

11 February 2020

Mr Elvis Onyura  
Senior Listings Adviser  
ASX Listings Compliance  
20 Bridge St, Sydney  
NSW 2000

### Appendix 4C Query

In reference to your letter dated 6 February 2020 regarding the Appendix 4C quarterly report for the period ended 31 December 2020, lodged with the ASX on 30 January 2020, the following are responses to your queries provided in compliance with Listing Rule 18.7A and using your numbering:

1. Yes, IncentiaPay Limited (**INP** or the **Company**) expects to have negative operating cash flow in the short term. INP has highly seasonal operating cashflows, with the majority of its operating cash inflows received between March and September of any given year. In CY19, 81% of its cash was received in this period. On this basis, the Company is expecting higher cash inflows and improved operating cash flow in Q3 and Q4.
2. INP is in conversations with one of its major shareholders to provide an unsecured debt facility. This facility is proposed to be used to invest in capital expenditure and growth initiatives. INP is of the view that it is likely these funds will be made available.
3. Yes, the Company expects to be able to continue its operations and meet its business objectives on the basis of increased cash inflows from operating activities and the availability of further funding.
4. Yes, the Company confirms it is in compliance with ASX Listing Rule 3.1 and that there is no information that should be given to the ASX about its financial condition in accordance with Listing Rule 3.1 that has not already been released to market.
5. The Company confirms the responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by the INP board or an officer of INP with delegated authority from the INP board to respond to the ASX on disclosure matters.

Please contact me if you would like to discuss any of the above matters

**Ben Newling**

Company Secretary

[Ben.newling@incentiapay.com](mailto:Ben.newling@incentiapay.com)



6 February 2020

Reference: 13604

Mr Ben Newling  
Company Secretary  
IncentiaPay Limited  
Level 5  
68 Harrington Street  
The Rocks NSW 2000

By email

Dear Mr Newling

**IncentiaPay Limited ('INP'): Appendix 4C Query**

ASX refers to INP's Appendix 4C quarterly report for the period ended 31 December 2019 lodged with the ASX Market Announcements Platform and released on 30 January 2020 (the 'Appendix 4C').

ASX notes that INP has reported:

- negative net operating cash flows for the quarter of \$5,904,000;
- cash at the end of the quarter of \$3,471,000; and
- estimated cash outflows for the next quarter of \$10,892,000.

It is possible to conclude, based on the information in the Appendix 4C, that if INP were to continue to expend cash at the rate indicated by the Appendix 4C, INP may not have sufficient cash to continue funding its operations.

**Request for Information**

In view of that, ASX asks INP to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market under Listing Rule 18.7A:

1. Does INP expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has INP taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does INP expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that INP is complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.
5. Please confirm that INP's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of INP with delegated authority from the board to respond to ASX on disclosure matters.

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Please also provide any other information that INP considers may be relevant to ASX forming an opinion on whether INP is complying with Listing Rule 12.2 that a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing.

### **When and where to send your response**

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:30 AM AEDT Wednesday, 12 February 2020**.

If we do not have your response by then, ASX will have no choice but to consider suspending trading in INP's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, INP's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market. Your response should be sent to me by e-mail at [ListingsComplianceSydney@asx.com.au](mailto:ListingsComplianceSydney@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Listing Rule 3.1 and 3.1A**

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to INP's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that INP's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### **Trading Halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in INP's securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

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We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

**Enquiries**

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

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**Elvis Onyura**  
Senior Adviser, Listings Compliance (Sydney)