

## 2023 AGM Chairman Speech

The 2023 financial year has been a busy year as we continue to develop and enhance the key pillars of our business.

Firstly, continuing our strong history of supporting the community, we made contributions of in excess of \$1.25m to charities and not-for-profit organisations during the year. This is something that we are very proud of and remains a core value of our business now and into the future.

At the same time, we have focused on returning our two core businesses, Entertainment B2C and Frequent Values B2B, to profitability following the extremely challenging years of COVID-19. We are aiming to return the business back to a profitable path via the management of membership renewals and reactivations, improved marketing campaigns and stronger fundraiser engagement.

Finally, we launched our new business, a B2B2C platform called Seamless Rewards, which offers Card Linked Offers, which we refer to as CLO. By way of explanation, CLO offers are cashback offers that consumers automatically receive by transacting in-store or online after linking their debit or credit cards to a participating loyalty program. Our CLO platform allows merchant content to be provided via channel partners and enterprise loyalty program operators such as payment networks to end consumers. The Seamless Rewards business, in time, will provide us with a more diversified revenue base and allow us to further leverage our leading rewards content. In this new business, we have developed a strong relationship with one of the world's largest payment networks to provide cashback operations as a service. This is a transformational opportunity for our business to build an asset base on their card linked programs to reach the largest audience in the Australian market.

During the year, we implemented significant cost reductions initiatives that delivered annualised cost savings of approximately \$5.0 million. In addition to that, we have reduced our property footprint (and therefore costs), restructured the Board and reviewed other external expenses to optimise our cost base. This significant cost reduction combined with maintaining revenue, albeit with a small decline, resulted in our underlying EBITDA improving by \$3.89 million to a \$6.1million loss in the 2023 financial year compared to a \$9.9 million loss in the 2022 financial year.

We continue to be strongly supported by our majority shareholder, Suzerain Investment Holdings Limited and its associates. In April 2023, IncentiaPay negotiated a deferment of interest payment and a reduction of the Loan Administration fee which materially improved our overall cashflows. In May 2023, Suzerain reiterated its commitment to the business by announcing its intention to convert their debt to equity if the share price went above 2.2 cents per share on a 7-day volume weighted average price basis. There has been no change to this commitment in the intervening period.

We had a restructuring of the Board in April and May 2023 to support Jeremy Thorpe's retirement and Stephen Harrison's transition. As part of that process, our CEO Ani Chakraborty was appointed as Managing Director. I would like to acknowledge the major contributions made by Jeremy and Stephen to the company over the last 4 years.

On behalf of the Board, I would like to acknowledge our CEO, Ani Chakraborty, our executive leadership team and all employees, members and partners for their support and hard work through the past year. I would also like to thank our shareholders and debt providers for their continued support.

Finally, I would like to thank my colleagues on the Board for their contributions and guidance.

I'd now like to hand over to our CEO, Ani Chakraborty, to give an operational update.

## 2023 CEO Speech

Thank you, Dean, and good afternoon everyone.

I am delighted to be presenting my second Annual Report as Chief Executive Officer of IncentiaPay. Whilst the Company has endured difficult few years, I am excited about the opportunities for our business and I am confident that our strategy will set us up for growth over the years ahead. As the Chair alluded to, our business and growth strategic plan has five key pillars:

1. Entertainment Digital Membership: Focus on growing our core B2C revenue
2. StaffPerks: Employee Rewards and engagement solution building on Entertainment offer set
3. Frequent Values: Growing our active audience in our B2B Enterprise business
4. Seamless Rewards: Build scale for our new transaction-linked Seamless Rewards Card Linked Offer (CLO)-based business
5. Revenue growth with operating leverage: Deliver business growth priorities maintaining a lean, digitally enabled operating model

Our vision and ambitions are threefold:

- Entertainment Digital Membership: Re-position Entertainment as the pre-eminent fundraising solution for Fundraisers in Australia and New Zealand.
- Frequent Values: Position our B2B Frequent Values solution as the pre-eminent 'Show and Save' Enterprise Loyalty program in Australia and New Zealand.

•Seamless Rewards: Deliver the most reputed CLO-ready content services to all CLO- based Loyalty Programs via our new B2B2C Seamless Rewards business.

Now, I will provide detailed updates on few key elements of operational results.

### **Delivery on promised cost savings**

During the year, we delivered significant cost reductions to accelerate our path to operating cash break-even and position the Company for long- term growth, which culminated in a \$5.0 million cost reduction in FY23. In addition to the realised cost savings, we have also implemented some additional items such as property footprint optimisation that will reduce our operating costs further in FY24 delivering an efficient core ready for revenue growth with high operating leverage.

### **Progress on Technology Roadmap**

IncentiaPay has invested heavily in technology platform capability to support its growing Seamless Rewards platform as well as its core B2B and B2C businesses. With these upgrades largely complete, the Company has achieved the following:

1. Fully re-platformed Entertainment and Frequent Values App
2. Fully revamped Entertainment website
3. Reduction of legacy tech components

### **B2C (Entertainment)**

During the financial year, IncentiaPay remained focused on its strategic growth pillar of growing its core B2C business via the management of renewals and reactivations, improved marketing campaigns, improved Fundraiser engagement and augmentation of offers.

IncentiaPay also completed the re-platforming of its B2C (Entertainment) App using the Google Flutter platform. The re-platforming gives the Company the ability to implement its product roadmap and improve features to meet Member expectations. In addition, several new features such as push notification, in app messaging, content card has been implemented that has improved our Merchant's and Member's abilities to interact with each other.

As at the end of the financial year, the Company had over 12,500 Merchant partner locations, making IncentiaPay a market leader in the sector.

### **B2B (Frequent Values)**

The re-platforming of IncentiaPay's B2B app was also completed during FY23 using Google Flutter. This has given the Company the ability to implement its product roadmap and improve its features to meet customer expectations.

The majority of IncentiaPay's B2B customers has been migrated to the new app throughout FY23 providing significantly improved user interface and improved functionality. Remaining B2B customers will be migrated to the new App in FY24.

Programs that have migrated to the new App have shown significant improvement in member usage and engagement.

### **Seamless Rewards**

During FY23, we established steady transaction volumes with card linked program networks (~120 – 150 transactions a week).

A major achievement of the business in FY23 was to develop a strong relationship with a large Payment Network for whom IncentiaPay will provide Merchant operations as a service for their cashback programs. Foundations have been set in place in FY23 for this relationship. It will further be boosted in FY24 as the program ramps up.

## Financial Performance

FY23 revenues totalled \$17.2 million, down 16% on the previous corresponding period, due to decrease in the membership subscription sales and the gift card sales which was impacted by the inflationary pressures being faced by the members in FY23.

Despite lower revenues, underlying EBITDA improved by \$3.89 million to (\$6.03 million) in FY23 from (\$9.92 million) in FY22, driven by significant reduction in the employee and technology costs.

## Cash Position

As of 30 June 2023, cash reserves totalled \$1.82 million. In addition, the Company had an undrawn remaining cash facility available of \$6.0 million.

## Outlook

IncentiaPay enters FY24 in a strong position with an optimised cost base, a better product set, stable Executive team and a well-defined strategic plan. IncentiaPay now also has cornerstone corporate clients who can have transformational impact on our business.

Our focus on FY24 will continue to be to focus on the core – build our B2C member base and grow B2B audience base and grow transaction linked revenues. To grow transaction linked revenues, in addition to bringing better travel, leisure and online offers to our audience base, our principal focus will be to ramp up our Merchant operations base with our major Payment network client.

In closing, I'd like to thank our Member base, Fundraiser groups, Merchant partners and Enterprise clients for their continued support.

I'd also like to thank you, our shareholders for your faith in the longer-term potential of this Company.

Finally, a big thank you to the team at IncentiaPay for all their hard work and dedication.

Thank you.

I will now open to any operational questions our shareholders may have.

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ANNUAL GENERAL MEETING  
30 November 2023



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# RESOLUTIONS

# VALID PROXIES

Resolution	Total Valid Available Proxies	% of Total Shares
Resolution 1	900,882,802	71.21%
Resolution 2	900,882,802	71.21%
Resolution 3	900,882,802	71.21%
Resolution 4	900,882,802	71.21%
Resolution 5	900,882,802	71.21%
Resolution 6	900,882,802	71.21%
Resolution 7	900,882,802	71.21%
Resolution 8	900,882,802	71.21%

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# RESOLUTION 1

## ADOPTION OF REMUNERATION REPORT

*“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Company’s remuneration report for the year ended 30 June 2023 be adopted.”*

	For	Against	Open	Total Valid Available Proxies	Abstain
Number of Votes	893,170,234	192,568	7,520,000	900,882,802	296,953
Percentage of Valid Available Proxies	99.14%	0.02%	0.83%	100.00%	

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# RESOLUTION 2

## RE-ELECTION OF CHARLES ROMITO AS DIRECTOR

*“That Charles Romito, a Director who retires by rotation in accordance with the Company’s Constitution and ASX Listing Rule 14.4, and being eligible offers himself for re-election, is re-elected as a non-executive Director of the Company.”*

	For	Against	Open	Total Valid Available Proxies	Abstain
Number of Votes	893,238,400	124,402	7,520,000	900,882,802	296,953
Percentage of Valid Available Proxies	99.15%	0.01%	0.83%	100.00%	

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# RESOLUTION 3

## APPOINTMENT OF WILLIAM BUCK AS AUDITOR

*“That, for the purposes of section 327B of the Corporations Act and all other purposes, William Buck Audit (Vic) Pty Ltd, having been nominated to act as auditor of the Company and having consented in writing to act as auditor of the Company, be appointed as auditor of the Company.”*

	For	Against	Open	Total Valid Available Proxies	Abstain
Number of Votes	893,362,802	0	7,520,000	900,882,802	296,953
Percentage of Valid Available Proxies	99.17%	0.00%	0.83%	100.00%	

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# RESOLUTION 4

## RATIFICATION OF APPOINTMENT OF ANI CHAKRABORTY AS MANAGING DIRECTOR

*“That the appointment of Ani Chakraborty as Managing Director with effect from 31 May 2023 be ratified.”*

	For	Against	Open	Total Valid Available Proxies	Abstain
Number of Votes	893,298,415	64,387	7,520,000	900,882,802	296,953
Percentage of Valid Available Proxies	99.16%	0.01%	0.83%	100.00%	

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# RESOLUTION 5

## APPROVAL TO ISSUE PERFORMANCE RIGHTS TO ANI CHAKRABORTY UNDER EMPLOYEE INCENTIVE PLAN

*“That, for the purposes of Listing Rule 10.14 and all other purposes, approval is given for 4,250,000 Performance Rights to be issued to Ani Chakraborty under the Employee Incentive Plan and on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this notice of meeting.”*

	For	Against	Open	Total Valid Available Proxies	Abstain
Number of Votes	893,078,337	284,465	7,520,000	900,882,802	296,953
Percentage of Valid Available Proxies	99.13%	0.03%	0.83%	100.00%	

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# RESOLUTION 6

## APPROVAL OF LOAN FUNDED SHARE PLAN FOR NON-EXECUTIVE DIRECTORS

*“That, for the purposes of sections 257B, 259B and 260C of the Corporations Act, and all other purposes, Shareholders approve the Loan Funded Share Plan on the terms set out in the Explanatory Statement which accompanies and forms part of this notice of meeting.”*

	For	Against	Open	Total Valid Available Proxies	Abstain
Number of Votes	868,130,781	25,232,021	7,520,000	900,882,802	296,953
Percentage of Valid Available Proxies	96.36%	2.80%	0.83%	100.00%	

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# RESOLUTION 7

## APPROVAL TO ISSUE PLAN SHARES TO CHARLES ROMITO UNDER LOAN FUNDED SHARE PLAN

*“That, for the purposes of Listing Rule 10.14 and all other purposes, approval is given for 12,651,000 Plan Shares to be issued to Charles Romito under the Loan Funded Share Plan and on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this notice of meeting.”*

	For	Against	Open	Total Valid Available Proxies	Abstain
Number of Votes	868,130,781	25,232,021	7,520,000	900,882,802	296,953
Percentage of Valid Available Proxies	96.36%	2.80%	0.83%	100.00%	

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# RESOLUTION 8

## APPROVAL OF CAPACITY TO ISSUE SECURITIES UNDER LISTING RULE 7.1A

*“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of equity securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms set out in the Explanatory Statement which accompanies and forms part of this notice of meeting.”*

	For	Against	Open	Total Valid Available Proxies	Abstain
Number of Votes	868,886,495	24,476,307	7,520,000	900,882,802	296,953
Percentage of Valid Available Proxies	96.45%	2.72%	0.83%	100.00%	

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# THANK YOU

ANNUAL GENERAL MEETING