

16 March 2022

## **IncentiaPay agrees to secure proposed \$22.5 million convertible loan facility**

IncentiaPay Ltd (ASX:INP) (**IncentiaPay** or **Company**) is pleased to announce it has agreed to secure a \$22.5 million convertible loan facility, of which \$5 million has already been made available, with New Gold Coast Holdings Limited (**NGCH**), an associate of IncentiaPay's majority shareholder, Suzerain Investments Holdings Limited (**Suzerain**) (**Proposed Facility**). The Proposed Facility is governed via a conditional non-binding convertible loan deed with NGCH (**Loan Deed**) that shall become binding upon the satisfaction of certain conditions (detailed below).

The Proposed Facility will predominantly be used to accelerate IncentiaPay's growth strategy across five areas:

- Expediting technology investment and merchant content acquisition resourcing in IncentiaPay's new B2B2C 'Seamless Rewards' business unit;
- Growing revenues in the existing B2C (Entertainment) and B2B (Frequent Values) business units through technology enhancements, new marketing initiatives and increased merchant content acquisition;
- Enhancing IncentiaPay's capability to support its valued Not-for-Profit partners in meeting their fundraising objectives; and
- Successfully launching new eCommerce marketplaces such as the Entertainment Wine Community.

In total, the Proposed Facility will provide the Company with a \$22.5 million drawdown facility, which will deliver \$17.5 million in new available funds to the Company given that the existing \$5 million loaned previously by NGCH (as announced to the ASX on 3 June 2021) will also now be taken as owing under the Loan Deed.

Commenting on the Proposed Facility, IncentiaPay CEO Ani Chakraborty said: *"This loan highlights the alignment and support Suzerain and its Associates have for IncentiaPay's strategic vision. It provides the flexibility required to expedite our transformation projects and execute our bold growth strategy."*

*"This will assist in enhancing our leadership position in B2C consumer rewards, supporting our Not-for-Profit partners to provide targeted offers for their supporters, continue expansion of our new B2B2C 'Seamless Rewards' technology platform that is providing the ability to offer extensive services to the ever-growing B2B enterprise rewards sector, and build our own eCommerce marketplaces focused on key subject areas, starting with Entertainment Wine Community."*

*"In turn, it will assist us in pursuing our goal of becoming the industry leader in digital solutions for consumer loyalty and engagement by connecting merchants wanting more business, enterprises*

*who need advanced loyalty programs and consumers seeking entertainment, lifestyle and leisure experiences, all at great value.”*

The Company and NGCH have agreed that the Proposed Facility will be secured by a first ranking security over all the property of the Company (**Loan Security**, see key terms in Annexure A) that will be subject to the Company first receiving the approval of its shareholders.

The Loan Deed is subject to shareholder approval and will not become binding unless shareholder approval is obtained for both the Proposed Facility and Loan Security. IncentiaPay intends to convene an Extraordinary General Meeting to seek shareholder approval for these matters in Q4 FY22.

Key terms of the Loan Deed are set out in Annexure A to this announcement.

### **Authorised for release by the Board**

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For more information, please contact:

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### **About IncentiaPay**

Through its Entertainment-branded subsidiaries, IncentiaPay provides a marketplace for offers and rewards which connects merchants wanting more business with consumers seeking entertainment, lifestyle and leisure experiences at great value.

Founded in 1994, Entertainment is a trusted and iconic source of member-only offers and deals that manages the largest and most comprehensive amount of entertainment-related merchant content; provides fundraisers, merchants and enterprises with advanced data and campaign analytics; and markets to the largest closed-group of subscription-paying members in Australia and New Zealand.

It generates revenue through member subscription fees and marketplace features that provide data-as-a-service and targeted campaign value to merchants, enterprise and fundraising partners.

[www.incentiapay.com.au](http://www.incentiapay.com.au)

## Annexure A – Key terms of the Loan Deed

<b>Conditions Precedent</b>	<p>The Loan Deed will not become binding unless and until the Company obtains the approval of its shareholders:</p> <ol style="list-style-type: none"> <li>1. under item 7 of section 611 of the <i>Corporations Act 2001</i> (Cth) (<b>Corporations Act</b>) and Chapter 2E of the Corporations Act in connection with entry by the Company into and the issue of shares under the Loan Deed; and</li> <li>2. under Chapter 2E of the Corporations Act and ASX Listing Rule 10.1 in connection with the Loan Security (as defined below).</li> </ol>
<b>Conversion</b>	<p>Prior to the repayment date (as defined below), NGCH may elect to convert some or all of the outstanding amounts under the Loan Deed to fully paid ordinary shares (Shares) in the Company.</p>
<b>Loan Purpose</b>	<p>For growth and working capital</p>
<b>Loan Security</b>	<p>The Company will grant NGCH a first ranking security interest over the Company's 'all present and after-acquired property'.</p>
<b>Loan Amount</b>	<p>\$22,500,000 inclusive of the existing \$5,000,000 loan already drawn down by the Company.</p>
<b>Drawdowns</b>	<p>Drawdowns will be time based as follows:</p> <ul style="list-style-type: none"> <li>• \$5m - Previously drawn funds</li> <li>• \$3.9m – Post shareholder approval</li> <li>• \$3.3m – June 2022</li> <li>• \$5.2m – September 2022</li> <li>• \$4.1m - December 2022</li> <li>• \$1m – March 2023</li> </ul>

<b>Repayment Date</b>	All amounts owing under the Loan Deed must be repaid by 31 December 2024.
<b>Interest Rate</b>	Interest will accrue at the rate of 12.5% per annum and must be paid monthly.
<b>Administration Fee</b>	The Company must pay a monthly administration fee of \$36,667
<b>Conversion Price</b>	<p>Should NGCH elect to convert some or all of the amounts owing under the Loan Deed, the amounts will be convertible into Shares at the higher of:</p> <ul style="list-style-type: none"> <li>• 2.2 cents per Share; or</li> <li>• A 20% premium above the Volume Weighted Average Price for the 30 days immediately prior to the issue date of the relevant Shares.</li> </ul>