



InPayTech

Integrated Payment Technologies Limited

ACN. 611 202 414

ASX Code IP1(one)



Quarterly Activity Report – 30 July 2020

Sydney, Thursday 30 July 2020

ClickSuper

The due diligence by **Integrated Payment Technologies Limited** (ASX: IP1) (InPayTech) of the proposed acquisition of BizIntegration or its associated platform continues to progress well and InPayTech is now aiming for completion within the next two weeks. The due diligence has involved the confirmation of the Intellectual Property (IP). This confirmation has been completed by our IP attorney which now allows contracts to be completed. Time has also been spent undertaking comprehensive testing of all Application Programming Interfaces (APIs) within the BizIntegration platform.

By acquiring BizIntegration's 140+ Application Programming Interfaces (APIs), built to Open Banking standards/PSD2, covering topics such as payments, cash flow analysis, financial calculators, budgeting, product comparators etc. and powering them with rich payroll data from ClickSuper's growing integrated payroll network, ClickSuper should be able to reposition as a digital engagement solution, ClickVu.

It is intended that ClickVu will deliver a unique engagement platform with periodic payments creating the foundation for regular, frictionless employee and member engagement. Initially the ClickVu platform will cater for superannuation funds, payroll vendors and employers. However, InPayTech is already in initial discussions with other service providers who may be able to add additional functionality to the ClickVu platform on a collaborative and mutually beneficial basis.

By working with some existing customers and 3rd party vendors, a proof of concept of ClickVu is progressing, but awaiting the finalisation of the BizIntegration acquisition. The proof of concept aims to demonstrate the utility and simplicity of the platform and to position ClickSuper beyond a compliance payment solution. ClickSuper should therefore benefit during this financial year.

Appointment of Chief Innovation Officer

Brad Riley will be responsible for fostering a culture of innovation across InPayTech and driving new products to facilitate them being brought to market in a timely manner.

Brad joins InPayTech following a 20-year career as a Business Intelligence + Information Management (BIIM) professional managing and delivering projects in the BIIM domain. His executive level experience has seen him deliver organisational change and improvement programs.

The role will focus on the deployment of InPayTech's proposed engagement platform for Payroll and Superannuation clients to be called ClickVu. His goal is to position ClickVu as the digital engagement platform of choice for superannuation funds, payroll providers and employers to deliver scalable and specific financial advice and value add services, powered by the ClickSuper integrated payroll network and rich employment data.

Beyond the ClickVu program, Brad's appointment will be pivotal in optimising the overall strategic InPayTech market proposition. In working with new and existing customers, Brad will harness his proven experience in all facets of solution design, product development and business growth through innovation.

This appointment is the start of a cultural shift to agile and customer-driven delivery.

Payment Adviser

The Payment Adviser (PA) service is also expected to benefit from the proposed BizIntegration acquisition. While ClickSuper is focused on employee payments like superannuation contributions and salary and wages, the PA solution facilitates all non-employee related payments including bills, loan repayments and taxes. Subsequently, via PA, it is proposed that ClickVu will provide a suite of additional payment services and introduce additional services providers and benefits to employees and members.

PayVu

As Covid-19 restrictions continue to impact the PayVu go to market strategy we are using insights from PayVu's active and regular user base to increase our focus on digital marketing.

PayVu has completed case studies with some early adopters to help market and sell the solution to bookkeepers and accountants. Having recently completed the Xero partner API integration including final sign off, PayVu will be available on the Xero app marketplace during August.

With targeted marketing initiatives scheduled during August, September, October and November InPayTech is focused on growing PayVu's customer base this calendar year.

Unaudited Financial Results and Capital Raising

We are pleased with the demand for our placement and rights issue which raised over \$3.4 million. Of the funds raised \$750,000 was used to repay shareholders loans and InPayTech is now debt free.

Attached is the unaudited consolidated Profit/(Loss) for the 12 months ended 30 June 2020.

Please note that the financial results shown in this release have not been audited and may be subject to change once the auditor's review has been completed.

Our direct costs increased due to one off costs associated with a change in our service providers. The completion of the PayVu application meant we were able to reduce our IT costs significantly but incurred redundancy costs.

This Quarterly Activity Report has been authorised for release to ASX by the Board.



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Investors should be aware that certain financial measures included in this announcement are 'non-IFRS financial information' under ASIC Regulatory Guide 230: 'Disclosing non-IFRS financial information' published by ASIC and also 'non-GAAP financial measures' within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934, as amended, and are not recognised under Australian Accounting Standards (AAS) and International Financial Reporting Standards (IFRS). The non-IFRS financial information / non-GAAP financial measures include EBITDA and EBIT. The Company believes the non-IFRS financial information / non-GAAP measures provide useful information to users in measuring the financial performance and conditions of the Company. The non-IFRS financial information / non-GAAP financial measures do not have a standardised meaning prescribed by AAS or IFRS. Therefore, the non-IFRS financial information is not a measure of financial performance, liquidity or value under the IFRS and may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information / non-GAAP financial measures included in this presentation.

This release contains forward-looking statements and information that are necessarily subject to risks, uncertainties and assumptions. Many factors could cause actual results, performance or achievements of InPayTech to be materially different from those expressed or implied in this release including, amongst others, the BizIntegration acquisition not proceeding as planned, changes in general economic and business conditions, regulatory environment, results of advertising and sales activities, competition, and the availability of resources. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this release. Except as required by law, InPayTech assumes no obligation to update or correct the information in this release. To the maximum extent permitted by law, InPayTech and its subsidiaries and officers do not make any representation or warranty as to the likelihood of fulfilment of any forward-looking statements and disclaim responsibility and liability for any forward-looking statements or other information in this release. This release should be read in conjunction with the InPayTech's ASX announcements and releases.

Unaudited Consolidated Profit/(Loss) for the 12 months ending 30 June 2020

	QE	QE	QE	QE	Full Year
	30/09/2019	31/12/2019	31/03/2020	30/06/2020	30/06/2020
	\$	\$	\$	\$	\$
Revenue	377,064	362,297	351,625	335,504	1,426,490
Other Income	16,916	16,916	16,916	116,916	167,664
Cost of sales	-106,969	-104,384	-104,819	-179,188	-495,360
Gross profit	287,011	274,829	263,722	273,232	1,098,794
Less Overheads					
Administration Costs	-194,436	-136,215	-147,391	-120,474	-598,516
Consulting Fees	-68,457	-70,813	-83,351	-137,065	-359,686
Interest	3,644	180	-7,692	-15,022	-18,890
Employment Costs					
Directors Fee	-33,750	-33,750	-31,915	-62,011	-161,426
Redundancy Fees	0	0	0	-79,616	-79,616
Salaries	-409,045	-384,280	-373,216	-347,480	-1,514,021
Occupancy Costs	-25,506	-17,892	-17,854	-17,812	-79,064
	-727,550	-642,770	-661,419	-779,480	-2,811,219
Net Loss	-440,539	-367,941	-397,697	-506,248	-1,712,425



InPayTech

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Integrated Payment Technologies Limited (Company)

ABN

50 611 202 414

Quarter ended ("current quarter")

30 June 2020 (Quarter 4)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (.....months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	372	1,475
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(124)	(440)
(c) advertising and marketing	(15)	(170)
(d) leased assets		
(e) staff costs	(318)	(1,550)
(f) administration and corporate costs	(239)	(782)
1.3 Dividends received (see note 3)		
1.4 Interest received		5
1.5 Interest and other costs of finance paid	(15)	(24)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(339)	(1,486)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		(5)
(d) investments		
(e) intellectual property		(133)
(f) other non-current assets	(88)	(685)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (.....months) \$A'000
2.2 Proceeds from disposal of:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property		
(f) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	(88)	(823)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	1,155	1,155
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options		
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(65)	(65)
3.5 Proceeds from borrowings	150	750
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	1,240	1,840

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	178	1,460
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(339)	(1,486)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(88)	(823)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,240	1,840

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	991	991

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	21	21
5.2	Call deposits	970	157
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	991	178

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Quarterly cash flow report for entities subject to Listing Rule 4.7B

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	750	750
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	750	750

7.5 Unused financing facilities available at quarter end

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

A loan facility with the following terms was entered into by the Company on 30 October 2019:

- a) Lenders: Donald Financial Enterprises Pty Ltd ATF The Elysium Trust, Parmms Enterprises Pty Ltd ATF Parmms Investments Unit Trust and Scully Financial Services Pty Ltd
- b) Aggregate Loan Commitment: \$750,000
- c) Interest Rate: 8% per annum
- d) Unsecured loan.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(339)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	991
8.3 Unused finance facilities available at quarter end (Item 7.5)	
8.4 Total available funding (Item 8.2 + Item 8.3)	991
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	3

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 July 2020

Authorised by the Board

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.