

30 November 2022

## **2022 AGM Speech – Stephen Harrison, Chairman**

I would first like to begin by thanking all our shareholders for your support over the past year and acknowledging the continued challenges over the past 12 months as we managed both significant business change within our organisation alongside the ongoing macroeconomic and social disruption because of COVID-19 and subsequent global economic climate.

The past financial year saw IncentiaPay make strong progress with its business transformation to rebuild the technology platform for its two core businesses and with the launch of a new business channel that offers our Company transformational growth potential and underpins our goal of becoming the industry leader in digital solutions for consumer loyalty and engagement.

The new business, a B2B2C platform called Seamless Rewards, offers Card Linked Offer (CLO)-compatible Merchant content services that are provided via channel partners and Enterprise Loyalty program operators such as banks or other enterprises. By way of explanation, CLO offers are cashback offers that consumers automatically receive just by transacting in-store or online by linking their debit or credit cards to a participating loyalty program.

The Seamless Rewards business, in time, should not only provides us with a more diversified revenue base but will allow us to further leverage our leading loyalty and rewards content and services to large markets.



At the same time, we have focused on trying to return our core Entertainment B2C and Frequent Values B2B businesses to profitability following the difficult years of COVID-19. We are aiming to returning the business back to a profitable path via the management of membership renewals and reactivations, improved marketing campaigns and new payment options. Pleasingly, these channels have shown strong results in Q4 FY22, with B2C revenue four times higher in the FY22 June quarter compared to the March quarter, and recording the single largest day of membership sales of \$212,000 in FY22.

Our gross operating revenues in FY22 were \$19.96m; a 2.7% increase from the prior year.

## **Strategy**

Broadly, our strategy is to deliver value and growth is as follows:

- Frequent Values – Position it as the pre-eminent ‘Show and Save’ Enterprise Loyalty program in Australia and NZ
- Entertainment – Deliver strong growth in revenues and memberships through better management of renewals, reactivations and new member acquisitions and improved marketing campaigns and product features
- Seamless Rewards – Deliver the most reputed Card Linked Offer (CLO) ready content services to all CLO-based Loyalty Programs

We aim to deliver these business growth priorities through a lean, digitally enabled operating model.



## **Management Change**

In December, Ani Chakraborty succeeded Henry Jones as IncentiaPay's Chief Executive Officer and has made a seamless transition in the role. On behalf of the Board I'd again like to thank Henry for his leadership of the Company through its transition from 'The Entertainment Book' to our current digital offering and establishing our growth strategy.

## **Cost reduction**

During the year, we initiated significant cost reductions aimed at delivering annualised cost savings of more than \$4 million from the FY22 base (to be realised throughout FY23) and accelerate our path to operating cash break even. The cost reductions are in line with our ongoing investment in technology and strategy to drive growth in our Seamless Rewards platform and restore revenues in our core B2B and B2C businesses.

## **Funding**

In December, IncentiaPay raised approximately \$4.162 million via a 1 for 4.3 renounceable pro rata entitlement offer for new fully paid ordinary shares for eligible shareholders. The shortfall of the Entitlement Offer, being 45,817,543 Offer Shares (Placement Shares), were issued to third parties via a placement on the same terms as the Entitlement Offer, this resulted in a total raise of \$5.2 million.



In addition, we continue to be strongly supported by our majority shareholder, Suzerain Investment Holdings Limited, which has a 74% ownership interest in IncentiaPay and two representatives on our Board.

In March, we agreed to a \$22.5 million convertible loan facility, of which \$5 million had already been made available, with Suzerain's associate, New Gold Coast Holdings Limited and the facility was approved at an Extraordinary Meeting of Shareholders in May 2022. The loan demonstrates Suzerain's alignment with IncentiaPay's strategic vision and provides us with the flexibility required to expedite our transformation projects and execute our growth strategy. Their continued support is critical for the company to realise its strategic objectives.

On behalf of the Board, I would like to acknowledge our CEO, Ani Chakraborty, our executive leadership team and all employees, members and partners for their support and hard work through the past year.

I would also like to thank our shareholders for their continued support of IncentiaPay, especially through a difficult few years. ly, I would like to thank my colleagues on the Board for their contributions and guidance.

I'd now like to hand over to our CEO, Ani Chakraborty, to give an operational update.



## 2022 AGM Speech – Ani Chakraborty, CEO

Thank you, Stephen, and good afternoon everyone.

Firstly, I would like to say that I am excited by the opportunity provided to me to join the Group as CEO of Incentiapay and whilst it has been a difficult few years, I am confident that the key pillars of our Strategic plan which are currently being completed will set us in good stead for the future.

As the Chair alluded to, our business and growth strategic plan has four key pillars:

1. Entertainment Digital Membership: Focus on growing revenues in our core B2C business
2. Frequent Values: Growing our active audience in our B2B Enterprise business, allowing us to drive effective engagement uplift campaigns
3. Seamless Rewards: In time, build scale for our new transaction-linked Seamless Rewards Card Linked Offer (CLO)-based business
4. Cost optimisation: Deliver business growth priorities through a lean, digitally enabled operating model
- 5.

### **Our vision and ambitions are threefold:**

1. Entertainment Digital Membership: Re-position Entertainment as the pre-eminent fundraising solution for Fundraisers in Australia and New Zealand, improve our app and member satisfaction, and launch our brand 'live' in the market
2. Frequent Values: Position our B2B Frequent Values solution as the pre-eminent 'Show and Save' Enterprise Loyalty program in Australia and New Zealand



3. Seamless Rewards: Deliver the most reputed CLO-ready content services to all CLO-based Loyalty Programs via our new B2B2C Seamless Rewards business

## **Operational Review**

Cost reductions to lower annual costs by more than \$4 million

During the year, we planned significant cost reductions to accelerate our path to operating cash break-even and position the Company for long-term growth, which culminated in a \$4 million reduction as announced to market on 25 July 2022.

IncentiaPay has invested heavily in technology platform capability to support its growing Seamless Rewards platform as well as its core B2B and B2C businesses.

With these upgrades largely complete, the Company's FTE and contractor requirements are lower due to: 1) the reduction in work teams and associated expenses associated with the technology build; and 2) the restructure of IncentiaPay's operating model in some areas of the business.

These changes are in line with IncentiaPay's ongoing investment in technology and its strategy to drive growth in its new Seamless Rewards platform and grow revenues in our B2C business.

## **B2C (Entertainment)**

During the financial year, IncentiaPay remained focused on its strategic growth pillar of attempting to grow revenue back to pre-COVID-19 levels in its core B2C business via the management of renewals and reactivations, improved marketing campaigns and new payment options.



IncentiaPay also completed the re-platforming its B2C (Entertainment) App using the Google Flutter platform. The re-platforming gives the Company the ability to implement its product roadmap and improve features to meet member expectations.

### **B2B (Frequent Values)**

The re-platforming of the base framework for IncentiaPay's B2B app was also completed during FY22 using Google Flutter. This has given the Company the ability to implement its product roadmap and improve its features to meet customer expectations.

The majority of IncentiaPay's B2B customers will be migrated to the new app throughout FY23 providing significantly improved user interface and improved functionality.

### **Seamless Rewards**

During the year, we completed the development of our B2B2C Seamless Rewards platform, with the platform already generating first revenues through two programs that are currently in market. IncentiaPay also executed several agreements with additional partners including Verrency, Opensparkz, PayWith and EML.

These agreements provide the opportunity for IncentiaPay to access a large audience of end customers and provide us with the ability to distribute our suite of offers from our Seamless Rewards merchants to the partners end customer bases.

IncentiaPay will receive transaction-linked revenue each time a card holder transacts and uses a linked card at an IncentiaPay merchant.



IncentiaPay is also in advanced discussions with other key players in the Card Linked Offer space to increase its distribution capacity.

### **Senior leadership team changes**

During the financial year, there were some changes to our senior leadership team.

Our Chief Operating Officer (COO) and Company Secretary, Ben Newling was appointed as the Company's Chief Financial Officer effective from 1 January 2022 and maintained his existing role as Company Secretary.

The COO function was amalgamated into a Chief Technology and Operations Officer role to which Ryan Rodrigues was appointed in November.

Mr Rodrigues brings more than 25 years of product and technology delivery experience and will significantly strengthen IncentiaPay's implementation capabilities.

On 21st June 2022, we also appointed Jake Falkinder as Chief Marketing Officer (CMO) to assist with our efforts to grow our business offering.

Mr Falkinder brings 14 years' experience in senior marketing positions to the role and joins from Boardriders, a leading action sports and lifestyle company, where he was the Digital Marketing Director.

In addition, we brought in senior professionals in key roles across the business. Some notable additions are:

- Steve Chant has been brought in to lead our Merchant Partnerships with an aim to maintain our leading edge in the market. Mr Chant brings more than





25 years of business development and growth delivery experience, out of which more than 10 years in C-Suite roles in various growth businesses.

- Saikat Ghosh has been brought in to lead various strategic growth initiatives in the business. Mr Ghosh brings more than 25 years of business building experience and successfully founded 2 major start-up businesses. Mr Ghosh will bring a start-up mindset to our key growth projects
- Louise Lee has been brought in to lead our People and Culture function. Ms Lee brings more than 15 years of Human Resources experience and successfully led her previous organisations through business transformation

In closing, I'd like to thank our Member base, Fundraiser groups, Merchant partners and Enterprise clients for their continued support.

I'd also like to thank you, our shareholders for your faith in the longer-term potential of this Company.

Finally, a big thank you to the team at IncentiaPay for all their hard work and dedication.

In closing, I'd like to thank our Member base, Fundraiser groups, Merchant partners and Enterprise clients for their continued support over what's been another challenging year. I'd also like to thank you, our shareholders for your faith in the longer-term potential of this Company. Finally, a big thank you to the team at IncentiaPay for all their hard work and dedication.



Thank you.

I will now hand back to Stephen

Thanks Ani



ANNUAL GENERAL MEETING  
30 November 2022



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# RESOLUTIONS

# VALID PROXIES

	Valid proxies	% of total shares
Resolution 2	873,160,105	69.02%
Resolution 3	878,017,437	69.41%
Resolution 4	878,017,437	69.41%
Resolution 5	878,308,575	69.43%

# RESOLUTION 2

## ADOPTION OF REMUNERATION REPORT

*“That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Company’s remuneration report, as contained in the Annual Financial Report, for the financial year ended 30 June 2022 be adopted.”*

	For	Against	Open	Abstain
Number of votes	872,860,706	299,399	0	400,000
Percentages of votes	99.97%	0.03%	0.00%	-



# RESOLUTON 3

## RE-ELECTION OF JEREMY THORPE AS DIRECTOR

*“That Jeremy Thorpe, a Director who retires by rotation in accordance with the Company’s Constitution and ASX Listing Rule 14.4, and being eligible offers himself for re-election, be re-elected as a Director of the Company.”*

	For	Against	Open	Abstain
Number of votes	877,910,622	106,815	0	296,953
Percentages of votes	99.99%	0.01%	0	-



# RESOLUTION 4

## RE-ELECTION OF DEAN PALMER AS DIRECTOR

*“That Dean Palmer, a Director who retires by rotation in accordance with the Company’s Constitution and ASX Listing Rule 14.4, and being eligible offers himself for re-election, be re-elected as a Director of the Company.”*

	For	Against	Open	Abstain
Number of votes	877,916,437	101,000	0	296,953
Percentages of votes	99.99%	0.01%	0%	-

# RESOLUTION 5

## APPROVAL OF CAPACITY TO ISSUE SECURITIES UNDER LISTING RULE 7.1A

*“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of equity securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

	For	Against	Open	Abstain
Number of votes	877,368,988	939,587	0	5,815
Percentages of votes	99.89%	0.11%	0%	-

# THANK YOU

ANNUAL GENERAL MEETING