

ASX ANNOUNCEMENT

9 August 2019

Funding, Results and Organisational Update

The board of IncentiaPay Limited (ASX:INP) (**IncentiaPay** or the **Company**) is pleased to provide shareholders with an update to the Company's funding position and expected end of year results subsequent to recent announcements.

FY19 Results Expectations

Whilst the Company will release its Preliminary Final Report in August, it provides the market with the following guidance:

- Revenue, of between \$36m and \$38m excluding gift cards
- The Company as at the end of June had net cash of (\$0.5m), being \$3.5m cash on hand and a \$4m unsecured loan from Suzerain

Funding Update

IncentiaPay has entered into a binding loan deed with Suzerain Investment Holdings Limited (**Suzerain**), (the **Loan Deed**). Key terms of the Loan Deed are set out in the table below.

Loan Amount	\$19m
Tranches	<ul style="list-style-type: none">• \$4m already advanced under the loan agreement between Suzerain and the Company dated 16 May 2019• \$4m drawn on execution of the Loan Deed• \$5m drawn subject to agreement on a restructure plan budget (Budget) between Suzerain and the Company• \$3m drawn subject to shareholder approval of a convertible loan and security (Approvals) and the business being within 10% of net operating cash flow under the Budget at 1 December 2019• \$3m subject to the Approvals and the business being within 10% of net operating cash flow under the Budget at 1 January 2020

Repayment Date	30 September 2020
Interest	<ul style="list-style-type: none"> • 10% per annum capitalised to the loan until maturity, subject to the shareholders of the Company approving the use of the assets of the Company as collateral, and otherwise 14% per annum capitalised to the loan until maturity • Additional 3% per annum calculated daily is payable on any amounts owing and unpaid under the Loan Deed
Security	The Company will seek shareholder approval at the next AGM to enter into a general security deed over the assets of the Company in the form attached to the Loan Deed.
Convertible Loan	The Company will seek shareholder approval at the next AGM to enter into a convertible loan deed in the form attached to the Loan Deed (Convertible Loan Deed). The Convertible Loan Deed contemplates that amounts owing under the Loan Deed would become owing under the Convertible Loan Deed and the Loan Deed would terminate. Suzerain would have the right to convert the amounts owing under the Convertible Loan Deed into shares of the Company in accordance with the Conversion Price and Early Conversion terms below.
Conversion Price	<p>The amounts owing under the Convertible Loan Deed would be convertible to shares at the <u>higher</u> of:</p> <ul style="list-style-type: none"> • 4.7 cents per share; or • 30-day Volume Weighted Average Price for the period immediately prior to conversion.
Early Conversion	The amounts owing under the Convertible Loan Deed could be converted at any time during the term at lender discretion.

The proceeds of the funds will be applied towards the working capital requirements of the Company and to restructure the business to remove anticipated \$10m of operational cost.

Chairman, Stephen Harrison said the commitment shown by Suzerain, particularly after a challenging year, shows faith in the value of the Company's underlying assets and thanked them for their continued support. The board is committed to transform the operations of the business and have put in place a transformation team to oversee the restructure.

Organisational Update

Further to the announcement on 2nd November 2018 regarding the resignation of Mr Darius Coveney from the Company, the Board can now confirm that Mr Coveney will leave the business at the end of August. The Board thanked Mr Coveney for staying well beyond his notice period in order to guide the Company through a challenging period, and wished him well for the future.

Stephen Harrison has agreed to assume the role of Executive Chairman, on an interim basis. The Company has also commenced an executive search to find a successor.

For further information, please contact:

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