



**InPayTech**  
Integrated Payment Technologies Limited

Financial Report  
Half-year ended 31 December 2016





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# Successful Listing on ASX

- ❑ Listed on ASX on 19 December 2016
- ❑ Subdued listing price due to:
  - ❑ Some selling by Pre IPO clients of a broker that did not participate in the IPO
  - ❑ Minor selling by clients of IPO brokers who placed 78% of the Pre IPO
- ❑ Good after market support from IPO institutions
- ❑ Over 420 investors



# Profit/(Loss)

Segmented Consolidated Profit/(Loss) for the 6 Months ending 31 December 2016

31-Dec-16	InPayTech	ClickSuper	Payment Adviser/PayVu	Consolidated
	\$	\$	\$	\$
<b>Revenue</b>	-	1,091,058	18,370	1,109,428
Less transaction costs	-	(280,467)	(4,140)	(284,607)
<b>Gross profit</b>	-	810,591	14,230	824,821
Interest and other income	34,910	2,265	105	37,280
	34,910	812,856	14,335	862,101
<b>Corporate overheads</b>				
Administration expenses	(57,252)	(64,591)	(1,128)	(122,971)
Consulting fees	-	(30,850)	-	(30,850)
Amortisation	(399)	(5,313)	-	(5,712)
Directors fees	(56,250)	-	-	(56,250)
Salary and employee benefits expense	(177,343)	(490,684)	-	(668,027)
Premises Expense	(11,832)	(51,101)	-	(62,933)
	(303,076)	(642,539)	(1,128)	(946,743)
<b>Profit/(Loss) from operations</b>	<b>(268,166)</b>	<b>170,317</b>	<b>13,207</b>	<b>(84,642)</b>
<b>Amortisation of acquired assets</b>				
Client relationships	(150,694)	-	-	(150,694)
Patents	(21,296)	-	-	(21,296)
Computer software	(333,170)	-	-	(333,170)
<b>IPO costs</b>	<b>(627,196)</b>	<b>-</b>	<b>-</b>	<b>(627,196)</b>
Total expenses	(1,435,432)	(642,539)	(1,128)	(2,079,099)
Profit/(loss) before Interest and tax	(1,400,522)	170,317	13,207	(1,216,998)
Finance costs	(70)	(135)	-	(205)
	(1,400,592)	170,182	13,207	(1,217,203)
<b>Tax (expense)/benefit</b>	<b>429,293</b>	<b>(51,373)</b>	<b>(3,962)</b>	<b>373,958</b>
<b>Profit/(Loss) for the period</b>	<b>(971,299)</b>	<b>118,809</b>	<b>9,245</b>	<b>(843,245)</b>
Other comprehensive income	-	-	-	-
Total other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>(971,299)</b>	<b>118,809</b>	<b>9,245</b>	<b>(843,245)</b>



# Balance Sheet

	31-Dec-16	30-Jun-16
	\$	\$
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	4,806,448	11,323,893
Trade and other receivables	203,315	93,058
Other financial assets	-	113,857
	<b>5,009,763</b>	<b>11,530,808</b>
<b>Non-current</b>		
Property, plant and equipment	33,939	-
Deferred Tax Asset	524,852	-
Intangible Assets	15,502,826	-
	<b>16,061,617</b>	<b>-</b>
<b>Total Assets</b>	<b>21,071,380</b>	<b>11,530,808</b>
<b>Liabilities</b>		
<b>Current</b>		
Trade and other payables	214,148	44,615
Provisions	93,862	-
Subordinated Loan	50,000	-
	<b>358,010</b>	<b>44,615</b>
<b>Non-current</b>		
Deferred Tax Liabilities	1,491,872	-
Provisions	35,007	-
	<b>1,526,879</b>	<b>-</b>
<b>Total Liabilities</b>	<b>1,884,889</b>	<b>44,615</b>
<b>Net Assets</b>	<b>19,186,491</b>	<b>11,486,193</b>
<b>Equity</b>		
Accumulated losses	(892,385)	(36,921)
Share capital	20,072,848	11,523,114
Share Option Reserve	6,028	-
<b>Total Equity</b>	<b>19,186,491</b>	<b>11,486,193</b>



# Notes to Profit/(Loss)

- ❑ Consolidated operating net loss before tax \$(84,642)
- ❑ Assets acquired from the Payment Adviser Group being written off are:
  - ❑ Client Relationships amortised in a straight line over 17 years in accordance with an independent valuation
  - ❑ Patents amortised over the remaining life of the patent
  - ❑ Pending Patents capitalised
  - ❑ Computer Software amortised in a straight line over 5 years
- ❑ IPO costs higher than prospectus forecasts due to the ASX requiring the Group audit to be extended to 30 June 2017 and other requirements which increased the audit and legal costs significantly



# Business Development

- ❑ ClickSuper

- ❑ Before tax profit \$170,182

Totals for calendar year	Dec-16	Dec-15	Growth
Transactions processed (in millions)	5.39	1.80	299%
Contributions processed (in billions)	\$3.11	\$1.02	306%

- ❑ Growth is expected to be achieved by:

- ❑ Single Touch Payroll (STP) post July 2017

- ❑ Employers realising the risk of identify fraud in extracting and sending personal employee data for both STP and superannuation



# Business Development

- ❑ Payment Adviser new SME product PayVu:
  - ❑ Uses patent + ClickSuper SuperStream messaging service
  - ❑ Leverages the employer's internet banking to remove the need for a clearing house
  - ❑ Anticipated group revenue increase example:
    - ❑ ClickSuper income from an employer with 10 employees paying super contributions quarterly: \$8 p.a.
    - ❑ PayVu income: \$60 p.a. (minimum monthly fee \$5 x 12)





# New SME Product Launch

- ❑ Product Overview available at <http://payvu.com.au/>
- ❑ Currently in beta-testing, release in two weeks
- ❑ Accounting Software:
  - ❑ Xero (now)
  - ❑ Quickbooks (next)
- ❑ Banks:
  - ❑ ANZ, CBA, NAB, WBC (now)
  - ❑ Bendigo (next)





# PayVu Payments

- All business payments
  - Invoices
  - Goods & Services Tax
  - Business Activity Statement
  - Salaries (includes Single Touch Payroll messaging from 2018)
  - Pay As You Go Tax
  - Payroll Tax
  - Superannuation (includes SuperStream messaging)



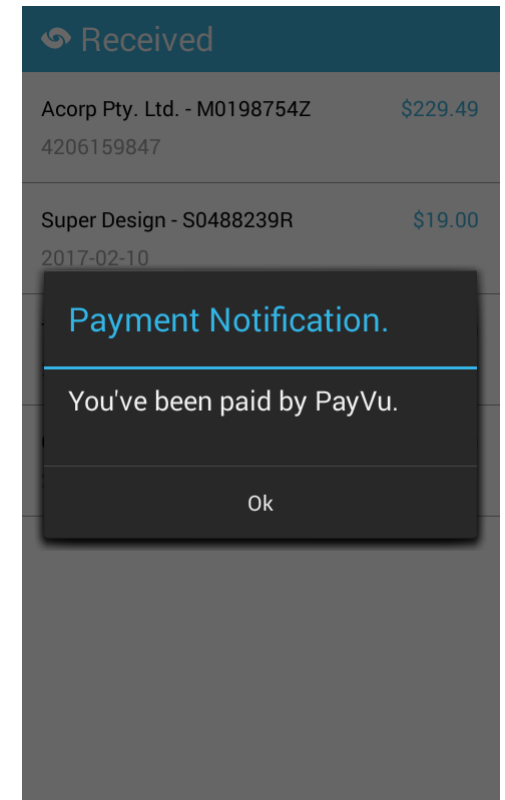
# PayVu - Superannuation

- ❑ Disrupter in the SME Clearing House market
  - ❑ Clearing House Model
    - ❑ Contributions held by Clearing House on average 4.2 days
  - ❑ Employer Direct (PayVu) model
    - ❑ Contributions transferred by employer directly to super fund
    - ❑ Unreconciled contributions returned directly to employer
- ❑ SME owners and employees achieve higher retirement savings
- ❑ ATO: 700,000 SME's (businesses with less than 20 employees)



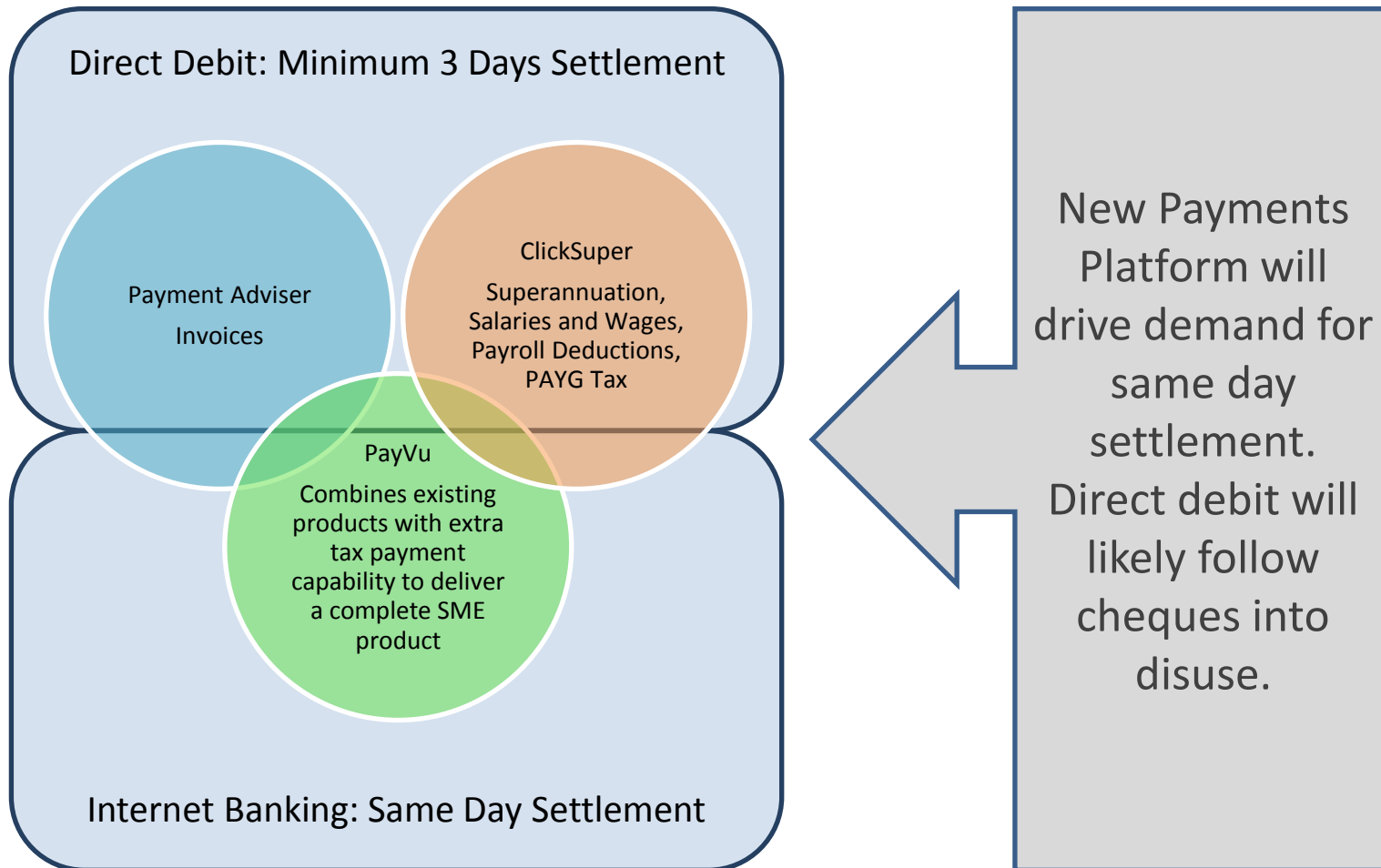
# PayVu – Viral Distribution

- ❑ Web application and mobile device support for:
  - ❑ Accountants and Bookkeepers
  - ❑ Business Owners (Payers and Receivers)
- ❑ Payee (Biller) benefits
  - ❑ Inserts and reconciles aggregated payments in accounting software (Xero now)
  - ❑ Displays payment receipt information in internet banking with one click





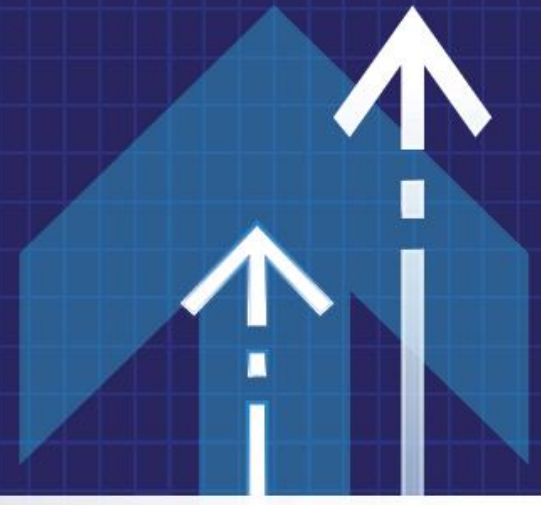
# PayVu Product Positioning





# Patents Update

- ❑ Hong Kong and Singapore patents now granted
- ❑ All Asian patents applied for now granted:
  - ❑ China
  - ❑ Japan
  - ❑ Singapore
  - ❑ Hong Kong
- ❑ Western world patents granted in South Africa and New Zealand
- ❑ Patents pending in the USA, Canada and Australia



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