.

Mint is an Australian fintech that specialises in providing payment technology solutions for the travel industry. With products for consumer-to-business and business-to-business payments, Mint offers industry-leading platforms that meet the specific challenges of the travel space and integrates with the mid and back-office systems that are most used by businesses in the space. By doing so, Mint helps to level the playing field by delivering enterprise-grade solutions into the hands of small and medium businesses.

Operating Results

FY23 was another strong year of growth for the Company, with key financial results for the year ended 30 June 2023 being:

- The Company processed $2.7bn in Total Transaction Value (TTV) in FY23, compared to $2bn in FY22 (an increase of 37%) and $329m in FY21.

- Revenue from contracts with customers for the year was $15,069,775, an increase of 65% from the previous financial year (like-for-like revenue growth). Total revenue for the year was $16,686,246, an increase of 63% from the previous financial year (like-for-like revenue growth). Mint's core strategic market of travel generated revenue increase of 177% ($3.9m like-for-like growth) in FY23 compared to FY22. Additionally, Mint's white label vertical generated revenue increases of 34% ($1.8m like-for-like growth) in FY23 compared to FY22. Due to significant merchants onboarded since 2021 and the shift away from legacy gateway agreements (resulting in substantial increases to net revenue on a per merchant basis), Mint's Q4 FY23 travel revenue was 278% higher than pre-COVID levels despite travel volumes still being lower than pre COVID-19 levels.

- The Company generated positive reported normalised EBITDA of $585k for FY23 driven by the significant travel growth during the year. Management has identified a number of one-off and non-recurring pro forma adjustments (presented in quarterly investor update) to reported EBITDA including restructuring costs, IPG acquisition related costs and one-off legacy technology migration costs. These adjustments total $561k, resulting in pro forma EBITDA of $1.15m for FY23.

- Reported loss before income tax from ordinary activities was $3,898,521, which was a 21% 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 employee performance rights and options scheme, non-core inventory provision, 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. For the avoidance of doubt, the reconciliation below does not include one-off and non-recurring pro forma adjustments as per Mint's quarterly investor updates; incorporating these items results in an increase to EBITDA for FY23.

Line item	$
Reported loss before income tax	(3,898,521)
Add back:	
Amortisation and depreciation	2,208,955
Interest expenses	1,105,917
Acquisition costs	79,643
Fair value losses	272,570
Employee performance rights scheme	732,398
Inventory provision (non-core)	84,000
Reported Normalised EBITDA	**584,962**

Review of Operations

The highlights for the year ended 30 June 2023 include:

- In October 2022, Mint announced the expansion of its product offering for the New Zealand market, with the launch of Mint's B2B payments solution, MintEFT, which went live in January 2023. The release of MintEFT in the New Zealand market saw Mint's existing offering expand from card present and virtual C2B options to include a solution for B2B supplier payments. MintEFT facilitates integrated B2B EFT payments and offers integrations with many of the most used travel mid-office systems in market, including Tramada, PowerSuite and Odysseus. Travel Agents in New Zealand now have access to the first end-to-end payments solution built for travel, allowing them to accept customer card payments with MintVT and make B2B supplier payments with MintEFT. The launch of MintEFT into New Zealand helped drive 175% revenue growth for Mint in the New Zealand market through a significant uptick in customers for both MintVT and MintEFT designed for the New Zealand Travel Industry.

- In January 2023, First Travel Group appointed Mint as their exclusive payment's solution, First Travel Group are one of New Zealand's leading independent travel alliances. First Travel Group's members will benefit from Mint's end-to-end payments solutions, allowing them to seamlessly accept customer card payments with MintVT and make B2B supplier payments with MintEFT. The Mint product suite integrates with leading mid-office systems, streamlining the workflow of agents with increased efficiency of booking, payments and reconciliation. The First Travel Group network includes more than 50 independent travel specialists and has been serving New Zealand for over 20 years. The group's diverse high-end membership includes boutique retail, corporate TMCs and Meetings & Event specialists. As a technology leader, First Travel Group is working with Mint to provide a range of best-in-class payment solutions through its strong partnerships and worldwide preferred supplier agreements.

- In January 2023, World Travellers appointed Mint as their exclusive payments partner. The partnership between Mint and World Travellers will deliver a full range of payment solutions, including credit and debit card acceptance and B2B supplier payments. By using Mint's payment solutions, World Travellers agents will improve process efficiency through platform integration and automation of the reconciliation process, as well as enjoying significant cost savings through their group agreement.

- In January 2023, Mint completed a significant technology migration to the cloud, retiring legacy platforms enabling Mint to scale effectively across a unified cloud-based platform.

- In March 2023, Mint finalised a corporate restructure, with 15% of the workforce unfortunately made redundant to improve efficiencies in the organisation. This resulted in c. $1m annualised cost savings, with savings commencing from May 2023.

- In April 2023, Mint announced the appointment of Martin Cowley as an independent non-executive Director. Mint also announced the retirement of Anne Weatherston as a non-executive director of the Board, effective 24th April 2023, after nine years of dedicated service.

- In June 2023, The Travel Junction, the leading trade-only wholesaler, is excited to announce the launch of a new partnership with leading industry payments provider Mint Payments to enhance its payment options available to its travel partners.

- During the financial year, Mint's travel product roadmap and strategy developed significantly, particularly B2B product development, with a key focus on user experience to deliver Mint's vision of being a full-service, end-to-end payments ecosystem. As part of this, Mint aims to enable merchants to process 100% of pay-in and 100% of pay-out volumes all through a single platform. The product roadmap supports this vision allowing merchants to benefit from a seamless, user-focused payments ecosystem.

- Mint generated sustained merchant growth since July 2022, with total merchants increasing from 1,588 to 1,732 in June 2023. In particular, Travel merchants increased from 890 to 1,228 in the same period, representing more than 4x pre COVID-19 travel merchants. This sustained merchant growth positions Mint well to continue to maximise growth as travel industry volume reaches pre-COVID levels.

  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

On 14 July 2023, Mint refinanced the $3.65m HGL facility and $8.5m Roadhound facility, drawing down on a new $12.5m loan from Roadhound with a fixed interest rate of 9.5%. The loan is secured through a fixed and floating charge over the assets and undertakings of Mint Payments Ltd, with an expiry date of 14 July 2026. As a result, Mint's sole debt obligations going forward is the $12.5m facility with Roadhound.

On 31 August 2023, Mint repaid the final deferred consideration relating to the IPG acquisition, with restricted cash (cash backed bank guarantee) on balance sheet utilised as part of the final repayment. As all earn-out targets were met, the IPG vendors were paid the full consideration amount, bringing the total consideration for the IPG acquisition to be $13m. Part of the $13m consideration was the release of $2.5m share consideration held as escrowed securities into ordinary shares. As such, 162,109,375 were converted from restricted ordinary shares to fully paid ordinary shares, resulting in 1,923,678,448 shares on issue from 31 August 2023.

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

FY23 has been a strong revenue growth year for the Company, with Mint has generating positive EBITDA each quarter, TTV reaching $2.7bn (a 37% increase on FY22), a material increase in gross margin and quarter-on-quarter revenue growth.

Mint has experienced substantial merchant growth in the travel industry since the commencement of the COVID-19 pandemic. Mint's travel TTV was $116.9m for June 2023, 105% higher than pre-COVID levels, with Mint travel revenue for June 2023 278% higher than pre-COVID levels; attributed to growth in existing travel merchant payment volumes supplemented by new merchant volume. This growth is despite travel TTV recovery at a per merchant level c. 85% to 90% of pre-COVID levels. With supply limitations easing and large markets such as China open to Australia for leisure travel, Mint continues to be well positioned to maximise growth as the travel volumes exceed pre-COVID levels in FY24. Mint also has significant opportunities available as the recovery of travel continues and as new payment acceptance and supplier payment solutions catered to the travel industry are rolled out, resulting in an increase share of wallet. Additionally, with only c. 13% market share in the Australian SME travel agent industry for FY23, Mint has considerable new merchant growth available in the travel sector.

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 FY24. Development is well advanced and we have partnered with global leading banking infrastructure partners to support Mint's growth objectives and enhance Mint's end-to-end payments ecosystem. Mint is funding this development through operational cash flows.

White label gateway continues to perform as a core revenue stream for Mint, despite a reduction in revenue in Q4 FY2023. As a white label gateway, Mint has lower-level controls over customer behaviour and influence on volume, with the business focusing on growth in the travel vertical to offset any potential declines to the white label business. We anticipate stable white label revenue in FY24.

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 any macro impact, whilst continuing to focus on driving key growth initiatives and generate significant return for shareholders.

Whilst the current economic climate is an area Mint remains conscious of, 20+ years of economic data shows that pre-Covid Australian households historically spent between 6.5% and 7.5% of their Gross Disposable Income on Holiday travel with the average of around 7%. This points to the fact Consumers prioritise spending on Holidays regardless of economic circumstances, with Holiday Travel spend typically behaving as a non-discretionary spend item. This supports Management's view of continued growth within the travel industry into FY24 and FY25.

Management's key focus for FY24 will be to continue to drive profitable, sustainable growth both organically and inorganically, with a renewed focus on improving balance sheet strength following recent investments (product development and IPG acquisition) to position Mint for its next stage of evolution.

Dividends

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

Share Options and Performance Rights

Unissued Shares under Options and Performance Rights

As at the date of this report, there were 6,670,948 options to directors or executives on issue (2022: Nil), 14,712,500 performance rights to executives on issue (2022: Nil) and 14,444,805 performance rights to employees on issue (2022: Nil) for Mint Payments Limited.

Options

Grant Date	Exercise Date	No. of Options	Expiry Date	Exercise Price ($)
7-Mar-23	7-Mar-27	6,670,948	7-Mar-27	0.0283

Performance Rights

Grant Date	Exercise Date	No. of Rights	Expiry Date	Value ($)
15-Aug-22	15-Aug-27	29,157,305	15-Aug-27	0.02

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

Shares issued on exercise of options

There were no ordinary shares of Mint 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 (i)	4	4	2	2	1	1
W Bartee	4	4	N/A	N/A	1	1
M Cowley (ii)	1	1	N/A	N/A	N/A	N/A
A Weatherston (iii)	3	3	2	2	N/A	N/A
Alex Teoh	4	4	N/A	N/A	N/A	N/A

(i) T Cuthbertson was appointed as Chairperson of the Audit & Risk Management Committee effective from 25/04/23
(ii) M Cowley was appointed as Non-Executive Director and a member of the Audit & Risk Management Committee on 25/04/23
(iii) A Weatherston retired as Non-Executive Director, Chairperson of the Audit & Risk Management Committee and a member of the Remuneration & Nomination Committee effective on 24/04/23

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 2023 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 23 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 2023.

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 unless otherwise 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
31 October 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 audit for the year ended 30 June 2023, to the best of my knowledge and belief there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

b) no contraventions of APES 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

Mark Godlewski
Partner

Pitcher Partners
Sydney

31 October 2023

	Notes	Consolidated Entity 2023 $	Consolidated Entity 2022 $
Revenue and other income	**6**	16,686,246	10,259,653
Network and service delivery		6,027,165	2,571,116
Purchases & changes in inventories of finished goods		-	1,157
Employee benefits expense (excluding share option expense)		6,442,962	4,313,310
Share payments & option expense		732,398	-
Depreciation and amortisation expense	**7**	2,208,955	2,232,343
Finance costs	**7**	1,203,799	1,142,744
Professional fees		772,856	585,073
Selling expense		494,761	169,557
Administration, property & communication expenses		1,518,853	1,085,724
Impairment losses arising from contracts with customers	**7**	64,134	130
Other expenses		766,671	227,011
Total expenses		**20,232,554**	**12,328,165**
Loss before abnormal items		**(3,546,308)**	**(2,068,512)**
Impairment loss on face value of deferred considerations		(272,570)	(866,396)
Acquisition costs		(79,643)	(1,204,453)
Loss before income tax		**(3,898,521)**	**(4,139,361)**
Income tax credit/ (expense)	**8**	628,067	-
Net loss for the year		**(3,270,454)**	**(4,139,361)**
Loss attributable to:			
Equity shareholders		(3,270,454)	(4,139,361)
Loss for the year		**(3,270,454)**	**(4,139,361)**

		Consolidated Entity 2023 $	Consolidated Entity 2022 $
Loss for the year		**(3,270,454)**	**(4,139,361)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		67,898	151,409
Total comprehensive loss for the year		**(3,202,556)**	**(3,987,952)**
Total comprehensive attributable to:			
Equity shareholders		(3,202,556)	(3,987,952)
Earnings per share for loss to equity holders			
Basic earnings per share (cents)	**25**	(0.19)	(0.28)
Diluted earnings per share (cents)	**25**	(0.19)	(0.28)

	Notes	Consolidated Entity 2023 $	Consolidated Entity 2022 $
CURRENT ASSETS			
Cash and cash equivalents		1,168,540	1,586,001
Trade and other receivables	**9**	3,723,847	5,250,654
Inventories	**10**	381,810	196,449
Restricted cash		1,000,000	-
Other financial assets	**11**	226,110	367,884
TOTAL CURRENT ASSETS		**6,500,307**	**7,400,988**
NON-CURRENT ASSETS			
Plant and equipment	**13**	319,463	235,806
Intangibles	**14**	5,943,556	7,990,609
Right-of-use assets	**12**	1,133,062	-
Goodwill	**15**	2,012,965	2,012,965
Restricted cash		-	1,000,000
Deferred tax assets	**8**	628,067	-
TOTAL NON-CURRENT ASSETS		**10,037,113**	**11,239,380**
TOTAL ASSETS		**16,537,420**	**18,640,368**
CURRENT LIABILITIES			
Payables	**16**	1,767,118	1,276,627
Provisions	**17**	587,709	477,710
Short term borrowings	**4**	12,150,000	8,500,000
Lease liabilities	**12**	185,765	-
Other creditors – current	**18**	4,328,581	1,730,797
TOTAL CURRENT LIABILITIES		**19,019,173**	**11,985,134**
NON-CURRENT LIABILITIES			
Provisions	**17**	63,156	-
Lease Liabilities	**12**	995,229	-
Long term borrowings	**4**	-	3,650,000
Other creditors – non-current	**18**	-	4,075,214
TOTAL NON-CURRENT LIABILITIES		**1,058,385**	**7,725,214**
TOTAL LIABILITIES		**20,077,558**	**19,710,348**
NET ASSETS/ (LIABILITIES)		**(3,540,138)**	**(1,069,980)**
EQUITY			
Contributed equity	**19**	63,370,276	63,370,276
Reserves	**20**	3,397,328	2,597,032
Accumulated losses	**20**	(70,307,742)	(67,037,288)
TOTAL EQUITY/ (DEFICIENCY)		**(3,540,138)**	**(1,069,980)**

	Notes	Consolidated Entity 2023 $	Consolidated Entity 2022 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		15,169,519	8,470,665
Operating grant receipts		967,861	541,528
Payments to suppliers and employees		(15,768,081)	(11,398,903)
Interest received		10,389	3,403
Interest paid		(1,083,627)	(948,329)
Net cash used in operating activities	**24**	**(703,939)**	**(3,331,636)**
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(316,039)	(195,008)
Cash acquired from acquisition of business		-	1,512,905
Payments for acquisition of businesses		(1,750,000)	(7,250,100)
Payments for acquisition costs		(87,607)	(1,204,453)
Net cash used in investing activities		**(2,153,646)**	**(7,136,656)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		2,585,000	8,182,125
Cost of share issue		(68,200)	(24,535)
Share buy back		-	-
Proceeds from borrowings		-	3,000,000
Principal elements of lease payments		(76,676)	-
Net cash provided by financing activities		**2,440,124**	**11,157,590**
Net increase/ (decrease) in cash and cash equivalents		**(417,461)**	**689,298**
Cash and cash equivalents at beginning of year		1,586,001	896,703
Cash and cash equivalents at end of the year		**1,168,540**	**1,586,001**

	Share Capital $	Share Based Payment Reserve $	Foreign Exchange Reserve $	Accumulated Losses $	Total $
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)**
Balance at 1 July 2022	**63,370,276**	**2,437,532**	**159,500**	**(67,037,288)**	**(1,069,980)**
Loss for the year	-	-	-	(3,270,454)	(3,270,454)
Other comprehensive loss	-	-	67,898	-	67,898
Total comprehensive loss for the year	**-**	**-**	**67,898**	**(3,270,454)**	**(3,202,556)**
Recognition of share-based payments	-	732,398	-	-	732,398
Issue of ordinary shares	-	-	-	-	-
Share issue costs	-	-	-	-	-
Balance at 30 June 2023	**63,370,276**	**3,169,930**	**227,398**	**(70,307,742)**	**(3,540,138)**

NOTE 1: CORPORATE INFORMATION

The financial report of Mint Payments Limited (the Company or "Mint") for the year 30 June 2023 was authorised for issue on 31 October 2023 under delegated authority in accordance with a resolution of the Directors on 31 October 2023.

Mint (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 ("the 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 $3,270,454 and a net cash outflow from of operations $703,939 for the year ended 30 June 2023. Net loss for the Group includes a considerable element of non-cash items. As at 30 June 2023, the Group had cash assets (restricted and unrestricted) of $2,168,540, current assets of $6,500,307, current liabilities of $19,019,173 and a net asset deficiency of $3,540,138. 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 deficiency would be $1,040,138. In addition, as at the 30 June 2023, Mint has short term borrowings of $12,150,000 which were refinanced on 14 July 2023 to a new long term debt facility of $12,500,000 which is due for maturity on 30 June 2026.

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 2024.

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) Leases
The Group leases leasehold properties and plant and equipment. The lease terms vary and can include escalation clauses, renewal or purchase options and termination rights. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessors.

Group as lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Short-term leases and leases of low-value assets
The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a term of 12 months or less. It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

f) 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.

g) 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.

h) 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.

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.

h) Revenue from contracts with customers (Continued)

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.

i) 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.

j) 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.

k) 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.

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 (DTA) 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

k) Income tax (Continued)

(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.

l) 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.

m) 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.

n) Trade and other receivables

Trade receivables, which generally have 30–90-day terms, are recognised initially at fair value, 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.

o) 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.

p) 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, its carrying value is written off.

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.

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.

v) Impairment of non-financial assets (Continued)

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 2023

The group has applied all new and revised Australian Accounting Standard that apply to annual reporting periods beginning on or after 1 July 2022.

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 unless otherwise 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 2023	ANZ $	Europe $	Asia $	Consolidated $
Revenue				
Recurring sales revenue	7,003,789	7,249,204	816,782	**15,069,775**
Interest income	8,639	-	1,750	**10,389**
Other revenue	1,606,082	-	-	**1,606,082**
Total Revenue	**8,618,510**	**7,249,204**	**818,532**	**16,686,246**
Operating expenses	(13,916,836)	(4,317,933)	(1,997,785)	**(20,232,554)**
Loss on impairment	(272,570)	-	-	**(272,570)**
Acquisition costs	(79,643)	-	-	**(79,643)**
Profit/ (loss) before income tax expense	**(5,650,539)**	**2,931,271**	**(1,179,253)**	**(3,898,521)**
Income tax credit/ (expense)	**628,067**	**-**	**-**	**628,067**
Profit/ (loss) after income tax expense	**(5,022,472)**	**2,931,271**	**(1,179,253)**	**(3,270,454)**

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**	**(799,255)**	**(4,139,361)**

NOTE 4: FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

Mint Payments Limited's Audit and Risk Management Committee ("the Committee") assists the Board of Directors ("the 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 2023 $	Consolidated Entity 2022 $
Financial Assets		
Cash assets	1,168,540	1,586,001
Weighted average effective interest rate 0.08% (2022 – 0.07%)		
Financial Liabilities		
Borrowings	12,150,000	12,150,000

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

A $8,500,000 working capital borrowing facility (2022: $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 until 13 Jul 2023. The working capital borrowing facilities attract an interest rate equal to the Reserve Bank of Australia cash rate plus 4.5% per annum in FY23.

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 (2022: $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 2023 $	Consolidated Entity 2022 $
Borrowings	12,150,000	12,150,000
Total debt	12,150,000	12,150,000
Total contributed equity	63,370,276	63,370,276
Debt to issued capital ratio	**19.17%**	**19.17%**

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 counterparty 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 (2022: $15,150,000) of which $12,150,000 (2022: $12,150,000) 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% 2023 $		+ 1% 2023 $		- 10% 2023 $		+ 10% 2023 $	
	Carrying Amount	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
Financial Assets									
Cash & cash equivalents	AUD376,026	(3,760)	(3,760)	3,760	3,760	n/a	n/a	n/a	n/a
	GBP 3,581	n/a	n/a	n/a	n/a	682	682	(682)	(682)
	NZD 51,898	n/a	n/a	n/a	n/a	4,769	4,769	(4,769)	(4,769)
	USD 181,628	n/a	n/a	n/a	n/a	27,395	27,395	(27,395)	(27,395)
	SGD 17,090	n/a	n/a	n/a	n/a	1,902	1,902	(1,902)	(1,902)
	EUR 251,490	n/a	n/a	n/a	n/a	41,235	41,235	(41,235)	(41,235)
	HKD 169,844	n/a	n/a	n/a	n/a	3,269	3,269	(3,269)	(3,269)
Accounts receivable	SGD 3,422	n/a	n/a	n/a	n/a	381	381	(381)	(381)
	NZD 106,758	n/a	n/a	n/a	n/a	9,810	9,810	(9,810)	(9,810)
	USD 36,744	n/a	n/a	n/a	n/a	5,542	5,542	(5,542)	(5,542)
	EUR 293,008	n/a	n/a	n/a	n/a	48,042	48,042	(48,042)	(48,042)
Financial Liabilities									
Trade payables	GBP 6,962	n/a	n/a	n/a	n/a	(1,326)	(1,326)	1,326	1,326
	SGD 19,766	n/a	n/a	n/a	n/a	(1,525)	(1,525)	1,525	1,525
	NZD 22,085	n/a	n/a	n/a	n/a	(2,029)	(2,029)	2,029	2,029
	USD 90,811	n/a	n/a	n/a	n/a	(7,716)	(7,716)	7,716	7,716
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.

NOTE 5: CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS (Continued)

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.

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 2023, the carrying value of capitalised IT development is $1,586,473 (2022: $2,115,026) after an impairment charge of $Nil for the current year (2022: $Nil).

Impairment of customer relationships

The sustained value of the acquired customer relationships hinges on various elements. These encompass the Group's ability to maintain the profitability of the acquired business or alternatively, its capacity to recuperate the related asset's value through a sale. Influential factors on future recovery prospects include market demand intensity, customer satisfaction levels, upcoming technological shifts, commercialization expenses, input price fluctuations, impending legal modifications, and adjustments in the payment gateway pricing framework.

As at 30 June 2023, the carrying value of acquired customer relationships is $4,357,083 (2022: $5,875,583) after an impairment charge of $Nil for the current year (2022: $Nil).

NOTE 6: REVENUE	Consolidated Entity 2023 $	Consolidated Entity 2022 $
Revenue from contracts with customers		
Revenue from sale of goods [(a)]	-	709
Revenue from services [(b)]	481,896	77,805
Recurring revenues [(a)]	14,587,879	9,050,741
	15,069,775	**9,129,255**
Other Income		
R&D grant income	1,606,082	929,364
Payroll tax relief	-	31,774
Job-keeper and job-saver payments	-	155,357
Cashflow boosts	-	10,500
Interest	10,389	3,403
	16,686,246	**10,259,653**

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

NOTE 7: OPERATING LOSS	Consolidated Entity 2023 $	Consolidated Entity 2022 $
Loss before income tax has been determined after the following specific expenses:		
Depreciation and amortisation of non-current assets		
Plant and equipment	82,321	70,900
IT development	527,201	896,026
Customer Relationships	1,518,500	1,265,417
Right-of-use assets	80,933	-
Depreciation and amortisation of non-current assets	**2,208,955**	**2,232,343**
Finance costs		
Interest expense	1,069,213	952,637
Interest expense on lease liability	36,704	-
Bank fees	97,882	190,107
Finance costs	**1,203,799**	**1,142,144**
Research and development expenses	4,044,677	2,224,968
Rent expense	82,405	172,573
Defined contribution superannuation expense	596,043	315,963
Obsolescence inventory provision	84,000	-
Impairment losses arising from contracts with customers	64,134	130

NOTE 8: INCOME TAX	Consolidated Entity 2023 $	Consolidated Entity 2022 $
(a) The components of tax (expense)/ credit:		
Current tax on profit for the year	-	-
Deferred tax expense:		
Recognition of previously unrecognised tax losses	1,472,965	-
Origination and reversal of temporary differences	(844,898)	-
Total Income tax credit/ (expense)	**628,067**	**-**
(b) The prima facie tax on loss before income tax is reconciled to the income tax as follows:		
Loss before income tax	**(3,898,521)**	**(4,139,361)**
At the statutory income tax rate of 25% (2022: 25%)	(974,630)	(1,034,840)
Non-deductible expenses	1,578,788	1,197,924
Non-assessable (income)/expenses	(931,467)	(1,290,704)
Change in unrecognised temporary differences	259,139	316,256
Tax rate differential on foreign income	373,676	12,394
Tax losses not recognised during current year	332,561	798,970
Income tax (expense) / credit	**628,067**	**-**

NOTE 8: INCOME TAX (Continued)	**Consolidated Entity 2023 $**	**Consolidated Entity 2022 $**
(c) Deferred tax balances		
Deferred tax assets comprise:		
Provisions	93,395	-
Accruals	195,034	-
Lease liability	11,983	-
Tax losses	880,338	-
Other	24,347	-
	1,205,097	**-**
Deferred tax liabilities comprise:		
Property, plant and equipment	(79,445)	-
Intangible assets	(398,618)	-
Prepayments	(124)	-
Foreign exchange gains and losses	(100,843)	-
	(577,030)	**-**
Net deferred tax assets/ (liabilities)	**628,067**	**-**

NOTE 9: RECEIVABLES	**Note**	**Consolidated Entity 2023 $**	**Consolidated Entity 2022 $**
Receivables from contracts with customers		1,357,107	1,411,434
Expected credit losses		(30)	(85,485)
Net trade receivables	(i)	1,357,077	1,325,949
Other receivables		186,918	2,687,495
Prepayments and other assets		420,418	269,349
R & D receivable		1,759,435	967,861
		3,723,847	**5,250,654**
0-3 months		-	-
3-6 months		-	-
Over 6 months		(30)	(85,485)
Allowance for expected loss		**(30)**	**(85,485)**

(i) Impaired receivables: as at 30 June 2023 current trade receivables of the group with a nominal value of $Nil (2022: $Nil) were impaired. The amount of the allowance for doubtful debt was $30 (2022: $85,485).

a) Movements in the provision for impairment of receivables.

At 1 July		(85,485)	-
Provision for impairment recognised during the year		85,455	-
At 30 June	(ii)	**(30)**	**-**

(ii) 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 9: RECEIVABLES (Continued)	Note	Consolidated Entity 2023 $	Consolidated Entity 2022 $
b) Receivables not impaired			
Not past due		1,255,070	972,066
31-60 days from invoice		7,654	28,619
61-90 days from invoice		6,556	45,943
more than 91 days from invoice		87,827	364,806
Net trade receivables	(iv)	**1,357,107**	**1,411,434**

(iii) As of 30 June 2023, trade receivables of $102,037 are past due (2022: $439,368) but not impaired.

NOTE 10: INVENTORIES	Consolidated Entity 2023 $	Consolidated Entity 2022 $
Finished goods		
- at cost	839,362	570,000
- provision for obsolescence	(457,552)	(373,551)
Total inventories	**381,810**	**196,449**
Movements in obsolescence provision		
At 1 July	(373,551)	(373,551)
Provision for obsolescence recognised during the year	(84,001)	-
At 30 June	**(457,552)**	**(373,551)**

NOTE 11: OTHER FINANCIAL ASSETS	Note	Consolidated Entity 2023 $	Consolidated Entity 2022 $
Security Deposits	(i)	226,110	367,884
		226,110	**367,884**

(i) Security deposits are in relation to the Group's obligations for its Sydney Offices of $220,390 and trademarks of $5,720. Security deposits are measured at amortised cost.

NOTE 12: LEASES	Consolidated Entity 2023 $	Consolidated Entity 2022 $
Right-of-use assets		
At cost	1,213,995	-
Accumulated depreciation	(80,933)	-
	1,133,062	**-**
Lease liability		
Current	185,765	-
Non-current	995,229	-
	1,180,994	**-**

NOTE 12: LEASES (Continued)	**Consolidated Entity 2023 $**	**Consolidated Entity 2022 $**
Lease liability		
Carrying amount at beginning	-	-
Additions	1,213,995	-
Accretion of interest	36,704	-
Lease payments	(69,705)	-
	1,180,994	**-**
Lease-related expenses		
Depreciation of right-of-use assets	80,933	-
Interest expense on lease liabilities	36,704	
	117,637	**-**
Undiscounted future lease payments		
Within one year	285,728	-
After one year but not more than five years	1,180,021	-
	1,465,749	**-**

NOTE 13: PLANT AND EQUIPMENT	**Consolidated Entity 2023 $**	**Consolidated Entity 2022 $**
Plant & equipment		
At cost	1,331,204	1,165,226
Accumulated depreciation	(1,011,741)	(929,420)
	319,463	**235,806**
Plant and equipment		
Carrying amount at beginning	235,806	70,782
Additions	234,188	235,812
Disposals	(68,333)	-
Translation of foreign assets on consolidation	123	112
Depreciation expense	(82,321)	(70,900)
	319,463	**235,806**

NOTE 14: INTANGIBLES	**Consolidated Entity 2023 $**	**Consolidated Entity 2022 $**
IT Development	5,670,714	5,672,066
Accumulated amortisation change	(4,084,241)	(3,557,040)
Net carrying amount – IT Development	**1,586,473**	**2,115,026**
Opening net book amount – IT Development	2,115,026	30,523
Additions – acquired in a business combination	-	2,577,000
Additions	152,000	442,027
R&D Tax Incentive received in respect of expenditure capitalised	(153,352)	(38,498)
Amortisation charge	(527,201)	(896,026)
Closing net book value – IT Development	**1,586,473**	**2,115,026**

NOTE 14: INTANGIBLES (Continued)	**Consolidated Entity 2023 $**	**Consolidated Entity 2022 $**
Customer Relationships	7,141,000	7,141,000
Accumulated amortisation change	(2,783,917)	(1,265,417)
Net carrying amount – Customer Relationships	**4,357,083**	**5,875,583**
Opening net book amount – Customer Relationships	5,875,583	-
Additions – acquired in a business combination	-	7,141,000
Disposals	-	-
Amortisation charge	(1,518,500)	(1,265,417)
Closing net book value – Customer Relationships	**4,357,083**	**5,875,583**
Total intangible assets	**5,943,556**	**7,990,609**

NOTE 15: 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 $8,017,750 to the consolidated entity in FY23. Details of IPG's assets, liabilities and estimated goodwill acquired on acquisition are further detailed as follows:

	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
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**

NOTE 15: BUSINESS COMBINATION (Continued)

	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.

NOTE 16: PAYABLES	**Consolidated Entity 2023 $**	**Consolidated Entity 2022 $**
CURRENT		
Trade payables	634,562	399,264
Other payables and accruals	1,130,806	875,613
Unearned Revenue	1,750	1,750
	1,767,118	**1,276,627**

NOTE 17: PROVISIONS	**Consolidated Entity 2023 $**	**Consolidated Entity 2022 $**
CURRENT		
Employee benefits	567,709	457,710
Make good provision	20,000	20,000
	587,709	**477,710**
NON-CURRENT		
Employee benefits	63,156	-
	650,865	**477,710**
Movements in provisions for employee benefits		
Carrying amount at the beginning of the year	457,710	420,931
Additional provision recognised	459,377	119,397
Utilised during the year	(286,222)	(82,618)
Carrying amount at the end of the year	**630,865**	**457,710**

NOTE 18: OTHER CREDITORS	Note	Consolidated Entity 2023 $	Consolidated Entity 2022 $
CURRENT			
Deferred cash consideration – current	(i)	1,868,179	1,730,797
Deferred equity consideration – current	(i)	2,460,402	-
		4,328,581	**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**
		4,328,581	**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 for each tranche period based on discount rate at 3.64%.

Under Australian 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 19: CONTRIBUTED EQUITY	2023 No.	2022 No.
a) Issued and paid-up capital		
Ordinary Shares	**1,761,569,075**	**1,761,569,075**

b) Movements in shares on issue

	Date	No. of Shares	$
Beginning of the financial year	**1-Jul-22**	**1,761,569,075**	**63,370,276**
Issue of fully paid ordinary shares			-
Share issue costs			-
Closing Balance	**30-Jun-23**	**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 20: RESERVES AND ACCUMULATED LOSSES	Consolidated Entity 2023 $	Consolidated Entity 2022 $
a) Share based payment reserve		
Balance at the beginning of year	2,437,532	2,437,532
Movement during the year	732,398	-
Balance at end of year	**3,169,930**	**2,437,532**
b) Foreign exchange reserve		
Balance at the beginning of year	159,500	8,091
Movement during the year	67,898	151,409
Balance at end of year	**227,398**	**159,500**
	3,397,328	**2,597,032**
c) Accumulated Losses		
Balance at the beginning of year	(67,037,288)	(62,897,927)
Net loss for the year	(3,270,454)	(4,139,361)
Balance at end of year	**(70,307,742)**	**(67,037,288)**

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 21: SHARE BASED PAYMENTS

a) Employee option plan and performance rights
As at the date of this report, there were 6,670,948 options on issue (2022: Nil) and 29,157,305 performance rights on issue (2022: Nil) for Mint Payments Limited.

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.

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

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 22: KEY MANAGEMENT PERSONNEL DISCLOSURES

The Directors of Mint Payments Limited during the year were:

- **Terry Cuthbertson,** Non-Executive Chairman
- **William Bartee,** Non-Executive Director
- **Martin Cowley,** Non-Executive Director (appointed on 25 April 2023)
- **Anne Weatherston,** Non-Executive Director (retired on 24 April 2023)
- **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:

- **Hugh Twomey**, Chief Growth Officer
- **James Swan**, Chief Financial Officer
- **Sandra Willis**, Chief Operating Officer
- **Amy Meekin**, Chief Risk Officer (ceased on 4 April 2023)

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:

	Consolidated Entity 2023 $	Consolidated Entity 2022 $
Short-term employee benefits	1,119,882	840,666
Other long-term benefits	15,148	-
Post-employment benefits	103,132	82,599
Share-based payments	364,866	-
	1,603,028	**923,265**

c) Other transactions with Key Management Personnel

Mint 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 paid $Nil in interest to TAAJ Corporation Pty Ltd.

NOTE 23: 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 2023 $	Consolidated Entity 2022 $
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	102,268	61,766
Total remuneration for audit and other assurance services	**102,268**	**61,766**
(ii) Other non-audit services	-	-
Total remuneration for non-audit services	**-**	**-**
Total remuneration of Pitcher Partners	**102,268**	**61,766**

NOTE 24: RECONCILIATION OF LOSS AFTER INCOME TAX TO THE NET CASH USED IN OPERATIONS	Consolidated Entity 2023 $	Consolidated Entity 2022 $
Net loss after income tax	(3,270,454)	(4,139,361)
Non-Cash Items		
Depreciation and amortisation	2,208,955	2,232,343
Interest expenses accrued but not paid	59,675	36,445
Interest – lease liabilities	36,704	-
Disposal of fixed assets	70,713	-
Provision for obsolescence	84,000	-
Share options expense	732,398	-
Impairment losses arising from contracts with customers	64,134	130
Impairment loss	272,570	866,396
Acquisition cost in investment activities	-	1,204,453
Income tax benefit	(628,067)	
Foreign exchange	(52,192)	57,470
	(421,564)	**257,877**
Changes in assets and liabilities		
(Increase)/decrease in trade & other receivables	(579,332)	(1,543,738)
(Increase)/decrease in inventory	(185,361)	9,804
(Increase)/decrease in prepayments & other assets	(337,135)	(1,692,318)
(Decrease)/increase in trade & other payables	646,298	(246,461)
(Decrease)/increase in provisions	173,155	(116,800)
	(282,375)	**(3,589,513)**
Net cash used in operating activities	**(703,939)**	**(3,331,636)**

NOTE 25: EARNINGS PER SHARE	Consolidated Entity 2023 $	Consolidated Entity 2022 $
The following reflects the income and share data used in the calculation of basic and diluted earnings per share:		
Net loss attributed to equity shareholders	(3,270,454)	(4,139,361)
Earnings used in calculating basic and diluted earnings per share	**(3,270,454)**	**(4,139,361)**
	2023 No of shares	**2022 No of shares**
Weighted average number of ordinary shares used in calculating basic earnings per share	1,761,569,075	1,478,364,706
Effect of dilutive securities:		
Share options	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	**1,761,569,075**	**1,478,364,706**
Basic earnings per share to equity holders (cents)	(0.19)	(0.28)
Diluted earnings per share to equity holders (cents)	(0.19)	(0.28)

NOTE 26: SUBSEQUENT EVENTS

On 14 July 2023, Mint refinanced the $3.65m HGL facility and $8.5m Roadhound facility, drawing down on a new $12.5m loan from Roadhound with a fixed interest rate of 9.5%. The loan is secured through a fixed and floating charge over the assets and undertakings of Mint Payments Ltd, with a expiry date of 14 July 2026. As a result, Mint's sole debt obligations going forward is the $12.5m facility with Roadhound.

On 31 August 2023, Mint repaid the final deferred consideration relating to the IPG acquisition, with restricted cash (cash backed bank guarantee) on balance sheet utilised as part of the final repayment. As all earn-out targets were met, the IPG vendors were paid the full consideration amount, bringing the total consideration for the IPG acquisition to be $13m. Part of the $13m consideration was the release of $2.5m share consideration held as escrowed securities into ordinary shares. As such, 162,109,375 were converted from restricted ordinary shares to fully paid ordinary shares, resulting in 1,923,678,448 shares on issue from 31 August 2023.

There has not been any other matters 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 27: RELATED PARTY TRANSACTIONS

There have been no transactions with related parties during the year ended 30 June 2023 other than as disclosed elsewhere in the financial report.

NOTE 28: PARENT ENTITY DETAILS

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

		Parent Entity 2023 $	Parent Entity 2022 $
a)	**Summarised statement of financial position**		
	Assets		
	Current assets	1,441,839	3,336,152
	Non-current assets	10,268,227	11,551,048
	Total assets	**11,710,066**	**14,887,200**
	Liabilities		
	Current liabilities	8,413,061	2,321,197
	Non-current liabilities	1,170,134	7,725,214
	Total liabilities	**9,583,195**	**10,046,411**
	Net assets	**2,126,871**	**4,840,789**
	Equity		
	Share capital	63,370,273	63,370,273
	Reserves	3,107,491	2,375,093
	Accumulated losses	(64,350,893)	(60,904,577)
	Total equity	**2,126,871**	**4,840,789**

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	(3,446,316)	(5,184,890)
	Other comprehensive income for the year	-	-
	Total comprehensive loss for the year	**(3,446,316)**	**(5,184,890)**

NOTE 28: PARENT ENTITY DETAILS (Continued)

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 2023 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.

d) **Investments in Controlled Entities**

Name of Entity	**Country of Incorporation**	**Class of Shares**	**Equity Holding 2023**	**Equity Holding 2022**
Controlled Entities			**%**	**%**
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
Mint New Zealand Pty Limited	New Zealand	Ordinary	100	100
IPG Solutions Pty Limited	Australia	Ordinary	100	100
Mint Wireless International UK Limited	United Kingdom	Ordinary	100	100
IPG Europe Limited	Cyprus	Ordinary	100	100
IPG Group Limited	Hong Kong	Ordinary	100	100
IPGPAY Limited	Hong Kong	Ordinary	100	100
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 2023 (2022: $Nil).

h) **Parent entity contractual commitments**
As at 30 June 2023, 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**
Suite 1, Level 8, 10 Bridge Street	Suite 1, Level 8, 10 Bridge Street
SYDNEY	SYDNEY
NSW 2000	NSW 2000
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 2023 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
31 October 2023

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MINT PAYMENTS LIMITED
ABN 51 122 043 029

INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS OF MINT PAYMENT 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 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement 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 Mint Payments Limited 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 2023 and of its 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 2023, 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.

INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS OF MINT PAYMENT LIMITED

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 in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001* and such internal control as the directors determine is necessary to enable the preparation of a 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 Group's ability to continue as a going concern, disclosing, as applicable, matters relating 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 have 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 judgment 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 the directors.
- Conclude on the appropriateness of the directors' 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.

INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS OF MINT PAYMENT LIMITED

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

Pitcher Partners

Pitcher Partners
Sydney

31 October 2023