



31 January 2020

FINZSOFT SOLUTIONS LIMITED – PREPAYMENT AGREEMENT WITH FIRST CREDIT UNION

Finzsoft Solutions Limited (together with members of its group, **FIN**) has an existing master services agreement dated 30 June 2016 (the **MSA**) with First Credit Union Incorporated (**FCU**) pursuant to which FCU pays annual licence fees quarterly in advance to FIN for certain deliverables provided by FIN.

FIN and FCU have today entered into a prepayment agreement pursuant to which the MSA is amended on the following terms:

- (a) FCU will prepay annual licence fees for 5 years and 9 months (the **Prepayment Period**);
- (b) the parties extend the term of the MSA to 30 September 2026;
- (c) in consideration for FCU prepaying the annual licence fees, the aggregate Annual Licence Fees for the Prepayment Period are reduced by a discount rate of approximately 5% per annum (the **Prepayment**); and
- (d) while all of the Prepayment will be paid upfront, the Prepayment will be notionally spread over the Prepayment Period in agreed quarterly instalments (the **Discounted Quarterly Instalments**) so that, if there is an event of default, FIN's obligations to repay a portion of Discounted Quarterly Instalments at that time is pre-agreed.

FIN is to use \$2 million of the Prepayment to repay its existing flexible credit facility (the **ANZ Facility**) with ANZ Bank New Zealand Limited, which is secured by a first ranking general security agreement over all the assets of FIN (the **ANZ GSA**). Upon repayment of the ANZ Facility, the ANZ GSA is to be released and FIN is to grant FCU a first ranking general security agreement over all the assets of FIN.

FCU's obligation to make the Prepayment is subject to certain conditions precedent, principally the release of the ANZ GSA. FIN expects those conditions precedent to be satisfied on 3 February 2020, with the Prepayment being made on that date.

The balance of the Prepayment is to be used to fund the costs of completion of FIN's Open Connected Core product development.

END

Contact details regarding this announcement:

Robert McKinnon
Chairman
Finzsoft Solutions Limited
Telephone: +61 414 503 937



www.finzsoft.com info@finzsoft.com

AUSTRALIA

Phone: 1800 728 035
One International Towers Sydney
Watermans Quay
Barangaroo
NSW 2000

MALAYSIA

Phone: +64 9 571 6800
Level 11, Sentral Jalan Travers
Kuala Lumpur Sentral
50470 Kuala Lumpur

NEW ZEALAND

Phone: +64 9 571 6800
Generator
Level 10, 11 Britomart Place
Britomart
Auckland 1010

SINGAPORE

Phone: +64 9 571 6800
8 Cross Street
#10 - 00 PWC Building
Singapore 048424