



InPayTech

Integrated Payment Technologies Limited

ACN. 611 202 414

ASX Code IP1(one)



Quarterly Report - 31 March 2019

PayVu Scalability Release

The launch of PayVu to bookkeepers and accountants has confirmed PayVu's ability to reduce the administration burden and security concerns traditionally associated with providing a Payment Bureau Service for a Bookkeeping or Accounting Practice.

Early adopters have benefited from the significant time saving provided by PayVu which automates the payment disbursement process and provides increased security for the transfer of private and financial data associated with payments.

PayVu reduces cyber security risk, provides a separation of duties for bookkeepers, accountants and their clients and reduces low value contact from the payment process for all stakeholders.

To facilitate the greater scalability required by the Bookkeeping and Accounting market PayVu is releasing scalability functionality which is scheduled for release during July. This notably includes:

- Updating to a simple multifactor authentication (MFA) - to address the challenge some users have in using the initial MFA which is used to secure data and authorise payments
- Authoriser edits – by enabling business owners “Authorisers” to edit a recommended payment list before paying, PayVu effectively removes any required rework for payment processing
- Additional process optimisation – by further refining the single payment process, for all payments, PayVu aims to reduce payment processing to less than 2 minutes

The PayVu scalability release aims to help bookkeepers and accountants offer all their clients a highly valued and desirable payment bureau service at a low cost, with minimal contact and reduced risk.

Single Touch Payroll

The ClickSuper Single Touch Payroll (STP) service doubled in size from March to April with further growth expected. ClickSuper is working with payroll providers, super funds and employers to transfer the private information inherent in the STP and SuperStream processes with increased security and efficiency.

Entitlement Offer

Investors should read the full Entitlement Presentation dated 10 April 2019

Details of the issue

- A 1 for 1 accelerated non-renounceable entitlement offer to existing shareholders to raise up to approximately A\$1.544 million: approximately \$0.770 million Institutional Entitlement Offer and up to \$0.774 million Retail Entitlement Offer.
- Up to 154,420,149 new InPayTech shares may be issued under the Entitlement Offer (New Shares) (subject to rounding of fractional entitlements).
- 77,070,611 Institutional Entitlement Offer New Shares were issued on 18 April 2019.
- Eligible retail shareholders who take up their full entitlement under the Retail Entitlement Offer, and new sophisticated investors will be able to apply for New Shares under the Retail Entitlement Offer (subject to allocation and scale back in the Board's absolute discretion).¹

- New Shares issued under the Entitlement Offer will rank equally with existing InPayTech shares on issue.

Pre-commitments & partial underwrite

- All Directors of InPayTech being Don Sharp, Paul Collins and Robin Beauchamp (or entities associated with them) along with InPayTech's largest shareholder Colin Scully (or entities associated with him) are supportive of the Entitlement Offer and have taken up their pro-rata entitlements under the Institutional Entitlement Offer, amounting to approximately \$0.770 million, or approximately 50% of the Entitlement Offer.
- In addition to taking up their pro-rata entitlements, Colin Scully, Don Sharp, Paul Collins and Robin Beauchamp (or entities associated with them) have also irrevocably agreed to underwrite the Retail Entitlement Offer shortfall facility to the value of \$100,000, \$100,000, \$100,000 and \$20,000 respectively for a fee of \$1 each.
- As a result of the above, assuming no other existing eligible shareholders take up their entitlements or any additional New Shares through the shortfall facility; and no new sophisticated investors subscribe for New Shares through the shortfall facility, the total minimum amount to be raised under the Entitlement Offer is \$1.090 million.

Price

- A\$0.01 per New Share
- 25.9% discount to the theoretical ex-rights price (TERP)² of A\$0.014;
- 41.2% discount to InPayTech's closing price on Tuesday, 9 April 2019 of A\$0.017; and
- 42.9% discount to InPayTech's 5 day volume weighted average price (VWAP)³ of A\$0.018.

Unaudited Financial Results for Quarter ending 31st March 2019 attached.

Cash on hand at 31st March 2019 was \$546,343.

DATED: 2 May 2019

1. The Retail Entitlement Offer will include a shortfall facility, under which eligible retail shareholders who take up their full entitlement will be able to apply for additional New Shares in the Retail Entitlement Offer from a pool of New Shares made up of those not taken up by other eligible retail shareholders. Any shortfall from these eligible retail shareholders may be made available to new sophisticated investors. There is no guarantee that applicants under the shortfall facility will receive all or any of the additional New Shares they apply for. Allocation and scaleback will be in the Board's absolute discretion.

2. The theoretical ex-rights price (TERP) is the theoretical price at which InPayTech ordinary shares should trade immediately after the ex-date for the Entitlement Offer assuming 100% take-up of the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which InPayTech's ordinary shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equate to TERP.

3. The volume weighted average price (VWAP) is the average price a security has traded at throughout the day, based on both volume and price.

Donald Sharp
EXECUTIVE CHAIRMAN
0419 632 315

A handwritten signature in blue ink, consisting of a large, stylized initial 'D' followed by a long, horizontal stroke that tapers to the right.

Consolidated Profit/(Loss) for the 3 months ending 31 March 2019

Consolidated Profit/(Loss)

	QE 30/09/2018	QE 31/12/2018	QE 31/03/2019	YTD 31/03/2019
	\$	\$	\$	\$
Revenue	382,847	430,896	415,989	1,229,732
Other income	-	33,832	-	33,832
Cost of sales	-113,986	-110,774	-109,590	-334,350
Gross profit	268,861	353,954	306,399	929,214
Operating expenses	-396,876	-401,601	-494,304	-1,292,781
Operating profit	-128,015	-47,647	-187,905	-363,567
Interest	10,388	6,412	3,427	20,227
Corporate overheads	-178,922	-186,205	-163,725	-528,852
Non-operating expenses	-122,787	-121,697	-99,552	-344,036
	-291,321	-301,490	-259,850	-852,661
Non-cash expenses				
Depreciations	-515,170	-515,170	-515,170	-1,545,510
Impairment Expense	-	-6,755,549	-	-6,755,549
Tax (expense)/benefit	70,449	70,449	70,449	211,347
	-444,721	-7,200,270	-444,721	-8,089,712
Net profit/(loss) for the period	-864,057	-7,549,407	-892,476	-9,305,940



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