



InPayTech
Integrated Payment Technologies Limited

Investor Presentation

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Authorised by Dean Martin (CEO)



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Corporate Snapshot

ASX Code: IP1

Share Price (9 June 2020)	\$0.02
Market capitalisation (@ 2 cents)	\$6.2m
Shares on issue (listed)	308.8m
Options on issue (unlisted)	20m

Board & Management

Don Sharp	Executive Chairman
Dean Martin	Chief Executive Officer
Robin Beauchamp	Executive Director
Paul Collins	Non-Executive Director
Sandra Barns	Non-Executive Director
Jillian McGregor	Company Secretary

Top Beneficial Shareholders

Colin Scully*	24.3%
Don Sharp*	20.4%
Paul Collins*	2.7%
Top 20	65.4%
Total Board and management shareholdings*	24.7%

Integrated Payment Technologies Ltd Chart



Payment Technology Patents

Providing an elegant and scalable solution to the fundamental global problem of separate electronic payment and the financial document relating to the electronic payment.

Patent Process Steps

- 1: Payer uploads extended remittance data to Payment Adviser Service
- 2: Payment Adviser Service returns the unique payment reference e.g. P.VU/PAYCO/123456 to the payer
- 3: Payer makes a payment to the payee with P.VU/PAYCO/123456 as the payment reference
- 4: Payment clears through the banking system
- 5: Payee bank adds a credit to the bank account
- 6: Payee gets the payment reference from the bank statement and enters P.VU/PAYCO/123456 into a web browser
- 7: Payment Adviser Service verifies the payee and downloads the extended remittance data



The company has patents granted in:

- Asia (i.e. Japan, Hong Kong, Singapore and China);
- The Western World (USA, South Africa and New Zealand); and
- Patents pending in Canada and Australia.

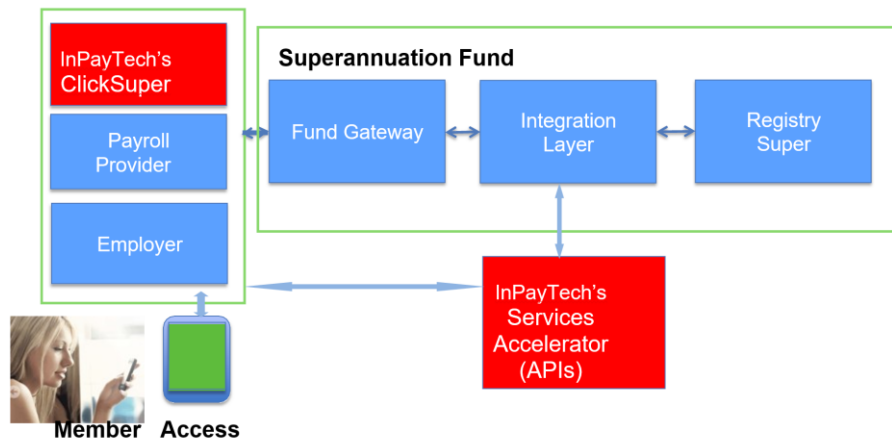
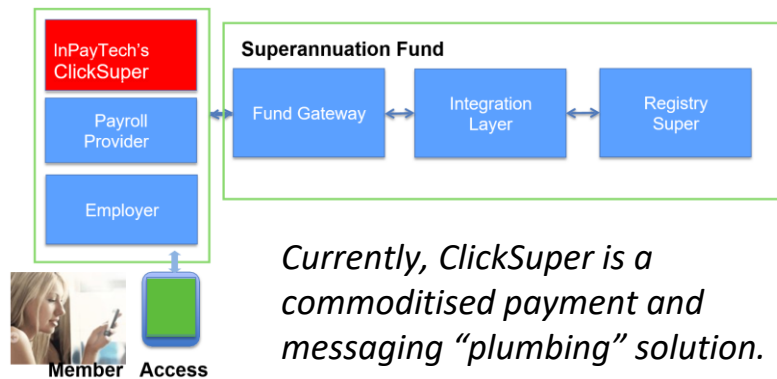
Current Commercialisations of Payment Patent

InPayTech has the following lines of business

- **ClickSuper** which provides a complete turnkey solution to ATO regulated SuperStream and Single Touch Payroll (STP) for employers and their payroll providers compliance for superannuation fund payments, payroll, accounting and enterprise resource planning software.
- **PayVu** enables bookkeepers, accountants and other professional advisors to provide a complete and scalable business payment solution for all their SME payments, while simultaneously reducing the risk and rework traditionally associated with payment bureau services.

*As the InPayTech patent solves a fundamental problem for global banking and payments systems we've **only scratched the surface** of its potential applications and utility with data rich compliance payment requirements, automated transfers and auto-reconciliation of business payments.*

ClickSuper's Compliance Payment Ecosystem



If Biz Integration is incorporated with the ClickSuper offering InPayTech can position to facilitate member and employee engagement for superannuation funds, payrolls and employers.

Biz Integration Proposed Acquisition

InPayTech has entered into a non legally binding terms sheet to purchase the company Biz Integration Pty Ltd. If the acquisition proceeds, InPayTech will acquire the rights to an extensive employee and superannuation member application and **application programming interface (API)** platform which should enable InPayTech to offer an extended suite of products and services for **the Employer and Superannuation markets**. Below are examples of some of the 140 APIs in Biz Integration:



Lifestyle needs analysis

API:
ServiceManagement /
PersonaGroup / List



Calculator

API:
Calculators /
InsuranceCalculator /
GetInsuranceCalculator



Product literacy / info

API:
ProductManagement /
Product / Info



Product comparison

API:
ProductManagement /
Product / Compare

ClickSuper Payments: Market

ClickSuper total addressable market

There are approximately **13 million employed people in Australia** according to Australian Bureau of Statistics (ABS) trend data from February 2020



All employers, must pay **mandatory employee contributions payment via SuperStream** with the only exceptions relating to self-employed and sole traders



Single touch payroll (STP) reporting for tax, salaries and wages payments to ATO is now **mandatory for small and large employers**



Increasing compliance complexity means **most Australian employees are paid via payroll systems now**



ClickSuper is currently a SuperStream and or STP solution supplier for over **40 payroll providers**, including Australia's major payrolls providers



Rich payroll data combined with Biz Integration, if this acquisition proceeds, positions ClickSuper to transform compliance payment solutions into engagement solutions for employers, payroll and superannuation funds

ClickSuper Payments: Growth Strategy

Expand and reposition

- Add new payment models from PayVu to payroll enabling “Pay Today” for employers
- Finalise Biz Integration acquisition
- Incorporate Biz Integration into ClickSuper offering
- Prototype:
 - Enhanced payslip
 - Financial literacy and self service advice app
 - Other applications based on client needs

Retain and grow current clients

- Build on trusted existing relationships with payroll providers
- Cross sell new functionality to current clients
- Reassess pricing models
- Increase employers usage via payroll relationships
- Provide branded employer-employee value add services

Win new clients

- Use new functionality to accelerate the number of new payroll clients onboarding
- Win additional superannuation fund business with an enhanced offering

Desired Outcomes:

- **Enhance client experience**
- **Significantly increase utilisation from exiting clients**
- **Grow number of employees paid via ClickSuper from current and new clients**

ClickSuper Payments: Summary

- ClickSuper is:
 - **One of only 10 ATO** compliant SuperStream providers in Australia (ISO 27001 accreditation)
 - Continuing with its ISAE 3402 SOC2 accreditation audit, and if passed, will make it a highly accredited SuperStream service supplier
 - Holds an Australian Financial Services License (**AFSL**) in order to process payments
 - Is a **founding member** of the Gateway Network Governance Body Ltd (GNGB)
 - Has **processed millions of superannuation and e-commerce transactions** representing more than **\$20 billion in value**, since its launch in 2010
- The InPayTech (IPT) Services Accelerator is a solution to differentiate ClickSuper from other SuperStream providers with the purpose of moving ClickSuper up the value chain with funds and payroll vendors
- The proposed Biz Integration acquisition (if transacted) will add over 140 API's to the InPayTech Services Accelerator

PayVu Payments: Market

PayVu total addressable market

There are approximately **2 million small businesses in Australia** according to Australian Bureau of Statistics (ABS) data from February 2016



Xero has 914 thousand subscribers for the year ended 31 March 2020, with many using a bookkeeper or accountant to manage their business reporting and compliance requirements



Due to **security risks** and the **time intensive** nature of assisting clients with payments, before PayVu, most bookkeepers and accountants were reluctant to provide a payment solution for their small business customers



With the **major development phase of PayVu complete** the focus moving forward is on sales and marketing with the aim of driving growth

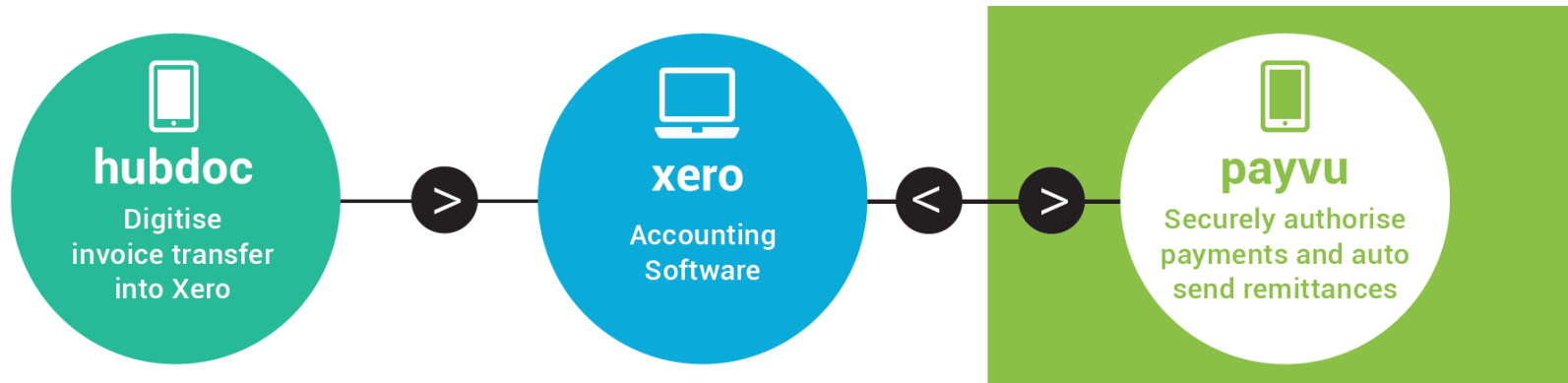
PayVu Payments: Summary

- PayVu delivers:
 - **Single process efficiency** for all accounts payable items: bills, salaries, wages, taxes and superannuation contributions payments
 - **Removes manual steps** and risk for payment processing
 - **Enhanced security** via multifactor authentication
 - A true **separation of duties** between bookkeepers or accountants and business owners for payment processing
 - Swipe functionality for business owners to simply:
 - **Swipe left** to reject any bookkeeper recommended payments and
 - **Swipe right** to process a payment, update the accounting system and send supplier payment notification data/remittance advice

Swipe functionality is transformative: it removes low value customer contact in payment processing i.e. removes the requirement for preapproval, follow-up and payment confirmation. PayVu streamlines the entire process via a smart phone app.

PayVu Payment: Ecosystem

- PayVu leverages InPayTech's IP and core competencies to deliver scalable, automated and more secure payment processing for accountants, bookkeepers and their small medium enterprises (SMEs) customers
- PayVu has recently signed the Xero API Integration Agreement which amongst other benefits will have PayVu available from the Xero Marketplace



PayVu Payments: Growth Strategy

Build awareness and relationships

- Embed PayVu in the bookkeeping and accounting ecosystem
- Actively participate in industry events including:
 - Xerocon
 - Accounting Business Expo
 - Australian Bookkeeping Network (ABN) Conference
 - Expand engagement the with key bookkeeping and accounting associations and influences

Leverage existing clients

- Publish early adopter case studies across social media:
 - Facebook, Twitter, LinkedIn, YouTube and payvu.com.au
- Provide incentives for current clients to actively sell PayVu to their entire customer base
- Initiate trials with major accounting and bookkeeping organisations including big 4 accounting firm

Win new clients

- Publish partner program
- Run targeted sales and marketing campaigns
- Provide incentives for large bookkeeping and accounting organisations to onboard large numbers of their customer base

Desired Outcomes:

- **Create awareness**
- **Work with existing clients to influence their peers**
- **Drive growth with higher penetration with existing customers and targeted campaigns for early adopters and fast followers**

Financial Position

InPayTech recently had strong institutional support for a placement (conducted under the Temporary Extra Placement Capacity Class Order Waiver) to raise \$1,155,000. The company is now in the process of offering a 1 for 2 partially underwritten non-renounceable entitlement offer to existing shareholders to raise up to a further A\$2.316 million. The underwritten amount is \$1.02 million. Set out below are tables setting out Use of Funds (for Placement funds and the Underwritten Component of the Entitlement Offer) and Use of Funds (Placement Funds and 100% of the Entitlement Offer):

This table displays intended use of the Placement funds and minimum funds to be raised under the Entitlement Offer (ie 44.04% underwritten).			
Sources	\$m	Uses	\$m
Cash balance and receivables at 30 April 2020	0.175	Payment of existing Creditors and Redundancy payments	0.332
Cash raised from Placement	1.155	Pay down debt	0.750
Cash raised from Entitlement Offer	1.020	ISAE 3402 SOC 2 Accreditation application and maintenance	0.100
		Cost of the Capital Raising	0.120
		Cash on hand for working capital to continue to trade through COVID-19 and grow the business	1.048
Total sources of funds	2.350	Total uses of funds	2.350

This table displays intended use of the Placement funds and 100% of funds to be raised under the Entitlement Offer.			
Sources	\$m	Uses	\$m
Cash balance and receivables at 30 April 2020	0.175	Payment of existing Creditors and Redundancy payments	0.332
Cash raised from Placement	1.155	Pay down debt	0.750
Cash raised from Entitlement Offer	2.316	ISAE 3402 SOC 2 Accreditation application and maintenance	0.100
		Cost of the Capital Raising	0.210
		Cash on hand for working capital to continue to trade through COVID-19 and grow the business	2.254
Total sources of funds	3.646	Total uses of funds	3.646

Key Investment Highlights

- InPayTech has a unique patented electronic payment process to solve the fundamental problem of separate streams for electronic payment and electronic payment information
- InPayTech's Patent enables
 - Virtually limitless data to be permanently linked to electronic payments
 - Payment data to be simultaneously received along with electronic payments
 - Efficient processing via existing payment and banking systems
- InPayTech is embedded in the compliance payment ecosystem via ClickSuper which delivers compliant payment solutions for employers, payrolls and superannuation funds for SuperStream and Single Touch Payroll (STP) compliance
- InPayTech has launched PayVu, which is currently the only complete small business payment processing solution for bookkeepers, accountants and their SME customers
- If the Biz Integration acquisition proceeds, Biz Integration combined with InPayTech's patent positions InPayTech to transform superannuation compliance payments into a digital engagement solution for employers, payrolls and superannuation funds



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