

## ASX RELEASE

4 June 2020

IncentiaPay Limited (ASX: INP) (**IncentiaPay** or the **Company**) provides a further update to its announcement on 20 March 2020 and 3 April 2020 on the impact of COVID-19 (coronavirus) to its operations.

### Business update

With recent announcements of the relaxing of lockdown restrictions across Australia and New Zealand, the Company has begun to see a gradual increase in its cash inflows across its Entertainment Membership product but remains vigilant in managing austerity measures across the business whilst beginning to implement transformational initiatives to ensure the business is well placed in a post-COVID environment.

### Additional Funding Lines

In addition to the \$5.825m unsecured facility announced to market on the 28<sup>th</sup> of February (**Original Loan**), the Company has agreed two separate and additional funding lines with Suzerain and its related entities:

1. Suzerain has agreed to increase the facility limit of the Original Loan by \$4m to \$9.825m, of which \$2.6m has been drawn. This loan is to be used for working capital and business operations purposes; and
2. A further \$1.2m facility has been approved, to be drawn down for transformational capital expenditure to be agreed between the Company and the lender, Skybound Fidelis Investment Limited as trustee for the Skybound Fidelis Credit Fund (**Skybound**) (a related entity of Suzerain).

The Original Loan previously required the Company to seek shareholder approval to enter into a security arrangement to draw down the final \$3m. Given macroeconomic uncertainty, Suzerain has agreed to waive this requirement and all funds are available to be drawn upon agreement between the parties. However, there remains an obligation on the Company to procure a security interest for both Suzerain and Skybound at the Company's next Annual General Meeting. Key terms of both loans are summarised in the Appendix below.

IncentiaPay's Chairman, Stephen Harrison said, "Suzerain's support during this period reinforces their ongoing commitment and belief in the business, the value of its underlying assets and the Company's turnaround strategy. Whilst our partners in the hospitality industry as well our fundraisers have been hard hit by the COVID crisis, the Company continues working closely with all stakeholders and is well positioned to emerge in a stronger and more stable position".

**Authorised for release by the Board**

For further information please contact:

Ben Newling

Company Secretary

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

## Appendix – Key Loan Terms

	Suzerain Loan	Skybound Fidelis
Loan Amount	\$9.825 (additional \$4m from previously announced)	\$1.2m
Drawdowns	<ul style="list-style-type: none"> <li>\$2.6m already advanced under the Original Loan</li> <li>Further drawdowns to be agreed between the parties</li> </ul>	To be drawn for specific capital projects as agreed between the Company and Skybound
Establishment Fee	\$75,000 (previously deducted from the first drawdown)	\$50,000, deducted from the first drawdown
Repayment Date	31 December 2021	18 months from the date of the first drawdown
Interest Rate	10% per annum + a \$9,708 line fee per month	12.5% per annum + a \$2,000 per month line fee
Security	At Suzerain's request, the Company will seek shareholder approval at the next AGM to enter into a general security deed over the assets of the Company.	At Skybound's request, the Company will seek shareholder approval at the next AGM to enter into a second ranking general security deed over the assets of the Company (ranking behind Suzerain).