

ASX Release Date: 16 June 2020

Capital Raising via Placement and Rights Issue and signing of non-binding conditional term sheet to acquire Biz Integration

- Successful placement of 77m shares at \$0.015 per share to raise \$1,155,000;
- Announces a non-renounceable rights issue to raise up to approximately \$2.3 million with 1 new share offered for each 2 shares held at \$0.015 per new share; and
- Has entered into a non-binding conditional term sheet to acquire Biz Integration Pty Ltd (“Biz Integration”).

Capital Raising

Integrated Payment Technologies Limited (“IP1” or “InPayTech”) is pleased to announce a successful institutional placement and a non renounceable rights issue.

Placement

The Company has conducted a successful institutional Placement, led by Sanlam Private Wealth, of 77,000,000 new shares at \$0.015 per share to eligible new institutional and sophisticated investors to raise \$1,155,000¹. InPayTech is relying on the Temporary Extra Placement Capacity Class Order Waiver to take advantage of the 25% placement capacity to raise urgently required funds. Placement broker fees:

- A capital raising fee of 6% plus GST of the gross proceeds raised under the Placement;
- Corporate Administration and Management fee of \$5,000 plus GST; and
- The issue of 1,850,000 unlisted options (subject to shareholder approval) with a strike price of 3.5 cents with an expiry date of 2 years from the date they are issued. These options are to be paid for at a deemed issue price of \$0.00001 and will be issued to Sanlam Private Wealth, assuming the necessary shareholder approvals are obtained.

Non Renounceable Rights Issue

InPayTech announces a non-renounceable rights issue to raise up to approximately \$2.316 million. The Entitlement Offer comprises:

- a 1 for 2 partially underwritten (to the value of \$1.02m) non-renounceable Entitlement Offer to existing shareholders to raise up to A\$2.316 million;
- Up to 154,420,149 new InPayTech shares may be issued under the Entitlement Offer at \$0.015 per share (New Shares) (subject to rounding down of fractional entitlements); and
- Eligible shareholders who take up their full entitlement under the Entitlement Offer, and new

¹ No eligible institutional/professional shareholders of InPayTech chose to participate in the Placement. An eligible institutional/professional shareholder’s existing holding was estimated by reference to InPayTech’s latest available beneficial register which shows historical holdings as at the date of that register (being 11/6/2020) which is necessarily not fully up to date. No verification or reconciliation of the holdings as shown in the historical beneficial register was undertaken and accordingly this may not truly reflect the participating eligible institutional/professional shareholder’s actual holding. InPayTech and Sanlam Private Wealth do not have any obligation to reconcile assumed holdings (e.g. for recent trading or swap positions) when determining allocations. InPayTech and Sanlam Private Wealth disclaim any duty or liability (including for negligence) in respect of the determination of an eligible institutional/professional shareholder’s allocation using their assumed holdings

institutional/sophisticated investors will be able to apply for New Shares under the Entitlement Offer (subject to allocation and scaleback in the Board's absolute discretion having regard to the pro rata entitlement of eligible shareholders who apply for additional New Shares).

Three directors of InPayTech, Paul Collins, Don Sharp and Sandra Barns (or entities associated with them) along with InPayTech's largest shareholder Colin Scully (or entities associated with him) have irrevocably agreed to underwrite the Entitlement Offer to the value of \$500,000, \$250,000, \$20,000 and \$250,000 respectively for the fee of \$1.

Purpose of the Capital Raising

With strong institutional support, the placement (conducted under the Temporary Extra Placement Capacity Class Order Waiver) raised \$1,155,000. The Entitlement Offer is underwritten up to \$1.02m. It is therefore expected that the minimum amount to be raised in the Capital Raising will be \$2.175m. On this basis, IP1 proposes funds raised to be used as follows:

- Balance sheet repair by repaying \$750,000 of shareholder loans;
- the payment of existing Creditors and Redundancy payments; and
- as working capital to assist IP1 to continue to trade through COVID-19, including 'business as usual' software development, customer acquisition and business development opportunities, and other growth initiatives.

If more funds are raised under the Entitlement Offer than the minimum expected through the partial underwriting noted above, those funds will also be used for additional working capital.

Proposed acquisition of Biz Integration

InPayTech is pleased to announce it has entered into a non-legally binding conditional terms sheet to acquire Biz Integration Pty Ltd by acquiring 100% of the shares of Biz Integration. If it proceeds, the transaction should allow InPayTech to integrate its ClickSuper and PayVu technologies with the Biz Integration's extensive employee and superannuation member application and API platform and enable InPayTech to offer an extended suite of products and services for the payroll, SME and Superannuation markets.

Biz Integration is a privately held, non operating Sydney based technology company which has developed a methodology and an extensive set of applications and APIs for implementing comprehensive, digital, customer engagement solutions for financial services customers.

The InPayTech Development team would take over the development of the Biz Integration platform under the limited guidance of Biz Integration's existing directors who were also original founders of the precursor companies of InPayTech and co inventors of the InPayTech payment patents.

The consideration to acquire Biz Integration Pty Ltd, should that be the agreed outcome, is expected to be by:

- the issue of 20,000,000 shares in IP1 to Biz Integration ordinary shareholders. Any such issue of shares as consideration will be subject to shareholder approval. If issued, the shares will be escrowed for period of 12 months from the issue date;

- further consideration is expected to be \$30,000 up front cash payment as a reimbursement for loading and testing the platform on the InPayTech infrastructure to a demonstrable level; and
- Biz Integration shareholders are expected to participate in a performance share issue in 2 tranches as follows:
 - IP1 is expected to issue a further 5,000,000 shares if by 31 December 2021, the Biz Integration platform has 100,000 individuals on the platform who are either directly or indirectly contributing a recurring revenue to IP1; and
 - IP1 is expected to issue a further 5,000,000 shares if by 31 December 2021, it has achieved 2 consecutive quarters of positive operating cash flows.
 - The issue of any performance shares may also be subject to shareholder approval.

Conditions

Key conditions to the proposed acquisition include:

- Completion of confirmatory due diligence;
- Biz Integration shareholders and InPayTech execute appropriate legally binding transaction documentation;
- No material adverse change to the business, assets or prospects of Biz Integration between now and execution of definitive transaction documents; and
- Approval from all relevant regulatory and government bodies, and receipt of any relevant third party consents.

Authorised by the Board

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