

ASX RELEASE

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Suzerain Converts Debt and Provides Additional Growth Capital

Suzerain Investment Holdings Limited (**Suzerain**) has given the Company notice to convert \$19,300,257 of its debt into 410,643,766 ordinary shares (4.7c per share). This will leave c\$500k of secured debt which Suzerain will have the option to convert up until June 2020.

In addition, Suzerain has agreed to provide the Company with a further \$5.825 million loan facility, initially unsecured, with the obligation of the Company to seek shareholder approval at the Company's next Annual General Meeting (anticipated to be held in late November 2020). This facility will be drawn down in the following tranches:

- \$1.825m to be drawn down on or after 15 March 2020 (this tranche includes a roll-over of \$750,000 previously loaned by Suzerain to the Company on an unsecured basis and other loan establishment fees);
- \$1m to be drawn down on or after 15 April 2020; and
- \$3m to be drawn down on or after 15 December 2020.

The loan will bear interest at a rate of 10% per annum, incurs a line fee of 2% and has a repayment date of 31 December 2021. The loan will predominantly be used to fund business growth across Marketing, IT and Customer Experience. The final tranche of \$3 million to be drawn down in December 2020 will be subject to shareholder approval for the Company to enter into security arrangements with Suzerain in relation to this new loan. In the event shareholder approval is not obtained for the security arrangements, the interest rate shall be increased to 14% per annum. This facility will enable the Company to pursue additional growth over the medium to long-term.

"Suzerain's decision to convert the majority of their loan to equity, well prior to the agreed June deadline, confirms their confidence in the business, leadership team, their commitment to the turnaround strategy and future prospects of the Company. The availability of an additional unsecured funding line provides the Company with further contingency (if required) whilst managing a highly seasonal business, and provides necessary growth capital to expedite revenue generating initiatives," said Mr Harrison.

For further information please contact:

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