

ASX Announcement

14 September 2018

IncentiaPay Signs Binding Share Sale Agreement to Divest its Bartercard Business

In December 2017, IncentiaPay Limited (ASX:INP) (**IncentiaPay** or **the Company**) announced a restructure to the market. As part of the restructure, there was a stated intention to close or sell non-core operations and reallocate capital and resources to focus on longer-term opportunities presented in IncentiaPay's core growth divisions - Entertainment Group, Alipay and the newly acquired Gruden.

Today IncentiaPay is pleased to confirm it has signed a binding Share Sale Agreement (**Agreement**) with TCM Investments Australia Pty Ltd ACN 032 117 486 (**TCM**) relating to the sale of the Company's Bartercard business. The sale is by way of a sale of all of the shares held in Bartercard Group Pty Ltd (ACN 600 130 685), Trade Exchange Software Services Pty Ltd (ACN 168 815 647), BPS Financial Limited (ACN 604 899 381) and Bucqi Australia Pty Ltd (ACN 167 634 808), and their wholly owned subsidiaries (being Bartercard Operations Aus Pty Ltd (ACN 168 816 135), Bartercard Services Pty Ltd (ACN 168 815 638), Bartercard Operations NZ Limited (NZBN 9429041199459), Bartercard Operations UK Ltd (CN 9009873) and Bartercard New Zealand GP Limited (NZBN 942903289951), Bartercard New Zealand LP (NZN 255 0802), Tindalls Dream Limited (NZBN 9429031826273), Valeo Corporation Limited (NZBN 9429034146491)) (together, the Sale Entities) (Transaction).

The Sale Entities will be sold for a total consideration of \$5 million, made up of \$2 million of cash payable on completion and a further \$3 million of cash payable over a 30-month period¹.

¹ Note that there are no performance hurdles related to the receipt of this \$3 million.

The Transaction is subject to customary conditions precedent to completion, including obtaining approval from IncentiaPay shareholders (if necessary) and regulatory approval, as well as customary adjustments for working capital balances at closing.

Assuming the Transaction completes as anticipated, the Company notes that FY2019 Underlying EBITDA is expected to be negatively impacted by approximately \$2m.

Iain Dunstan, CEO of IncentiaPay, said: “Once completed, the transaction will allow the Group to focus on its core business and the goal to become Asia Pacific’s leading integrated loyalty and payment solutions provider of transactional platforms and marketing programs.

“There are substantial new market opportunities that have been developed utilising the Entertainment division’s existing corporate and partnership marketing channels. These include offering tailored white label options to large corporates, the roll out of a suite of digital marketing services from the Gruden business, as well as our recently announced partnership with AliPay, that will enable us to deliver an incentives platform to the growing inbound Chinese tourism market.”

For further information, please contact:

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About IncentiaPay Limited (ASX:INP)

IncentiaPay is a leading integrated loyalty and payment solutions provider which enables businesses to attract customers across multiple sales channels. These platforms currently serve 36,000 merchants and 1.5 million customers through a network of ~20,000 Not-for-Profit organisations, giving INP a reach of 3.5 million consumers. INP earns revenues on transactions via its subsidiaries Bartercard, Entertainment and Gruden.