MINT PAYMENTS LIMITED
ABN: 51 122 043 029

FINANCIAL REPORT
30 JUNE 2024

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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

Suite 1, Level 8
10 Bridge Street
Sydney NSW 2000

Phone: + 61 2 8752 7888

Postal Address

Suite 1, Level 8
10 Bridge Street
Sydney NSW 2000

Australian Company Number

122 043 029

Australian Business Number

51 122 043 029

Auditors

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

Share Registry

Boardroom Pty Limited
Level 8, 210 George Street
Sydney NSW 2000

Phone: + 61 2 9290 9600

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 ("the Company") and its controlled entities (together referred to as the Consolidated Entity or "the Group") for the financial year ended 30 June 2024 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
- Martin Cowley
- Alex Teoh

The directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

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 the Chairman of ASX listed Pacific Nickel Mines Limited and the public company Austpac Resources N.L. Terry was the Chairman of Symbio Holdings Limited (formerly MNF Group Limited) until 22 July 2021 and the Chairman of Lark Limited (formally Australian Whisky Holdings Limited) until 20 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 (Oxon)

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.

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, specialising in financial modelling, M&A, strategy and financial management. In his role as Chief Financial Officer, James manages the corporate functions at Mint, including Corporate Development, Strategy, Finance, Legal, Risk and Investor Relations, whilst also serving as the Company Secretary.

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 acquisitions, divestments, capital raisings and IPOs, financial modelling, integration and valuations.

In his time in professional services, James worked with a variety of businesses, 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 end-to-end payment solutions for our select industries that are misunderstood and under-served by traditional payment service providers. Mint works to simplify payments for complex businesses, when traditional payment solutions fall short, our end-to-end platform turns payments from a challenge into an easy "payments-as-a-service" solution.

Mint is currently focused on the travel industry, providing products for consumer-to-business and business-to-business payments 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

The Company experienced continued growth in FY24, particularly in our core travel vertical, with key financial results for the year ended 30 June 2024 being:

- The Company processed $2.6bn in Total Transaction Value (TTV) in FY24, compared to $2.7bn in FY24 (a decrease of 1%), with travel TTV increasing by 57% from $1.1bn in FY23 to $1.8bn in FY24. The travel TTV increase was offset by a reduction in Mint's white label business (part of the IPG business unit).

- Total recurring revenue from customers for the year was $18,281,394, an increase of 21% from the previous financial year (like-for-like revenue growth). Total income for the year (including the R&D grant from the ATO) was $20,124,119, an increase of 21% from the previous financial year. Mint's core strategic market of travel generated a revenue increase of 96% to $11,925,173 ($5,823,843 like-for-like growth) in FY24 compared to FY23. Mint's growth in travel revenue is attributed to growth in existing travel merchant payment volumes (c. 5% merchant by merchant growth), migration of merchants to higher value products (away from legacy gateway) and new travel merchant acquisition, with Mint's market share increasing to 15-20% of the Australian market and becoming a dominant player in the New Zealand travel agency market with nearly 50% market share. New Zealand in particularly has been a key part of Mint's growth trajectory in FY24, with several large merchants in New Zealand onboarded during the year and utilising Mint for its full suite of services. Mint's travel revenue for Q4 FY24 was 108% higher than Q4 FY23 due to new merchant growth, with a number of large new merchants onboarded in Q2 & Q3 transacting meaningful volumes in Q4. Mint should see the ongoing benefits of annualised TTV of over $500m from several large network groups won during Q2 and Q3. Mint's Q4 FY2024 travel revenue was more than 600% higher than pre-COVID levels before factoring in other verticals.

- Mint's travel growth was offset by a 38% decline in Mint's white label vertical in FY24 ($2,723,056 like-for-like decline) compared to FY23. Mint's European white label (part of the IPG business unit) revenue and transaction volume have decreased since February 2023 due to a change in risk appetite for one of the white label customers' key acquirers, which resulted in the suspension of some volume and merchant loss for white label customers. The white label European business operates on a 100% gross margin, so the revenue reduction has had a direct $2,723,056 impact to the Company's profitability. The Company's growth in the travel has offset the majority of this profit decline, alongside cost reduction measures undertaken by the Company to maintain profit and cash levels. Despite this, Mint's white-label gateway continues to perform as a core revenue stream despite a revenue reduction in FY24. As a white-label gateway, Mint has lower-level controls over customer behaviour and influence on volume. However, we are expecting revenues from our white label to remain at current levels.

- The Company generated positive reported normalised EBITDA of $260,176 for FY24, with travel continuing to drive significant earnings growth, offset by the reduction in IPG white label. With the reduction in white label volume, Mint undertook a number of cost-saving initiatives to maintain profitability and cash flows, with limited new investment in driving growth in travel, highlighting strong performance from the business in maintaining travel growth levels on a smaller budget than FY23.Management has identified a number of one-off and non-recurring pro forma adjustments (presented in quarterly investor updates) to reported EBITDA including restructuring costs (as part of cost-saving initiatives), aborted M&A transaction costs and legacy one-off legal fees relating to the since discontinued M10. These adjustments total $505,815, resulting in pro forma EBITDA of $765,991 for FY24.

- Reported loss before income tax from ordinary activities was $6,036,546. 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 full write-off of M10 and M20 inventory held on the balance sheet with the product line discontinued in August, amortisation relating to the IPG acquisition, fair value losses on financial instruments and contingent consideration, interest on debt facilities and aborted M&A transaction costs. 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 FY24.

Line item	**$**
Reported loss before income tax	(6,036,546)
Add back:	
Amortisation and depreciation	2,247,171
Interest expenses	1,390,859
Acquisition costs	165,000
Goodwill impairment	1,824,116
Fair value movements	265,169
Employee performance rights scheme	22,597
Inventory provision (non-core)	381,810
Reported Normalised EBITDA	**260,176**

- On 14 July 2023, Mint refinanced the $3,650,000 HGL facility and $8,500,000 facility from Roadhound Electronics Pty Ltd ("Roadhound"), drawing down on a new $12,500,000 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 $12,500,000 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 $13,000,000. Part of the $13,000,000 consideration was the release of $2,500,000 share consideration held as escrowed securities into ordinary shares. As such, 162,109,375 shares were converted from restricted ordinary shares to fully paid ordinary shares, resulting in 1,923,678,448 shares on issue from 31 August 2023.

- Mint closed a successful equity raise in May 2024, raising $634,245 from new and existing shareholders with funds received in June and July, demonstrating confidence in Mint's potential and recent growth in the travel industry. The raise was completed at a 2.9c per share value, implying a pre-money enterprise value of $67.8m and equity value of $55.8m. As such, 18,370,516 new ordinary shares were issued, resulting in 1,942,048,966 shares on issue. Mint's prior equity raise in June 2022 was completed at a 2.0c per share, at a pre-money enterprise value of $48.0m and equity value of $34.9m.

- Mint also secured a short-term R&D loan of $800k in May 2024, secured against the R&D income to be received from the ATO in October 2024. The R&D loan will be repaid upon receipt of the R&D refund of $1,829,369 in October 2024.

- Mint determined to write down all inventory (relating to M10 and M20 devices) on the balance sheet to nil (write-down of $381,810 with Mint shutting down this product line in August 2024, replaced by the more modern S700 payment terminal launched in June 2024. Management does not anticipate any resale value for the inventory with the M10 and M20 fleet no longer considered modern payment terminals, hence writing the value to nil.

- Based on the reduction in trading from the IPG business unit (predominantly European white label) in FY24, management has forecast a conservative estimate of revenue decline for the business unit in assessing the recoverability of goodwill. Based on this determination, management concluded that the recoverable amount of Goodwill was less than its carrying amount at 30 June 2024 and accordingly recognised impairment on a goodwill of $1,824,116 in the income statement.

- The Company makes reference to Note 2 of the Financial Statements relating to 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. In considering the Group's going concern position the directors took into account the following:

- the accounting net loss for the Group of $6,672,636 includes a considerable element of non-cash items, in particular amortisation of $2,247,171, goodwill impairment of $1,824,116, reversal of deferred tax assets of $636,090, fair value movements relating to IPG consideration of $265,169 and inventory write-off of $381,810. Excluding all non-cash items, the Group's cash related losses were $1,295,683.
- the Group has net current assets of $698,439; and
- the Group will be receiving an R&D tax incentive refund of $1,829,369 in November 2024 from the ATO. This funding will be utilised to repay the $800,000 R&D loan drawn in May 2024, as well as funding operations and working capital requirements as the business continues to drive growth.

- To support the Company's view of Going Concern, Mint will undertake a capital raise of up to $5.0m in growth equity (with a minimum of $2.0m targeted) in the next twelve months. The funds from the capital raise via a Placement will be deployed to accelerate growth through new product and customer acquisition initiatives, as well as improving Mint's current net asset deficiency. Additionally, Mint is focused on extinguishing its net assets deficiency within the next twelve months. To achieve this objective, Mint is exploring options to reduces its $12,500,000 debt balance with Roadhound in FY25, recapitalising Mint's balance sheet for future growth and expansion.

Review of Operations

The highlights for the year ended 30 June 2024 include:

- In July 2023, Mint commenced an exclusive agreement with Global Travel Network (GTN) for Mint to provide its payments technology to agencies across the network. GTN is a leading buying group and network of more than 90 independent travel agents based in New Zealand, and the partnership spans Virtual Terminal, MintEFT, and Mint's Virtual Card offering to network members. This will enable agents to access secure and integrated payments both from customers, and to suppliers.

- In July 2023, Mint was appointed the exclusive partner with House of Travel, one of New Zealand's largest travel agency groups, seeing Mint provide payment services across House of Travel's New Zealand network. The agreement is across Mint's Virtual Terminal and EFT products, and will see them available to House of travel's network of more than 80 agents across the retail, Orbit World Travel and Travel Advocates brands in New Zealand. Integrating with House of Travel's mid-office system – Dolphin – the partnership will empower agents with integrated payments solutions to assist with day-to-day efficiency and reduce administrative costs. Mint's relationship with House of Travel through the agreement is a natural addition to the relationship with House of Travel's Australian subsidiary, TravelManagers, for MintEFT and Virtual Terminal.

- In September 2023, Mint became a Platinum Partner of the Council of Australian Tour Operators (CATO). This strategic partnership with CATO strengthens Mint's commitment to the Travel Industry by extending support to the Supply side. As a Platinum Partner, Mint will work closely with CATO to support members with their payments strategy, providing a consultative approach in simplifying processes, increasing visibility of spend & managing risk. Mint has assembled a team of travel and payment experts with extensive experience across wholesale, retail, corporate and airline as well both card acquiring and issuing.

- In November 2023, Mint was recognised by Deloitte as the 26th fastest growing technology company in Australia at the Tech Fast 50 Awards. This achievement stems from the hard work & dedication the team have put in since the rebound from COVID to deliver on our goals of delivering end-to-end payment solutions to our customers and partners that add value and make doing business easy.

- In November 2023, Mint achieved an impressive 13th place on the esteemed Australian Financial Review's 2023 Fast 100 List. As the highest placing financial services company on the list, Mint also won the Australian Financial Review award for the fastest growth financial services company in Australia. This recognition highlights our rapid growth and success in the Australian Fintech industry. With innovative payment solutions and commitment to simplifying the payment process for the travel industry, Mint Payments continues to solidify its position as a trusted partner for businesses in need of reliable and innovative payment solutions.

- In June 2024, Mint announced the latest addition to Mint's product lineup, the S700 EFTPOS Terminal, set to revolutionise the way travel agents conduct business. EFTPOS (Electronic Funds Transfer at Point Of Sale) has long been a cornerstone of efficient transactions for businesses around the globe. In recent years, travel agents have been finding it increasingly difficult to access payment facilities from banks and other traditional payments providers due to increasing merchant fees and requirements for working capital to be held as collateral. With the introduction of Mint's new S700 EFTPOS Terminal, travel agents now have access to additional in-store payment facilities with Mint, supplementing Virtual Terminal's ability to accept payments for Visa, Mastercard and AMEX, with in-store EFTPOS capabilities. The direct integration of the S700 with Virtual Terminal will also provide a unified reconciliation experience for agents, simplifying payment processes and enhancing overall business efficiency.

- Looking towards the future, Mint Payments is committed to ongoing developments to meet the evolving needs of travel payments. Interviews with agents and industry groups continue to highlight that integration with mid-office systems minimises errors, accelerates service by eliminating processing overhead and provides a greater experience for agents and their clients. As a payments industry first, the S700 is to be the first EFTPOS terminal to be integrated with these mid-office systems, joining Mint Virtual Terminal and MintEFT.

- As travel agents look towards a future of enhanced payment flexibility and convenience, Mint Payments remains at the forefront of innovation, working on delivering alternative payment methods with full integration into mid-office systems, and ensuring that businesses have the tools they need to succeed in today's competitive marketplace.

- During the financial year, Mint's product and technology roadmap and strategy execution developed significantly, enhancing Mint's product offering and tech capability. Mint continues to be focused 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.

- As per the product and technology strategy, substantial development of the integration of IPG (utilizing IPG as the payments orchestrator/switch to all payment networks) into Mint was completed, enabling the deployment of a direct Amex connection (May 2024) and any further payment orchestration of all new payment methods in FY25 to be much more straightforward and efficient.

- The integration of Alternative Payment methods (account-to-account) into IPG commenced during FY24 and is scheduled to be completed in September.

- Mint deployed the first version of its new Mint Hub for user acceptance testing to internal stakeholders ahead of client launch.

- Mint completed internal development of US Domestic processing capability, enabling Mint Merchants with a US presence to process US Payments domestically.

- Mint continued its security-first approach, with Mint compliant to the highest level of payment information security standards, Payment Card Industry Data Security Standard (PCI DSS). In 2024, PCI DSS had its most significant change with an uplift to PCI DSS 4.0 requiring significant security uplift to maintain compliance. Mint passed its PCI DSS 4.0 audit off the back of significant internal work and uplift.

- Mint generated sustained merchant growth since July 2023, with total merchants increasing from 1,732 to 2,208 in June 2024. In particular, Travel merchants increased from 1,228 to 1,690 in the same period, representing more than 6x pre COVID-19 travel merchants. This sustained merchant growth positions Mint well to continue to maximise growth in the travel industry and highlights the outcome of Mint's continued focus and support of the travel industry.

  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 31 August 2024, Mint shut down its legacy M10 physical payment terminal product line, replacing it with the more modern S700 payment terminal launched in June 2024. By the time it announced its shutdown, Mint had approximately 50 terminals out in the market, and the terminals were no longer up to modern security standards and were not fit for purpose for Mint's core travel industry focus. The S700, suitable for Mint's travel merchants, generated over 100 applications in the first month following go-live.

In August 2024, Mint completed the development of online payment processing capability in the United States, with Mint going live with its first merchant in the USA in September 2024.

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

FY24 saw continued growth year for the Company, with Mint processing $2.6bn in transaction value (TTV). Mint's annualised revenue increased to $20,124,119 driven by material quarterly growth from the travel vertical (96% growth compared to FY23), whilst maintaining positive EBITDA. TTV and revenue were significantly higher than pre-COVID-19 levels, driven by the IPG acquisition, and significant uplift in travel merchants onboarded and transacting.

Mint travel revenue for Q4 FY2024 was 108% higher than the period year and was more than 600% higher than pre-COVID levels. Mint's travel revenue since Q2 far exceeded the white label business, off the back of Mint's focus on driving growth in this focus area (evidenced in the growth from January 2024) to reduce customer concentration risk. We expect this trend to continue, with revenues from travel payments being the source of the Group's growth, in line with Mint's long-term strategic plans.

Mint is well positioned to continue to drive growth in the travel sector, with Mint currently only at c. 15-20% market share of the SME travel agent and tour operator industry for C2B, before factoring in growth opportunities in B2B. Additionally, Mint has material opportunities available within existing partner networks. With Australian outbound travel at pre-COVID levels, new merchant growth and cross-selling new products is critical for Mint to maximise the market opportunity at hand. This continues to be a key strategic initiative for the business, noting that new large merchant acquisition and activation is an important milestone, setting the business up for continued growth in the coming periods.

Mint also has significant opportunities available with the launch of new products and an overarching payments ecosystem catered for the travel industry. 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 FY25. 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. 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 travel TTV and revenue to continue increasing materially in FY25 as Mint is well positioned to maximise growth as the recovery of travel continues and as new payment acceptance (S700 payment terminal launched in June 2024, with additional products to follow in Q1 FY25) and supplier payment solutions are rolled out; resulting in an increase share of wallet.

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 FY25.

Recent consumer payment data shared by the ABS, banks, Visa and Mastercard continue to support this trend. In particular ABS data for outbound travel in the April to June 2024 quarter notes overall leisure travel was up 26% compared to 2023 (however, was up 34% for the prior quarter), with key outbound growth in the North East Asian market (predominately Japan), up 75% compared to 2023. Other parts of Asia, such as Thailand and Indonesia (as well as Africa), also showed higher growth compared to more traditional markets, such as Europe & and North America, indicating a shift to markets where the Australian dollar is stronger (for example, AUD to JPY). Mint has a diverse travel merchant base targeting all parts of outbound leisure travel and has seen higher organic growth from merchants focused on Asia. Additionally, outbound leisure volumes out of Australia growth has been driven largely by the 55+ age group, the target market of Mint's existing merchants.

Management's key focus for FY25 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 (growth and product/technology development) 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

<u>Unissued Shares under Options and Performance Rights</u>

As at the date of this report, there were 13,846,143 options to directors or executives on issue (2023: 6,670,948), 32,772,346 performance rights to executives on issue (2023: 14,712,500) and 29,072,439 performance rights to employees on issue (2023: 14,444,805) 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
6-Dec-23	7-Dec-27	5,050,195	7-Dec-27	0.0286
6-Dec-23	7-Dec-27	2,125,000	7-Dec-27	0.0200

Performance Rights

Grant Date	Last Vesting Date	No. of Rights	Expiry Date	Value ($)
15-Aug-22	15-Aug-24	26,776,055	30-Jun-2026	0.0200
29-Feb-24	28-Feb-26	35,068,730	30-Jun-2026	0.0200

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.

<u>Shares issued on exercise of options</u>

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:

Director	Board Meetings		Audit & Risk Management Committee Meetings		Remuneration & Nomination Committee Meetings	
	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	4	4	2	2	1	1
W Bartee	4	4	N/A	N/A	1	1
M Cowley	4	4	N/A	N/A	N/A	N/A
Alex Teoh	4	4	2	2	N/A	N/A

Indemnification and Insurance of Officers and Auditors

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

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an auditor of the group.

Non-Audit Services

During the year, Pitcher Partners Sydney provided no services in addition to their statutory audit services.

Independence

The Auditor's Independence Declaration under section 307C of the *Corporations Act 2001* is set out on page 13.

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
5 November 2024

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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 2024, to the best of my knowledge and belief there have been:

i. no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

ii. no contraventions of 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.

SWallace

Sylvia Wallace
Partner

Pitcher Partners
Sydney

5 November 2024

Consolidated Statement of Profit or Loss

For the year ended 30 June 2024

	Notes	Consolidated Entity 2024 $	Consolidated Entity 2023 $
Revenue and other income	**5**	20,124,119	16,686,246
Network and service delivery		10,652,656	6,027,165
Employee benefits expense (excluding share option expense)		6,372,287	6,442,962
Share payments & option expense	**18**	22,597	732,398
Depreciation and amortisation expense	**6**	2,247,171	2,208,955
Finance costs	**6**	1,390,859	1,203,799
Professional fees		673,124	772,856
Selling expense		913,083	494,761
Administration, property & communication expenses		988,114	1,518,853
Impairment losses arising from contracts with customers	**6**	66,279	64,134
Goodwill impairment	**6**	1,824,116	-
Fair Value movement on Contingent Consideration		265,169	272,570
Acquisition costs		165,000	79,643
Other expenses		580,210	766,671
Total expenses		**26,160,665**	**20,584,767**
Loss before income tax		**(6,036,546)**	**(3,898,521)**
Income tax credit/ (expense)	**7**	(636,090)	628,067
Net loss for the year		**(6,672,636)**	**(3,270,454)**
Loss attributable to:			
Equity shareholders		(6,672,636)	(3,270,454)
Loss for the year		**(6,672,636)**	**(3,270,454)**

The Consolidated Statement of Profit or Loss is to be read in conjunction with the accompanying notes.

	Consolidated Entity 2024 $	Consolidated Entity 2023 $
Loss for the year	**(6,672,636)**	**(3,270,454)**
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation	20,938	67,898
Total comprehensive loss for the year	**(6,651,698)**	**(3,202,556)**
Total comprehensive attributable to:		
Equity shareholders	(6,651,698)	(3,202,556)

The Consolidated Statement of Comprehensive Income is to be read in conjunction with the accompanying notes.

	Notes	Consolidated Entity 2024 $	Consolidated Entity 2023 $
CURRENT ASSETS			
Cash and cash equivalents	**3**	1,010,335	1,168,540
Trade and other receivables	**8**	3,836,621	3,723,847
Inventories	**9**	-	381,810
Restricted cash	**16**	-	1,000,000
Other financial assets	**10**	9,524	226,110
TOTAL CURRENT ASSETS		**4,856,480**	**6,500,307**
NON-CURRENT ASSETS			
Other financial assets	**10**	226,301	-
Right-of-use assets	**11**	890,263	1,133,062
Plant and equipment	**12**	298,771	319,463
Intangibles	**13**	4,011,891	5,943,556
Goodwill	**13**	188,849	2,012,965
Deferred tax assets	**7**	-	628,067
TOTAL NON-CURRENT ASSETS		**5,616,075**	**10,037,113**
TOTAL ASSETS		**10,472,555**	**16,537,420**
CURRENT LIABILITIES			
Payables	**14**	2,433,425	1,767,118
Provisions	**15**	685,405	567,709
Short term borrowings	**3**	800,000	12,150,000
Lease liabilities	**11**	219,211	185,765
Other creditors – current	**16**	-	4,328,581
TOTAL CURRENT LIABILITIES		**4,138,041**	**18,999,173**
NON-CURRENT LIABILITIES			
Provisions	**15**	101,240	83,156
Lease liabilities	**11**	776,018	995,229
Long term borrowings	**3**	12,500,000	-
TOTAL NON-CURRENT LIABILITIES		**13,377,258**	**1,078,385**
TOTAL LIABILITIES		**17,515,299**	**20,077,558**
NET LIABILITIES		**(7,042,744)**	**(3,540,138)**
EQUITY			
Contributed equity	**17**	66,496,771	63,370,276
Reserves	**18**	1,003,332	3,397,328
Accumulated losses	**18**	(74,542,847)	(70,307,742)
DEFICIENCY IN EQUITY		**(7,042,744)**	**(3,540,138)**

The Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

	Notes	Consolidated Entity 2024 $	Consolidated Entity 2023 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		19,303,778	15,169,519
Operating grant receipts		1,759,434	967,861
Payments to suppliers and employees		(20,025,460)	(15,768,081)
Interest received		42,188	10,389
Interest paid		(1,326,960)	(1,083,627)
Net cash used in operating activities	**22**	**(247,020)**	**(703,939)**
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(98,129)	(316,039)
Payments for acquisition of businesses	**16**	(2,000,000)	(1,750,000)
Payments for acquisition costs		(181,500)	(87,607)
Proceeds from release of restricted cash	**16**	1,000,000	-
Net cash used in investing activities		**(1,279,629)**	**(2,153,646)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		532,745	2,585,000
Cost of share issue		-	(68,200)
Proceeds from borrowings		1,150,000	-
Principal elements of lease payments		(314,301)	(76,676)
Net cash provided by financing activities		**1,368,444**	**2,440,124**
Net decrease in cash and cash equivalents		**(158,205)**	**(417,461)**
Cash and cash equivalents at beginning of year		1,168,540	1,586,001
Cash and cash equivalents at end of the year	**3**	**1,010,335**	**1,168,540**

The Consolidated Cash Flow Statement is to be read in conjunction with the accompanying notes.

	Note	Share Capital $	Share Based Payment Reserve $	Foreign Exchange Reserve $	Accumulated Losses $	Total $
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	18	-	732,398	-	-	732,398
Issue of ordinary shares		-	-	-	-	-
Balance at 30 June 2023		**63,370,276**	**3,169,930**	**227,398**	**(70,307,742)**	**(3,540,138)**
Balance at 1 July 2023		**63,370,276**	**3,169,930**	**227,398**	**(70,307,742)**	**(3,540,138)**
Loss for the year		-	-	-	(6,672,636)	(6,672,636)
Other comprehensive loss		-	-	20,938	-	20,938
Total comprehensive loss for the year		**-**	**-**	**20,938**	**(6,672,636)**	**(6,651,698)**
Recognition of share-based payments	18	-	22,597	-	-	22,597
Issue of ordinary shares	17	3,126,495	-	-	-	3,126,495
Reclass forfeited ESS	18	-	(2,437,531)	-	2,437,531	-
Balance at 30 June 2024		**66,496,771**	**754,996**	**248,336**	**(74,542,847)**	**(7,042,744)**

The Consolidated Statement of Profit or Loss is to be read in conjunction with the accompanying notes.

NOTE 1: CORPORATE INFORMATION

The financial report of Mint Payments Limited (the Company or "Mint") for the year 30 June 2024 was authorised for issue on 5 November 2024 under delegated authority in accordance with a resolution of the Directors on 5 November 2024.

Mint (the Parent Entity) is a Company limited by shares incorporated and domiciled 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: MATERIAL ACCOUNTING POLICY INFORMATION

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, interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board (AASB). 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 $6,672,636 (2023: 3,270,454) and a net cash outflow from of operations $247,020 (2023: 703,939) for the year ended 30 June 2024, as well as having a net asset deficiency of $7,042,744 (2023: 3,540,138). Additionally, the Group has a long term debt facility of $12,500,000 which is due for maturity on 14 July 2026.

In considering the Group's going concern position the directors took into account the following:

- the accounting net loss for the Group of $6,672,636 includes a considerable element of non-cash items, in particular amortisation of $2,247,171, goodwill impairment of $1,824,116, reversal of deferred tax assets of $636,090, fair value movements relating to IPG consideration of $265,169 and inventory write-off of $381,810. Excluding all non-cash items, the Group's cash related losses were $1,295,683.

- the Group has net current assets of $698,439; and

- the Group will be receiving an R&D tax incentive refund of $1,829,369 in November 2024 from the ATO. This funding will be utilised to repay the $800,000 R&D loan drawn in May 2024, as well as funding operations and working capital requirements as the business continues to drive growth.

Over the last 24 months, the Group has established a market leading position in the Australian and New Zealand SME travel agency industry for payments. As part of our objectives to drive continued growth and improve the Group's profitability, we are focused on accelerating growth through two key growth pillars:

1. Product expansion: the Group has a three-year product roadmap for development enabling additional cross-sell into the Group's existing userbase, increasing customer lifetime value and share of wallet.

2. Customer growth: the Group has grown its travel customer base over the last two years. The Group is focused on to leveraging its market position and capturing an even greater share of the market in AU/NZ.

We anticipate travel TTV and revenue to continue increasing materially in FY25 as the Group is focused on maximising growth as the recovery of travel continues and as new payment acceptance (S700 payment terminal launched in June 2024, with additional products to follow in H1 FY25) and supplier payment solutions are rolled out; resulting in an increase share of wallet. The focus is to return to profitability for FY25, with Mint's cost base positioned to scale efficiently leading to gross profit growth driving improved cash flows and net profit.

NOTE 2: MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Achieving our goals over the next twelve months will increase our market share, total transaction values and double our recurring revenues over this period. This will be driven by the release of three core products, two focused on pay-in to address 100% pay-in strategy and the third focused on B2B payments to help drive forward our 100% pay-out strategy. Utilising these core new products and leverage strategic sales and marketing efforts to accelerate the conversion of sales pipeline should help grow the Group's market share of travel agents to 25%. Achievement of these objectives will help return the Group to cash profitability (after interest repayments) for FY25.

In order to achieve these objectives, Mint will undertake a capital raise of up to $5.0m in growth equity (with a minimum of $2.0m targeted) in the next twelve months. The funds from the capital raise via a Placement will be deployed to accelerate growth through new product and customer acquisition initiatives, as well as improving Mint's current net asset deficiency.

Additionally, Mint is focused on extinguishing its net assets deficiency within the next twelve months. To achieve this objective, Mint is exploring options to reduces its $12,500,000 debt balance with Roadhound in FY25, recapitalising Mint's balance sheet for future growth and expansion.

The Group also has undrawn working capital borrowing facilities of $3,000,000 available, on a month-to-month basis, to be utilised throughout the next twelve months if required. However, based on the Group's current debt position is focused on recapitalising the balance sheet via a capital raise.

On this basis no adjustments have been made to the financial report relating to the recoverability and classification of the carrying amount of assets or the amount and classification of liabilities that might be necessary should the Group not continue as a going concern. Accordingly, the financial report has been prepared on a going concern basis. Should the Group not succeed in its plans outlined above, there is a material uncertainty which may cast significant doubt as to whether the Group will be able to continue as a going concern and may therefore be required to realise assets and extinguish liabilities other than in the ordinary course of business with the amount realised being different from those shown in the financial statement.

b) Leases

The Group leases leasehold properties and plant and equipment.

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. 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.

NOTE 2: MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

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.

c) Intangible assets
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.

The intangible assets are amortised over a period of 2 to 5 years.

d) 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.

Recurring Revenue
Income from transaction fees and software licence fees are recognised as recurring revenue. Revenue related to payment transactions is recognised at the time transactions are processed. Revenue from the sale of software licences is recognised on an accrual basis in accordance with the substance of the relevant agreement.

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.

e) Government grants
Government grants are recognised when there is reasonable assurance that the grant will be received, and all conditions complied with.

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.

NOTE 2: MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

f) Income tax

Income tax expense is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities.

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.

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.

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.

g) 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.

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.

h) 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.

i) 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.

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.

NOTE 2: MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

j) 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.

k) 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.

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.

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

l) 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.

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.

m) Share based payments

Share-based compensation benefits are provided to employees via the Mint Payments Limited Employee Equity Incentive Plan. The Employee Equity Incentive Plan provides for the issue of Options, Performance Rights and Deferred Shares to employees and officers of the Company nominated by the Board (Participants). Options, Performance Rights and Deferred Shares will be issued at the price (if any) determined by the Company.

The fair value of options, performance rights and deferred shares granted under the Mint Payments Limited Employee Equity Incentive 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, performance rights and deferred shares.

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, performance rights and deferred shares, 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, performance rights and deferred shares 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, performance rights and deferred shares that are expected to become exercisable. At each balance date, the entity revises its estimate of the number of options, performance rights and deferred shares 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.

NOTE 2: MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

n) 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.

o) 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.

p) Impairment of non-financial assets

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

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

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

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

q) New and revised accounting standards effective at 30 June 2024

The group has applied all new and revised Australian Accounting Standard that apply to annual reporting periods beginning on or after 1 July 2023.

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

NOTE 2: MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

r) Accounting standards issued and not yet effective
Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted, the impact of these has not yet been assessed.

s) 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.

NOTE 3: 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), New Zealand Dollars (NZD) and Singapore Dollars (SGD) 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 2024 $	Consolidated Entity 2023 $
Financial Assets		
Cash assets	1,010,335	1,168,540
Weighted average effective interest rate 0.68% (2023 – 0.07%)		
Financial Liabilities		
Borrowings	13,300,000	12,150,000

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

The $8,500,000 working capital borrowing facility and the $3,650,000 non-convertible debt were fully refinanced on 14 July 2023 with a new $12,500,000 working capital borrowing facility. The new facility has been fully drawn down and is secured through a fixed and floating charge over the assets and undertakings of Mint Payments Ltd, with fixed interest rate 9.5% per annum and an expiry date of 14 July 2026.

NOTE 3: FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Continued)

A short term borrowing facility of $800,000 was secured and fully drawn down on 7 May 2024 by Mint Payments Limited. It has a fixed interest rate of 12% per annum, with an expiry date of 16 December 2024. This facility is secured against the R&D receivable of c. $1,829,369 expected in October 2024. The facility will be repaid upon receipt of these funds.

In addition, a $3,000,000 unsecured working capital borrowing facility (2023: $3,000,000) is held by Mint (Aust) Pty Ltd. This facility originally expired in September 2020 and has since been extended on a month-to-month basis. The facility attracts an interest rate equal to the Reserve Bank of Australia cash rate plus 4.5% per annum. The facility is undrawn.

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 2024 $	Consolidated Entity 2023 $
Short term borrowings	800,000	12,150,000
Long term borrowings	12,500,000	-
Total debt	13,300,000	12,150,000
Total contributed equity	66,496,771	63,370,276
Debt to issued capital ratio	**20.00%**	**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 is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and foreign exchange transactions. The Group's maximum exposure to credit risk arising from potential default of the counterparty is equal to the carrying value of cash, cash equivalents and receivables.

NOTE 3: FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Continued)

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 $16,300,000 (2023: $15,150,000) of which $13,300,000 (2023: $12,150,000) was utilised at balance date.

The following table outlines the Group's remaining contractual maturities for non-derivative financial liabilities. The amounts presented in the table are the undiscounted contractual cash flows of the financial liabilities, allocated to time bands based on the earliest date on which the Group can be required to pay.

	< 6 months	6 – 12 months	1 – 5 years	Total contractual cash flows
	$	$	$	$
30 June 2024				
Payables	(2,415,270)	-	-	(2,415,270)
Borrowings	(800,000)	-	(12,500,000)	(13,300,000)
Lease liabilities	(104,560)	(114,651)	(776,018)	(995,229)
	(3,319,830)	**(114,651)**	**(13,276,018)**	**(16,710,499)**
30 June 2023				
Payables	(1,765,368)	-	-	(1,765,368)
Borrowings	-	-	(12,150,000)	(12,150,000)
Lease liabilities	(88,308)	(97,457)	(995,229)	(1,180,994)
	(1,853,676)	**(97,457)**	**(13,145,229)**	**(15,096,362)**

e) Summarised sensitivity analysis

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

NOTE 3: FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Continued)

		Interest (AUD)				Foreign Exchange (AUD)			
		2024 $ (- 5%)		2024 $ (+ 5%)		2024 $ (- 10%)		2024 $ (+ 10%)	
	Carrying Amount	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
Cash & cash equivalents	AUD 199,345	(9,967)	(9,967)	9,967	9,967	n/a	n/a	n/a	n/a
	GBP 613	n/a	n/a	n/a	n/a	117	117	(117)	(117)
	NZD 240,479	n/a	n/a	n/a	n/a	22,008	22,008	(22,008)	(22,008)
	USD 100,165	n/a	n/a	n/a	n/a	15,121	15,121	(15,121)	(15,121)
	SGD 3,265	n/a	n/a	n/a	n/a	363	363	(363)	(363)
	EUR 249,424	n/a	n/a	n/a	n/a	40,256	40,256	(40,256)	(40,256)
	HKD 167,255	n/a	n/a	n/a	n/a	3,234	3,234	(3,234)	(3,234)
Accounts receivable	GBP 12,392	n/a	n/a	n/a	n/a	2,363	2,363	(2,363)	(2,363)
	SGD 8,200	n/a	n/a	n/a	n/a	911	911	(911)	(911)
	NZD 178,053	n/a	n/a	n/a	n/a	16,295	16,295	(16,295)	(16,295)
	USD 41,203	n/a	n/a	n/a	n/a	6,220	6,220	(6,220)	(6,220)
	EUR 167,210	n/a	n/a	n/a	n/a	26,987	26,987	(26,987)	(26,987)
Trade payables	GBP 6,962	n/a	n/a	n/a	n/a	(1,328)	(1,328)	1,328	1,328
	SGD 4,787	n/a	n/a	n/a	n/a	(532)	(532)	532	532
	NZD 81,498	n/a	n/a	n/a	n/a	(7,458)	(7,458)	7,458	7,458
	USD 85,287	n/a	n/a	n/a	n/a	(12,875)	(12,875)	12,875	12,875
	EUR 48,448	n/a	n/a	n/a	n/a	(7,819)	(7,819)	7,819	7,819
	HKD 14,583	n/a	n/a	n/a	n/a	(282)	(282)	282	282
Borrowings	AUD 13,300,000	665,000	665,000	(665,000)	(665,000)	n/a	n/a	n/a	n/a
Lease liability	AUD 1,180,020	59,001	59,001	(59,001)	(59,001)	n/a	n/a	n/a	n/a

		Interest (AUD)				Foreign Exchange (AUD)			
		2023 $ (- 5%)		2023 $ (+ 5%)		2023 $ (- 10%)		2023 $ (+ 10%)	
	Carrying Amount	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
Cash & cash equivalents	AUD376,026	(18,801)	(18,801)	18,801	18,801	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)
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	607,500	607,500	(607,500)	(607,500)	n/a	n/a	n/a	n/a
Lease liability	AUD 1,465,749	14,657	14,657	(14,657)	(14,657)	n/a	n/a	n/a	n/a

NOTE 4: 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:

Deferred tax assets

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

b) Significant accounting estimates and assumptions

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

Allowance for expected credit losses

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

Provision for obsolescence inventory

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 2024, the carrying value of capitalised IT development is $1,047,891 (2023: $1,586,473) after an impairment charge of $Nil for the current year (2023: $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 2024, the carrying value of acquired customer relationships is $2,964,000 (2023: $4,357,083) after an impairment charge of $Nil for the current year (2023: $Nil).

Impairment of goodwill

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

NOTE 5: REVENUE

	Note	Consolidated Entity 2024 $	Consolidated Entity 2023 $
Revenue from contracts with customers			
Revenue from services	(a)	20,590	481,896
Recurring revenues – Transaction Fee	(b)	18,222,478	14,574,879
Recurring revenues – Software Licence Fee	(b)	38,326	13,000
		18,281,394	**15,069,775**
Other Income			
R&D grant income		1,800,537	1,606,082
Interest		42,188	10,389
		20,124,119	**16,686,246**

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

	2024 $	2023 $
Revenue from contracts with customers - geographical information		
ANZ (Australia, New Zealand)	13,054,820	7,003,789
EUROPE (Cyprus, the United Kingdom)	4,552,317	7,249,204
ASIA (Hong Kong, Singapore)	674,257	816,782
	18,281,394	**15,069,775**

NOTE 6: OPERATING LOSS

	Note	Consolidated Entity 2024 $	Consolidated Entity 2023 $
Loss before income tax has been determined after the following specific expenses:			
Depreciation and amortisation of non-current assets			
Plant and equipment	12	101,539	82,321
IT development	13	509,750	527,201
Customer Relationships	13	1,393,083	1,518,500
Right-of-use assets	11	242,799	80,933
Depreciation and amortisation of non-current assets		**2,247,171**	**2,208,955**
Finance costs			
Interest expense		1,271,074	1,069,213
Interest expense on lease liability		99,963	36,704
Bank fees		19,822	97,882
Finance costs		**1,390,859**	**1,203,799**
Research and development expenses		4,205,447	4,044,677
Rent expense on short-term leases		11,400	82,405
Defined contribution superannuation expense		517,778	596,043
Obsolescence inventory provision	10	381,810	84,001
Impairment losses arising from contracts with customers		66,279	64,134
Goodwill impairment		1,824,116	-

NOTE 7: INCOME TAX	Consolidated Entity 2024 $	Consolidated Entity 2023 $
(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	(636,090)	(844,898)
Total Income tax credit/ (expense)	**(636,090)**	**628,067**
(b) The prima facie tax on loss before income tax is reconciled to the income tax as follows:		
Loss before income tax	**(6,036,546)**	**(3,898,521)**
At the statutory income tax rate of 25% (2023: 25%)	(1,509,137)	(974,630)
Non-deductible expenses	1,115,835	1,578,788
Non-assessable (income)/expenses	(1,088,450)	(931,467)
Change in unrecognised temporary differences	180,453	259,139
Tax rate differential on foreign income	(34,766)	373,676
Tax losses not recognised during current year	699,975	322,561
Income tax credit/ (expense)	**(636,090)**	**628,067**
(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**

The Group has not recognised net deferred tax assets of $1,347,280 and deferred tax liabilities of $19,042 respectively at reporting date as it is not probable that the losses will be recouped in the short term. The unused tax losses for which no deferred tax asset has been recognised was $1,157,937.

NOTE 8: RECEIVABLES	Note	Consolidated Entity 2024 $	Consolidated Entity 2023 $
Receivables from contracts with customers		1,421,512	1,357,107
Expected credit losses		(30)	(30)
Net trade receivables	(i)	1,421,482	1,357,077
Other receivables		90,874	186,917
Prepayments and other assets		494,896	420,418
R & D receivable		1,829,369	1,759,435
		3,836,621	**3,723,847**
0-3 months		-	-
3-6 months		-	-
Over 6 months		(30)	(30)
Allowance for expected loss		**(30)**	**(30)**

(i) Impaired receivables: as at 30 June 2024 current trade receivables of the group with a nominal value of $Nil (2023: $Nil) were impaired. The amount of the expected credit loss was $30 (2023: $30).

a) Movements in the provision for impairment of receivables.

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

b) Receivables not impaired

Not past due		1,319,155	1,255,070
31-60 days from invoice		10,033	7,654
61-90 days from invoice		27,107	6,556
more than 91 days from invoice		65,217	87,827
Net trade receivables	(iii)	**1,421,512**	**1,357,107**

(iii) As of 30 June 2024, trade receivables of $102,357 are past due (2023: $102,037) but not impaired.

NOTE 9: INVENTORIES	Consolidated Entity 2024 $	Consolidated Entity 2023 $
Finished goods		
- at cost	839,362	839,362
- provision for obsolescence	(839,362)	(457,552)
Total inventories	**-**	**381,810**
Movements in obsolescence provision		
At 1 July	(457,552)	(373,551)
Provision for obsolescence recognised during the year	(381,810)	(84,001)
At 30 June	**(839,362)**	**(457,552)**

NOTE 10: OTHER FINANCIAL ASSETS	**Note**	**Consolidated Entity 2024 $**	**Consolidated Entity 2023 $**
Current – Security Deposits	(i)	9,524	226,110
Non-current – Security Deposits	(i)	226,301	-
		235,825	**226,110**

(i) Security deposits are in relation to the Group's obligations for its Sydney Offices of $220,390, offshore resources of $6,381, trademarks of $5,720 and Singapore business of $3,334. Security deposits are measured at amortised cost.

NOTE 11: LEASES	**Consolidated Entity 2024 $**	**Consolidated Entity 2023 $**
Right-of-use assets		
At cost	1,213,995	1,213,995
Accumulated depreciation	(323,732)	(80,933)
	890,263	**1,133,062**
Lease liability		
Current	219,211	185,765
Non-current	776,018	995,229
	995,229	**1,180,994**
Carrying amount at beginning	1,180,994	-
Additions	-	1,213,995
Accretion of interest	99,963	36,704
Lease payments	(285,728)	(69,705)
	995,229	**1,180,994**
Lease-related expenses		
Depreciation of right-of-use assets	242,799	80,933
Interest expense on lease liabilities	99,963	36,704
Rent expense on short-term leases	11,400	82,405
	354,162	**200,042**
Undiscounted future lease payments		
Within one year	300,910	285,728
After one year but not more than five years	879,110	1,180,021
	1,180,020	**1,465,749**

NOTE 12: PLANT AND EQUIPMENT	Consolidated Entity 2024 $	Consolidated Entity 2023 $
Plant & equipment		
At cost	1,412,051	1,331,204
Accumulated depreciation	(1,113,280)	(1,011,741)
	298,771	**319,463**
Plant and equipment		
Carrying amount at beginning	319,463	235,806
Additions	81,660	234,188
Disposals	(817)	(68,333)
Translation of foreign assets on consolidation	4	123
Depreciation expense	(101,539)	(82,321)
	298,771	**319,463**

NOTE 13: INTANGIBLES	Note	Consolidated Entity 2024 $	Consolidated Entity 2023 $
IT Development		5,641,882	5,670,714
Accumulated amortisation change		(4,593,991)	(4,084,241)
Net carrying amount – IT Development		**1,047,891**	**1,586,473**
Opening net book amount – IT Development		1,586,473	2,115,026
Additions		-	152,000
R&D Tax Incentive received in respect of expenditure capitalised		(28,832)	(153,352)
Amortisation charge		(509,750)	(527,201)
Closing net book value – IT Development		**1,047,891**	**1,586,473**
Customer Relationships		7,141,000	7,141,000
Accumulated amortisation change		(4,177,000)	(2,783,917)
Net carrying amount – Customer Relationships		**2,964,000**	**4,357,083**
Opening net book amount – Customer Relationships		4,357,083	5,875,583
Amortisation charge		(1,393,083)	(1,518,500)
Closing net book value – Customer Relationships		**2,964,000**	**4,357,083**
Intangibles (IT Development and Customer Relationships)		**4,011,891**	**5,943,556**
Goodwill	(i)	**188,849**	**2,012,965**
Total intangible assets		**4,200,740**	**7,956,521**

(i) The recoverable amount of Goodwill has been determined on a value-in-use basis, using cashflow forecasts from budgets approved by management covering a 5-year period, Based on the recent reduction in trading from the IPG business unit (predominantly European white label), management has proposed a conservative estimate of long-term revenue decline of 10% for the business unit beyond the 5-year forecast period. Additionally, due to the risk level of the business unit, management has determined a pre-tax discount rate of 29.87% (2023: 24.67%) to be appropriate. Based on this determination, management concluded that the recoverable amount of Goodwill was less than its carrying amount at 30 June 2024 and accordingly recognised impairment on a goodwill of $1,824,116 in Profit or Loss statement.

NOTE 14: PAYABLES

	Consolidated Entity 2024 $	Consolidated Entity 2023 $
CURRENT		
Trade payables	1,062,882	634,562
Other payables and accruals	1,352,389	1,130,806
Unearned Revenue	18,154	1,750
	2,433,425	**1,767,118**

NOTE 15: PROVISIONS

	Consolidated Entity 2024 $	Consolidated Entity 2023 $
CURRENT		
Employee benefits	685,405	567,709
	685,405	**567,709**
NON-CURRENT		
Employee benefits	81,240	63,156
Make good provision	20,000	20,000
	101,240	**83,156**

NOTE 16: OTHER CREDITORS

	Note	Consolidated Entity 2024 $	Consolidated Entity 2023 $
CURRENT			
Deferred cash consideration – current	(i)	-	1,868,179
Deferred equity consideration – current	(i)	-	2,460,402
		-	**4,328,581**
Movement in deferred cash consideration – current			
Carrying amount at the beginning of the year		1,868,179	1,730,797
Tranche payments made		(2,000,000)	(1,750,000)
Fair value movement on contingent consideration		131,821	233,377
Reclassification of non-current deferred cash consideration		-	1,654,005
Carrying amount at the end of the year		**-**	**1,868,179**
Movement in deferred equity consideration – current			
Carrying amount at the beginning of the year		2,460,402	-
Conversion to fully ordinary shares		(2,593,750)	-
Fair value movement on contingent consideration		133,348	39,193
Reclassification of non-current deferred cash consideration		-	2,421,209
Carrying amount at the end of the year		**-**	**2,460,402**

(i) Deferred consideration related to the 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

NOTE 16: OTHER CREDITORS (Continued)

(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, was discounted for each tranche period based on discount rate at 3.64%. Additionally, $1m was held in a security deposit (restricted cash on balance sheet) for the deferred cash consideration.

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.

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 of $1m 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 shares were converted from restricted ordinary shares to fully paid ordinary shares, resulting in 1,923,678,448 shares on issue from 31 August 2023.

NOTE 17: CONTRIBUTED EQUITY	**2024 No.**	**2023 No.**
a) Issued and paid-up capital		
Ordinary Shares	**1,942,048,966**	**1,761,569,075**

b) Movements in shares on issue

	Date	**No. of Shares**	**$**
Balance at 1 July 2022		**1,761,569,075**	**63,370,276**
Issue of fully paid ordinary shares		-	-
Balance at 30 June 2023		**1,761,569,075**	**63,370,276**
Deferred equity conversion to fully paid ordinary shares	31-Aug-23	162,109,375	2,593,750
Issue of fully paid ordinary shares	30-Apr-24	18,370,516	532,745
Balance at 30 June 2024		**1,942,048,966**	**66,496,771**

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.

NOTE 18: RESERVES AND ACCUMULATED LOSSES	**Consolidated Entity 2024 $**	**Consolidated Entity 2023 $**
a) Share based payment reserve		
Balance at the beginning of year	3,169,930	2,437,532
Movement during the year	22,597	732,398
Reclass for forfeited ESS	(2,437,531)	-
Balance at end of year	**754,996**	**3,169,930**
b) Foreign exchange reserve		
Balance at the beginning of year	227,398	159,500
Movement during the year	20,938	67,898
Balance at end of year	**248,336**	**227,398**
	1,003,332	**3,397,328**

NOTE 18: RESERVES AND ACCUMULATED LOSSES (Continued)	Consolidated Entity 2024 $	Consolidated Entity 2023 $
c) Accumulated Losses		
Balance at the beginning of year	(70,307,742)	(67,037,288)
Net loss for the year	(6,672,636)	(3,270,454)
Reclass for forfeited ESS	2,437,531	-
Balance at end of year	**(74,542,847)**	**(70,307,742)**

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 19: SHARE BASED PAYMENTS

a) Employee option plan and performance rights

As at 30 June 2024, there were 13,846,143 options on issue (2023: 6,670,948) and 61,844,785 performance rights on issue (2023: 29,157,305) for Mint Payments Limited.

Description	Number	Price (cents)	Expiry
Unlisted options	6,670,948	2.83	07/03/2027
Unlisted options	5,050,195	2.86	07/12/2027
Unlisted options	2,125,000	2.00	07/12/2027
Total Options	**13,846,143**		
Performance rights 2022	26,776,055		30/06/2026
Performance rights 2023	35,068,730		30/06/2026
Total Performance Rights	**61,844,785**		

	Weighted Average Exercise Price 2024 (cents)	No. of Options 2024	Weighted Average Exercise Price 2023 (cents)	No. of Options 2023
Outstanding at the beginning of the year	2.83	6,670,948		-
Granted during the year	2.61	7,175,195	2.83	6,670,948
Outstanding at the end of the year	**2.71**	**13,846,143**	**2.83**	**6,670,948**
Exercisable at the end of the year	**2.71**	**13,846,143**	**2.83**	**6,670,948**

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 restricted ordinary share (restricted for five years) to rank pari passu in all respects with the Company's existing fully paid ordinary shares. Vested performance rights must be exercised to restricted shares prior to expiry (currently 30 June 2026) or will be forfeited by the rights holder.

b) 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 20: 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
- **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

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 2024 $	Consolidated Entity 2023 $
Short-term employee benefits	999,558	1,119,882
Other long-term benefits	12,533	15,148
Post-employment benefits	96,539	103,132
Share-based payments	-	364,866
	1,108,630	**1,603,028**

c) Other transactions with Key Management Personnel

Mint has a $3,000,000 unsecured working capital borrowing facility (2023: $3,000,000) with TAAJ Corporation Pty Ltd, an entity associated with Alex Teoh. The facility attracts an interest rate equal to the Reserve Bank of Australia cash rate plus 4.5% per annum and originally expired in September 2020. It has since been extended on a month-to-month basis. In addition, there was a short-term borrowing facility of $400,000 secured with TAAJ Corporation Pty Ltd, which was withdrawn on 7 May 2024. This facility carries a fixed interest rate of 12% per annum and expires on 16 December 2024. During the year, Mint paid $3,346.70 in interest to TAAJ Corporation Pty Ltd.

NOTE 21: 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 2024 $	Consolidated Entity 2023 $
Amounts received 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	92,448	102,268
Total remuneration for audit and other assurance services	**92,448**	**102,268**
(ii) Other non-audit services	-	-
Total remuneration for non-audit services	**-**	**-**
Total remuneration of Pitcher Partners	**92,448**	**102,268**

NOTE 22: RECONCILIATION OF LOSS AFTER INCOME TAX TO THE NET CASH USED IN OPERATIONS	Consolidated Entity 2024 $	Consolidated Entity 2023 $
Net loss after income tax	(6,672,636)	(3,270,454)
Non-Cash Items		
Depreciation and amortisation	2,247,171	2,208,955
Interest expenses accrued but not paid	97,603	59,675
Interest – lease liabilities	99,963	36,704
Disposal of fixed assets	817	70,713
Provision for obsolescence	381,810	84,000
Share options expense	22,597	732,398
Impairment losses arising from contracts with customers	66,279	64,134
Goodwill impairment losses	1,824,116	-
Fair Value movement on Contingent Consideration	265,169	272,570
Income tax expense/ (benefit)	636,089	(628,067)
Foreign exchange	29,037	(52,192)
	(1,001,985)	**(421,564)**
Changes in assets and liabilities		
(Increase)/decrease in trade & other receivables	(134,340)	(579,332)
(Increase)/decrease in inventory	381,810	(185,361)
(Increase)/decrease in prepayments & other assets	(294,593)	(337,135)
(Decrease)/increase in trade & other payables	666,307	646,298
(Decrease)/increase in provisions	135,781	173,155
	754,965	**(282,375)**
Net cash used in operating activities	**(247,020)**	**(703,939)**

NOTE 23: SUBSEQUENT EVENTS

On 31 August 2024, Mint shut down its legacy M10 physical payment terminal product line, replacing it with the more modern S700 payment terminal launched in June 2024. By the time it announced its shutdown, Mint had approximately 50 terminals out in the market, and the terminals were no longer up to modern security standards and were not fit for purpose for Mint's core travel industry focus. The S700, suitable for Mint's travel merchants, generated over 100 applications in the first month following go-live.

In August 2024, Mint completed the development of online payment processing capability in the United States, with Mint going live with its first merchant in the USA in September 2024.

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 24: RELATED PARTY TRANSACTIONS

Mint has a $3,000,000 unsecured working capital borrowing facility (2023: $3,000,000) with TAAJ Corporation Pty Ltd, an entity associated with Alex Teoh. The facility attracts an interest rate equal to the Reserve Bank of Australia cash rate plus 4.5% per annum and originally expired in September 2020. It has since been extended on a month-to-month basis. In addition, there was a short-term borrowing facility of $400,000 secured with TAAJ Corporation Pty Ltd, which was withdrawn on 7 May 2024. This facility carries a fixed interest rate of 12% per annum and expires on 16 December 2024. During the year, Mint paid $3,346.70 in interest to TAAJ Corporation Pty Ltd.

NOTE 24: RELATED PARTY TRANSACTIONS (Continued)

In addition, the $8,500,000 working capital borrowing facility and the $3,650,000 non-convertible debt were fully refinanced on 14 July 2023 through a new $12,500,000 loan from major shareholder Roadhound Electronics Pty Ltd ("Roadhound"). This facility has been fully drawn down, carries a fixed interest rate of 9.5% per annum, and is secured by a fixed and floating charge over the assets and undertakings of Mint (Aust) Pty Ltd, with an expiry date of 14 July 2026. As a result, Mint's sole debt obligation moving forward is this $12,500,000 facility with Roadhound.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

NOTE 25: PARENT ENTITY DETAILS

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

		Parent Entity 2024 $	Parent Entity 2023 $
a)	**Summarised statement of financial position**		
	Assets		
	Current assets	166,371	1,441,839
	Non-current assets	6,102,332	13,368,977
	Total assets	**6,268,703**	**14,810,816**
	Liabilities		
	Current liabilities	1,216,899	8,413,061
	Non-current liabilities	986,326	1,170,134
	Total liabilities	**2,203,225**	**9,583,195**
	Net assets	**4,065,478**	**5,227,621**
	Equity		
	Share capital	66,496,768	63,370,273
	Reserves	3,130,088	3,107,491
	Accumulated losses	(65,561,378)	(61,250,143)
	Total equity	**4,065,478**	**5,227,621)**
b)	**Summarised statement of comprehensive income**		
	Loss for the year	(4,311,235)	(2,040,483)
	Other comprehensive income for the year	-	-
	Total comprehensive loss for the year	**(4,311,235)**	**(2,040,483)**

c) **Restatement**

The amortisation of the intangible assets which form part of the overall investment in the subsidiary was incorrectly booked through the parent entity over the past 3 years. The comparatives have been restated in this note to correct this error.

NOTE 25: PARENT ENTITY DETAILS (Continued)

The errors listed below have been corrected by restating each of the affected financial statement line items for the prior period as follows:

Restatement of financial position	Parent Entity 2023 Opening $	Increase/ (Decrease) $	Parent Entity 2023 Restated $
Assets			
Non-current assets	10,268,227	3,100,750	13,368,977
Equity			
Accumulated losses	(64,350,893)	3,100,750	(61,250,143)
Restatement of comprehensive income			
Profit/ (loss) for the year	(3,446,316)	1,405,833	(2,040,483)
Total comprehensive profit/ (loss) for the year	**(3,446,316)**	**1,405,833**	**(2,040,483)**

d) **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 2024 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.

e) **Investments in Controlled Entities**

Name of Entity Controlled Entities	Country of Incorporation	Class of Shares	Equity Holding 2024 %	Equity Holding 2023 %
Mint (Aust) Pty Ltd	Australia	Ordinary	100	100
Mint Intellectual Property Pty Ltd	Australia	Ordinary	100	100
Mint Australia Pty Ltd	Australia	Ordinary	100	100
Mint Sales Australia Pty Ltd	Australia	Ordinary	100	100
Mint New Zealand Pty Ltd	Australia	Ordinary	100	100
IPG Solutions Pty Ltd	Australia	Ordinary	100	100
Mint New Zealand Pty Ltd	New Zealand	Ordinary	100	100
Mint Payments UK Ltd	United Kingdom	Ordinary	100	100
Mint Payments USA, Inc	United States	Ordinary	100	-
IPG Europe Ltd	Cyprus	Ordinary	100	100
IPG Group Ltd	Hong Kong	Ordinary	100	100
IPGPAY Ltd	Hong Kong	Ordinary	100	100
Mint Payments Asia Pte. Ltd	Singapore	Ordinary	100	100

NOTE 25: PARENT ENTITY DETAILS (Continued)

f) **Ultimate Parent Company**
The ultimate parent company in the wholly owned Group is Mint Payments Limited, a Company incorporated in Australia.

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

h) **Parent entity contingent liabilities**
The parent entity did not have any contingent liabilities as at 30 June 2024 (2023: $Nil).

i) **Parent entity contractual commitments**
As at 30 June 2024, 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 SYDNEY NSW 2000 Australia	Suite 1, Level 8, 10 Bridge Street SYDNEY NSW 2000 Australia

The entity has a formally constituted audit committee.

Consolidated Entity Disclosure Statement

Set out below is a list of entities that are consolidated by the Group while preparing consolidated financial statements at the end of the financial year ended 30 June 2024.

Name of Entity	Entity Type	Country of Incorporation	% of Share Capital Held	Australian or Foreign Tax Resident	Jurisdiction for Foreign Tax Resident
Mint Payments Ltd	Body Corporate	Australia	N/A	Australian	N/A
Mint (Aust) Pty Ltd	Body Corporate	Australia	100	Australian	N/A
Mint Intellectual Property Pty Ltd	Body Corporate	Australia	100	Australian	N/A
Mint Australia Pty Ltd	Body Corporate	Australia	100	Australian	N/A
Mint Sales Australia Pty Ltd	Body Corporate	Australia	100	Australian	N/A
Mint New Zealand Pty Ltd	Body Corporate	Australia	100	Australian	N/A
IPG Solutions Pty Ltd	Body Corporate	Australia	100	Australian	N/A
Mint New Zealand Pty Ltd	Body Corporate	New Zealand	100	Australian	N/A
Mint Payments UK Ltd	Body Corporate	United Kingdom	100	Australian	N/A
Mint Payments USA, Inc	Body Corporate	United States	100	Australian	N/A
IPG Europe Ltd	Body Corporate	Cyprus	100	Foreign	Cyprus
IPG Group Ltd	Body Corporate	Hong Kong	100	Australian	N/A
IPGPAY Ltd	Body Corporate	Hong Kong	100	Australian	N/A
Mint Payments Asia Pte. Ltd	Body Corporate	Singapore	100	Australian	N/A

The directors declare that:

1. In the directors' opinion, the consolidated financial statements and notes thereto, as set out on pages 14 to 42 are in accordance with the Corporations Act 2001 including:

- Complying with Australian Accounting Standards and the Corporations Regulations 2001;
- As stated in Note 1, the consolidated financial statements also comply with International Financial Reporting Standards; and
- Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of its performance for the year ended on that date.

2. In the directors' opinion, the consolidated entity disclosure statement required by subsection 295(3A) of the Corporations Act 2001 is true and correct.

3. In the directors' opinion there are reasonable grounds, at the date of this declaration, to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made by the chief executive officer and chief financial officer to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2024.

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
5 November 2024

Pitcher Partners Sydney
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Mint Payments Limited

ABN 51 122 043 029

Independent auditor's report

To The Members of Mint Payments Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Mint Payments Limited ("the Company") and its controlled entities "the Group", which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies, the consolidated entity disclosure statement, and the directors' declaration.

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

a. giving a true and fair view of the Group's financial position as at 30 June 2024 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.

Material uncertainty related to going concern

We draw attention to Note 2 (a) in the financial report, which indicates that the Group incurred a net loss after income tax of $6,672,636 and experienced net cash outflows from operating activities of $247,020 for the year ended 30 June 2024, as well as having a net asset deficiency of $7,042,744. As stated in Note 2(a), these events, or conditions, along with other matters as set forth in Note 2(a), indicate the existence of a material uncertainty, which may cast significant doubt about the ability of the Group to continue as a going concern. Our opinion has not been modified in respect of this matter.

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 2024 but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

a. The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and

b. The consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001; and

for such internal control as the directors determine is necessary to enable the preparation of:

i. The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii. The consolidated entity disclosure statement that is true and correct and is free of 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:

PITCHER PARTNERS

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

SWallace

Pitcher Partners

S S Wallace
Partner

Pitcher Partners
Sydney

5 November 2024