



# Crowd-Sourced Funding (CSF)

## OFFER DOCUMENT

**Offer of fully-paid ordinary shares in OtherPay Pty Limited at \$1.00 per share to raise a maximum of \$3,000,000.**

This crowd-sourced funding Offer Document relates to the Offer of fully-paid ordinary shares in OtherPay Pty Limited. This Offer is made under the CSF regime in Part 6D.3A of the **Corporations Act 2001** [Corporations Act]

**Issuer:** OtherPay Pty Limited (ACN 675 233 940)

**Intermediary:** Birchal Financial Services Pty Limited (ACN 621 812 646 AFSL 502618)

18th June 2024

# Table of Contents

<b>Section 1: Risk Warning</b>	<b>03</b>
<b>Section 2: Information about the Company</b>	<b>04</b>
Letter from the CEO & Co-founder	04
Why Invest?	05
2.1 Company details	09
2.2 About the Company	10
2.3 Our products & services	12
2.4 Business & revenue model	14
2.5 Competition	17
2.6 Product alignment & use	20
2.7 The team	23
2.8 Traction Points	31
2.9 Capital structure	32
2.10 Key risks facing the business	35
2.11 Financial information	37
<b>Section 3: Information about the Offer</b>	<b>42</b>
3.1 Terms of the Offer	42
3.2 Use of funds	43
3.3 Rights associated with the shares	45
3.4 What can I do with my shares?	48
<b>Section 4: Information about the investor rights</b>	<b>49</b>
4.1 Cooling-off rights	49
4.2 Communication facility for the Offer	49
4.3 Proprietary Corporate Governance Obligations	49
4.4 Company Updates	50
<b>Glossary</b>	<b>51</b>



## Section 1.0 | Risk Warning



Crowd-sourced funding is risky. Issuers using this facility include new or rapidly growing ventures. Investment in these types of ventures is speculative and carries high risks.

You may lose your entire investment, and you should be in a position to bear this risk without undue hardship.

Even if the Company is successful, the value of your investment and any return on the investment could be reduced if the company issues more shares.

Your investment is unlikely to be liquid. This means you are unlikely to be able to sell your shares quickly or at all if you need the money or decide that this investment is not right for you.

Even though you have remedies for misleading statements in the offer document or misconduct by the Company, you may have difficulty recovering your money.

There are rules for handling your money. However, if your money is handled inappropriately or the person operating the platform on which this offer is published becomes insolvent, you may have difficulty recovering your money.

Ask questions, read all information given carefully, and seek independent financial advice before committing yourself to any investment.

INVESTMENT RISK

## Section 2.0 | Information about the Company



### Letter from the CEO & Co-founder

Thank you for taking the time to read this letter and hopefully the rest of the document that follows. We know your time is valuable and we really appreciate your interest in our company.

It's important that I first share with you what our goal is. That is to combat purchase and identity fraud and reduce the price we're all unwittingly paying for allowing these threats to continue unabated.

Whether it's an increase in the price of merchant goods or additional bank fees, we all end up paying more somehow, because regardless of who commits the fraud, we're all victims.

Global card fraud is an enormous issue, expected to cost over \$65 billion by 2026<sup>1</sup> and when looking at the growth of such fraud in Australia, the number of people who fell victim has risen from an unhealthy 1 million in 2015<sup>2</sup> to a ridiculous 1.8 million in 2023<sup>3</sup>, with a loss of \$2.2 billion<sup>4</sup> in that same year. We're also all exposed to the increasing proliferation of annoying scams.

These are problems that simply aren't going away. So, now really couldn't be a better time for us to be introducing effective solutions to help deal with the problems.

While many approaches focus on detecting fraud after the event, we're pioneering solutions that aim to prevent it from happening in the first place. Not just here in Australia but globally.

As a cybersecurity professional, I of course support any measure that enhances security. However, I advocate for varied and customised solutions for consumer protection because people's willingness to engage varies. Accordingly, strategies must account for the variations in how we can each uniquely support making a contribution towards positive change.

To support this dynamic, we intend to empower consumers who are actually willing and eager to help us achieve our goal and we're seeking investors to not only inject the funds we need to progress our vision but to also act as our ambassadors for change.

For now, we have everything ready to make a real impact on a world that clearly needs our support and we hope – with your contribution - to be able to start that movement here in Australia in the coming months.

This is a movement that not only seeks to stop purchase and identity fraud but in doing so leverage advanced technology, such as AI, to enhance the financial health and well being of our supporters.

We really are incredibly excited by what we believe we can achieve together and I hope you'll join us as a co-owner on our journey towards positive and beneficial change.

Best regards,

*Simon Hewitt*

Chief Executive & Innovations Officer

1. Source: eMarketer

2. Source: Australian Bureau of Statistics

3. Source: Australian Bureau of Statistics

4. Source: Australian Competition & Consumer Commission



## Section 2.0 | Information about the Company

Why invest?



*What exactly is it that OtherPay is out to change and why should **you** invest in a company with such a vision..?*

## Section 2.0 | Information about the Company

### Why invest?

#### Because...

OtherPay has a vision to ensure that:

- purchase and ID fraud are no longer major issues.
- we all have a choice in whether or not we're willing to use a solution that protects us against fraud or continue to use a solution that's susceptible to fraud.
- we can use a single solution for both purchases and logins across various platforms and services.
- it's not the method of payment a retailer is willing to accept; it's the method of payment we want to use.
- there's a single unconnected device<sup>1</sup> which securely manages all our methods of payment (card, crypto, loyalty etc..).
- the method of payment is autonomously selected to maximise the financial benefit available to us.
- scams are hindered by a need for the person contacting us needing to prove their identity first.
- the best price paid is always the lowest price possible.
- AI is used to improve financial wellbeing and cashflow management through – for example - micro-deposits extracted from every transaction to meet monthly commitments.

1. Mobile phones only emulate payment methods but only if the merchant is willing to accept it.



*With **your** support this vision could become a reality.*

*Without it, fraudsters may well continue to thrive.*



## Section 2.0 | Information about the Company



### Why invest?

#### Because...

Solutions often require expensive changes to be done to the technology the proposed solution will be used with by the consumer.

However, when introducing OtherPay, changes for the solution to work will not be required on or in the technology used for the following:



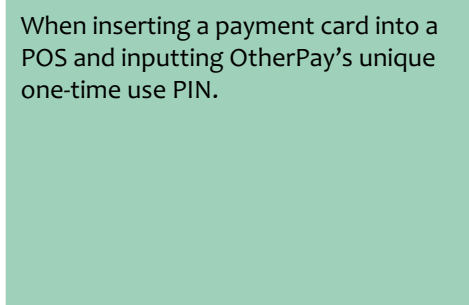
When inputting OtherPay's unique one-time use security code for shopping or the passcode for authentication online.



**NO CHANGES NEEDED  
TO THE CONSUMER  
FACING TECHNOLOGY**



When inputting OtherPay's unique one-time use PIN at an ATM.



When tapping a contactless card at a POS and inputting OtherPay's unique one-time use PIN.



When inputting OtherPay's unique one-time use security code for shopping or the passcode for authentication over the phone.



Why invest?  
Because...

# IT'S NOT JUST AUSTRALIA WE HAVE A GLOBAL REACH

*OtherPay has the opportunity to make a positive contribution beyond just Australia.*

*We recognise the significant domestic implications of the problem and are equally aware of its extensive global reach. This understanding positions our company as a high-growth fintech business with access to a commercial market of enviable size and proportion.*



# Section 2.0 | Information about the Company



## 2.1 Company Details

1	Company Name	OtherPay Pty Limited
2	Sector(s)	FinTech & CyberTech
3	ACN	675 233 940
4	Date of Incorporation	22 <sup>nd</sup> February 2024
5	Registered Place of Business Wurundjeri Country	Level 2, 1, Southbank Blvd, Southbank, Victoria, 3006, Australia
6	Principle Place of Business Wurundjeri Country	Level 2, 1, Southbank Blvd, Southbank, Victoria, 3006, Australia
7	Directors	Simon Hewitt & Darren Hands
8	Subsidiary (incorporated 3 <sup>rd</sup> Nov 2020)	OtherPay Limited (UK)
9	Share Registry	Cake: <a href="https://cakeequity.com/">https://cakeequity.com/</a>
10	WebSite	<a href="https://www.otherpay.com">https://www.otherpay.com</a>

### SUBSIDIARY RELATIONSHIP

OtherPay Pty Ltd represents the repatriation of the original OtherPay Ltd from the UK to Australia.

However, OtherPay Ltd has been retained as a 100% wholly owned subsidiary of OtherPay Pty Ltd to provide a local operational entity for planned expansion into the UK and European markets.

Having also been accepted onto Austrade’s selective and competitive India Tech Export Catalyst Program for CyberTech and FinTech, OtherPay Pty Ltd is exploring the incorporation of a legal operational entity within India with a maximum of 5% of the share capital being used to incentivise influential local C-Level management.

No funds from this raise will go into progressing the UK, Europe or India.

The Offer of shares as detailed herein is made by OtherPay Pty Limited (ACN 675 233 940)

## Section 2.0 | Information about the Company



### 2.2 About the Company

We are OtherPay, a company dedicated to revolutionising purchase protection and consumer authentication.

Our key point of difference lies in our innovative approach to combating purchase and identity fraud. We've recognised a pressing market need and we've developed unique electronic devices to address it.

With the ongoing support of Mastercard® and our licensed partners, we're positioned to make a significant impact.

Having originally incorporated the business in the UK in late 2020, the business and its CEO made the strategic decision to move its efforts to Australia in mid 2023. It was felt that the opportunity to advance the business by establishing traction of our own back 'home', rather than through third party product sales, would prove of far greater value to the business in the long run.

#### Our Approach

OtherPay is a Company advocating for positive change in an industry where many changes are often measured by the potential risk of consumer attrition.

We aim to promote beneficial change in a world where there is a tendency to accept what should otherwise be deemed unacceptable, such as the level of financial fraud criminals and fraudsters are expected to get away with on a global scale<sup>1</sup>.

With today's purchase and identity fraud resulting from vulnerabilities in the solutions being used, OtherPay challenges the long-held belief that consumers won't adopt additional measures to protect themselves, preferring convenience over security.

Our intention is to therefore put an almighty dent into the aspirations and hopes of criminals and fraudsters when it comes to no longer allowing them an ease by which to commit purchase and identity fraud against those using OtherPay's products.

#### Mission

At OtherPay, our mission is simple yet profound: we're dedicated to ensuring that all purchasing and authentication is secure and effortless for everyone. We aim to empower consumers and businesses alike with cutting-edge technology that not only safeguards against fraud but also enriches the overall transaction experience.

Our objective is to emerge as a global leader and authority in electronic purchasing and authentication solutions, driving innovation and setting new industry benchmarks.

With a relentless focus on consumer satisfaction and technological excellence, we're committed to making a positive impact on the world of digital transactions in relation to purchasing and identity protection.

<sup>1</sup>. Global payment card fraud expected to reach \$65 billion by 2026. (Source: eMarketer)

## Section 2.0 | Information about the Company

### Consumer/Client Research

The OtherPay technology is not completely new. It actually represents a solution and proposition that's already gained client interest and significant consumer demand across three disparate Mastercard supported programs.

Unfortunately, various economical and contractual issues, combined with a global pandemic, thwarted progress in regard to each program and with it the establishment of high-volume consumer traction.

This is the same traction sought by a number of commercial clients willing to explore the technology for their own use, albeit based on us providing them with demonstrable proof as to the solution's defined capabilities and further proof of the willingness that consumers will use it.



Promotion (*pushing*) of a more secure solution by the card issuers - without them first having seen proof of the willingness of consumers to use it - was deemed (by Mastercard) to be risking a negative impact in consumer confidence in what they're already using.

Consumer demand (*pulling*) for a better solution from the card issuers - based on the consumer desire to use the product because of their own views - would alleviate the negative assumption of what might happen if card issuers were to promote such a solution.

This over emphasis on us providing evidence that consumers will use the technology is simply based on the fear of promoting a solution that could then question the integrity of what's currently being used.

OtherPay has concentrated on further R&D and derivative product development to further streamline the product suite and create a more effective roadmap towards gaining traction.

We now seek your support and funding in order that we can leverage and fully exploit our knowledge of the previous consumer demand for the technology and enable us to deliver the traction demanded of us. Traction that should drive further commercial consideration of its promotion and adoption.

These are demands for the products that we've extrapolated for the benefit of the Australian market and we can't wait to bring it to life.

As for the existing commercial interest in OtherPay, this is varied and transcends merely the fintech industry but consistently relies upon a means by which we can demonstrate traction of the products in a live environment.

We're therefore highly confident in there being consumer willingness to adopt the technology for a variety of target markets (as detailed in section 2.4) and we're similarly confident of being able to close and attract further client interest in our technology, based on our ability to finally demonstrate the traction so often sought.



## Section 2.0 | Information about the Company



### 2.3 Our products & services

#### 2.3.1 DUO

The OtherPay DUO device<sup>1</sup> is an exclusive electronic host platform accessible only by conventional payment and ID cards that have undergone unique customisation<sup>2</sup> by our partners at Placard/HID Global.

Customised cards no longer possess vulnerable capabilities, instead relying on unique connectivity with the DUO device as a means by which to support secure purchasing and stronger authentication.

Each card contains a proprietary seed used by the DUO device for the creation of unique one-time-PINs, security codes, and passcodes for the sole benefit of the organisation for which a card has been customised and reissued for use with the DUO device.

The economically efficient customisation of a card facilitates its connection to the DUO device. The DUO device extracts the proprietary seed through an embedded low-frequency RFID chip, utilising it for all code generation purposes.

As part of OtherPay's launch strategy, we'll be issuing a customised prepaid Mastercard® that will only then function with the one-time use codes generated by the DUO device.

We believe this will mitigate the risk of purchase fraud for the benefit of anyone choosing to use it.

The utilisation of DUO extends beyond payment cards, as customisation of various alternative cards - across multiple industries - enables it to be employed for purposes such as stronger consumer authentication.



Customised Card Potential  
(across multiple industries)



\*The image shown is for illustration purposes only.

1. Prototype developed and awaiting production pursuant to funding.

2. Consolidation of already proven technology awaiting production pending funding.

## Section 2.0 | Information about the Company



### 2.3.2 ONE

The OtherPay ONE card<sup>1</sup> serves as an extension to OtherPay DUO, offering consumers a means by which to eliminate the necessity of having to carry any additional payment cards with them, regardless of the scheme (Visa, Mastercard, Amex, etc..) the payment card is associated with.

While preserving the distinctive connectivity features with customised cards for stronger authentication, the ONE card will enable a direct and virtual association between it and consumers preferred payment cards. Subsequently, users can exclusively utilise the card for robust purchase protection without the need for having to physically connect the selected method of payment.

The ONE card also enables the use of alternative methods of purchasing beyond payment cards, such as crypto-currencies and monetised loyalty points.

In contrast to the DUO device, every transaction made using the ONE card enables OtherPay to tailor the corresponding transaction, providing added benefits that contribute to the user's enhanced financial well-being.

Through learned behaviour and the implementation of artificial intelligence (AI), the goal is to establish a mechanism wherein purchase decisions are autonomously made on behalf of the user, with the aim of maximising their financial advantage.

The ONE card – as with the DUO device - facilitates the creation and utilisation of one-time PINs, security codes and passcodes, instead of static credentials, ensuring the provision and safeguarding of all purchases and authentication performed using it.



\*The image shown is for illustration purposes only.

1. Original product certified for production use by Mastercard®.

2. Latest product iteration awaiting productisation and Mastercard® recertification pursuant to funding.

## Section 2.0 | Information about the Company



### 2.4 Business & revenue model

#### Target Markets

OtherPay plans to initially target consumers who are eager to leverage technology for enhanced protection while shopping and authenticating.

This represents a significant market when considered in the context of (i) those who have suffered financial fraud and seek protection that is not otherwise being provided to them; (ii) those who believe that participating in a collective effort to resolve a global problem is the right thing to do; and (iii) consumers who are tech savvy, early adopters and supporters of Australian innovation.

With a growing database of consumer support and the ability by which to gather intelligence, on the specific organisations consumers want protection for when using a DUO device, OtherPay expects to establish a demonstrable and measurable B2B market. We expect this market to be supported by consumer demand for the technology, rather than solely pursuing industrial support and sales without public backing.

The availability of the ONE card is designed to allow us to promote a B2C marketing campaign aimed at consumers who support the benefits of the DUO device but who want convenience and additional benefits such as an ability to shop with loyalty points or crypto-currencies.

#### Initial Project – OtherPay Prepaid Card

To facilitate use of DUO with an active card capable of being used with it, OtherPay plan to issue a Mastercard® prepaid

card with our licensed partners in the second half of 2024. This payment card is expected to be the first card to have been customised for use with a DUO device by our card manufacturing partners at Placard.

When using an OtherPay prepaid card, OtherPay covers the program costs but also earns income from a small percentage of the transaction value and potential revenue from foreign currency exchange on overseas transactions.

However, this income alone is not sufficient to sustain an economically successful prepaid card program. Therefore, OtherPay secures additional income from other sources, creating a robust and sustainable business model.

Our intention is for the card program to eventually support the OtherPay ONE card, targeted for release in early 2025.

#### Rewards & Rebates

Use of a payment card with either the OtherPay DUO device or ONE card has the potential to activate an opportunity by which to receive rebates and rewards through our reward partners.

These rewards are optimised to ensure that each user receives the maximum reward possible whether it be a reward linked to their originating payment card or one associated with OtherPay.



## Section 2.0 | Information about the Company



### Product Sales Strategy

In a commercial world wary of the impact of any change on an established consumer base, the pursuit of a direct sales strategy – without traction and a measurable degree of consumer support - will likely be met with a degree of trepidation and knock back.



OtherPay therefore believes that the pursuit of a B2B sales strategy, without a measurable degree of traction and consumer backing, would not be the best approach for the company to pursue in terms of product sales.

However, OtherPay is fortunate to be in a position whereby it isn't solely reliant on the sale and distribution of its products by those organisations it would seek to sell them through.

OtherPay can sell its products and services directly to consumers. In doing so, it can establish a consumer base from which to extract measurable interest in the expansion of the products use with other financial and non-financial cards the consumers may already be carrying.

This intelligence provides OtherPay with a unique view of whether an organisation's consumer base would be willing to embrace change, without the risk of them looking for an alternative service elsewhere to avoid it. Change being the predominant reason for an organisation's trepidation and unwillingness to embrace it without measurable proof that it will not adversely impact consumer loyalty.



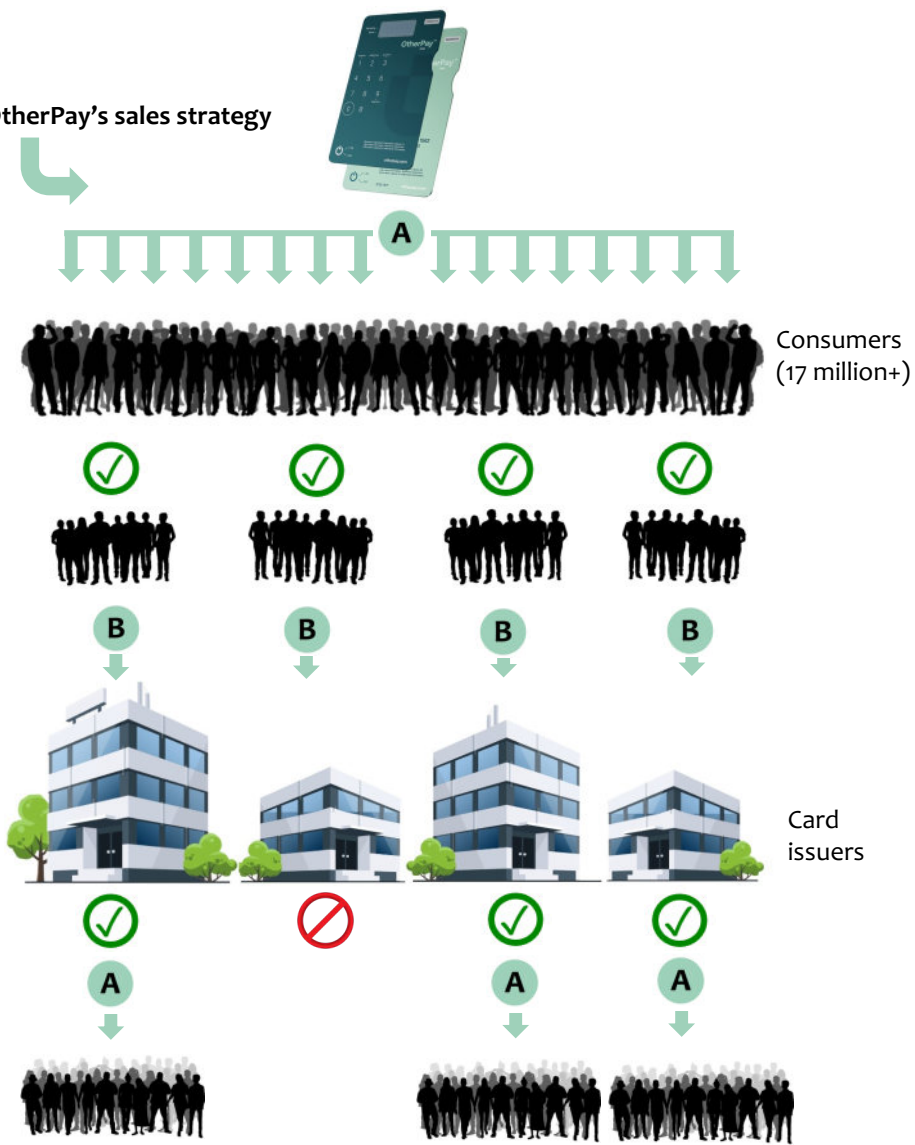
Visualised Sales Strategy  
(hypothetical example)



\*Figure excludes non-financial card issuers.

- A** Marketing of a proposition and product suite to a card issuer (financial or non-financial) or a consumer, allowing them to resolve the risk of purchase and/or identity fraud.
  - B** Marketing of a proposition and product suite to a card issuer allowing them to resolve the risk of purchase and/or identity fraud but this time substantiated by their consumers demanding it be made available to them.
- Declined to buy. - Agreed to buy.

Conventional sales strategies v OtherPay's sales strategy



### Income Streams<sup>1</sup>

OtherPay expects to generate income from various diverse streams, ensuring sustainable growth and long-term success. These streams include:

#### 1. Product Sales

OtherPay has the potential to earn revenue by selling its DUO and ONE products directly to consumers and through resellers, generating income through the profit margins on these sales.

#### 2. Prepaid Debit Card Program

We expect income to also be generated from transactional fees associated with the use of OtherPay's prepaid card.

#### 3. Foreign Exchange (FX)

OtherPay is designed to earn profits by managing the margins on foreign currency exchanges during overseas transactions using the OtherPay prepaid debit card with a DUO device. This also applies to all international payments made with the ONE card where OtherPay would expect to benefit from the FX margin that would otherwise be of benefit to the issuers of the linked payment cards.

#### 4. Alternative Margins

We anticipate revenue to be generated through the exchange of alternative currencies, such as loyalty points and cryptocurrencies, when used with the ONE card.

### 5. Software Licensing

OtherPay's further ambition is to derive income from software licensing and maintenance agreements with organisations that wish to use customised cards with the DUO and ONE systems.

### 6. Rewards & Rebates

In return for the added protection provided by the use of OtherPay with merchants, a small percentage of any negotiated rebate would be retained by OtherPay with the balance distributed back to the user.

### 2.5 Competition

OtherPay's competition is fragmented, with several solutions offering certain capabilities that fall short of attaining the same level of purchase and ID-related fraud protection achieved through the use of OtherPay.

Competition can be categorised as follows:

1. Solutions that provide a unique one-time use PIN for use at an ATM or POS;
2. Solutions that provide a unique one-time use security code for use when shopping online;
3. Solutions that provide a unique one-time use passcode when authenticating to a service;

Various solutions do exist but each fails to include an element in the corresponding one-time use code that's unique to the user, meaning they remain susceptible to abuse and fraud.

<sup>1</sup> OtherPay is a pre-revenue start-up and anticipates generating revenue through the defined income streams once it has the funds to establish commercial traction.



## Section 2.0 | Information about the Company



The problem with competitive solutions that provide one-time use codes is that they don't include sufficient unique elements specific to each user, which is crucial for security.

Furthermore, reliance on the generation and provision of the resulting codes mostly rests with the service provider for which the code is then subsequently required.

Sending a one-time use code generated by the service contradicts the need for these codes to be user-generated. If the goal is truly to ensure consumer protection, and not just to comply with evolving industry standards, the unrepeatable codes should be created by the users themselves.

With OtherPay, the required one-time-use code is not only generated by the user, but each code also contains a user-specific secret. This ensures that no one else with access to the OtherPay product can generate the same code.

This really is basic security but which without has allowed for a \$2.2 billion loss in card fraud during 2023 in Australia alone, as reported by the Australian Bureau of Statistics, and unquantifiable losses attributable to identity fraud originating from compromised authentication.

While appreciative of other solutions aimed at improving the security landscape and the protection of consumers, OtherPay

is strategically dismissive of those solutions that rely on the integrity of a device for which known flaws exist and where convenience is prioritised over that of consumer protection.

This includes the security of a mobile phone, the integrity of SMS messaging, and the fraudulent accessibility of email, along with an increasing limit for contactless payments to be done without the need for a corresponding PIN. All of which are the focus of attention for hackers and fraudsters.

Furthermore, any solution that depends on a user taking an action that cannot be guaranteed poses a risk to the integrity of that solution.

For example, an electronic payment card that changes the security code each time the card is inserted into a POS or an ATM machine is overly reliant on that individual performing that required step.



In addition, while clearly targeting to resolve the issues associated with static security codes, such a solution will not resolve the risk associated with the theft of the card and the ease of use of a security code bereft of an embedded secret.

## Section 2.0 | Information about the Company



When considering competitive solutions that allow the consolidation of multiple sources of payment into a single device, a mobile phone and digital wallet springs to mind.

However, considering OtherPay's strategic stance on the risks associated with mobile phone integrity, we question any competitive comparison between a mobile wallet and the OtherPay ONE card. The ONE card not only facilitates the linking of various payment cards but also supports the use of loyalty points and cryptocurrencies, offering assured purchase protection. Additionally, the ONE card is less vulnerable to fraud.

When considering competitive solutions that provide consolidated control and management of all payment methods owned by an individual, OtherPay's ONE card stands out as the first solution capable of securely managing the entire transactional flow from purchase to settlement.

This is because mobile wallets emulate<sup>1</sup> payment cards whereas the ONE card effectively manages the transaction on behalf of the user. This provides them with the purchase protection not otherwise available on the payment card they've selected to pay with, when using the ONE card.

1. To emulate a payment card means the mobile wallet is effectively masquerading as the physical payment card with the transaction processed no differently than it would be when using the physical card.
2. Patents pending – Application No: GB2406527.8 & GB2407560.8

Of course, when OtherPay is considered in the context of whether there are competitive solutions capable of generating one-time-use codes from a secret PIN input to a device, there are alternatives, but none generate the one-time-use code from a seed extracted from an independent card used with it<sup>2</sup>.

Furthermore, no alternative solutions - capable of extracting third party credentials for unique one-time-use code generation - exist that are ISO: 7810 or ISO: 7816 compliant (ONE card).



### DUO & ONE

6-digit alphanumeric e-ink displays.

Dual purpose 0-9 numeric capacitive touch keypad.

*(Functional and numerical input)*

Embedded low frequency receiver.

*(for credential extraction from customised cards)*

ON/OFF power.

Specifications:

- Embedded battery
- Independent micro processor

### DUO (other)

- Metal
- 1mm thick

### ONE (other)

Dual Interface (EMV contact & NFC)

Specifications (other):

- ISO:7810
- ISO:7816

## Section 2.0 | Information about the Company



### 2.6 Product alignment & use

As previously emphasised, OtherPay supports any practice that represents a step-up in consumer protection but challenges whether it goes far enough to meet the full objective and needs of the consumer.

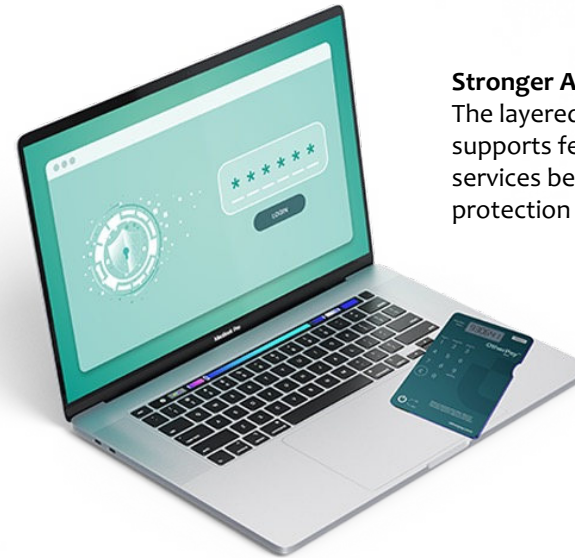
To ensure the best protection possible, OtherPay advocates integrating its products and services into existing practices, especially where such protection relates to a highly sensitive need, such as payments and stronger authentication to high risk services.

This approach aims to enhance and improve current processes rather than seek to replace them. This is especially true at a time when both old and new standards<sup>1</sup> are seeing disparate and complicated solutions – still vulnerable to fraud – being introduced to patch acknowledged weaknesses.

Replacement often implies a change and expense that many would be hesitant to consider. In contrast, an economical enhancement to an existing process that offers measurable and positive improvements is a much more appealing approach.

For example: where a one-time use code is generated by a service and transmitted to the user by means of SMS, email or a mobile app (such as with the Australian Government's Digital ID program/MyGovID), use of DUO and a corresponding card issued by the service would alleviate the threat of the resulting code from being intercepted or compromised in order for it to be used by a fraudster.

<sup>1</sup> Revised Payment Services Directive (PSD2) & 3-D Secure (eg: Verified by Visa, Mastercard SecureCode, Amex Safekey)



#### **Stronger Authentication**

The layered security of OtherPay supports federated authentication services beyond merely the protection afforded a digital ID.

When using a DUO device or a ONE card, the secret PIN input directly into the product will prompt a code to be generated that's suitable for the purpose for which the code was requested.

For stronger authentication to an online service, a 6-digit one-time-use code will be generated.

The difference between a service generated code and a one-time-use code generated by OtherPay is that the resulting validation is not merely  $n = n$  where  $n$  (both the challenge and response) is generated by the service provider.

\*The image shown is for illustration purposes only.

## Section 2.0 | Information about the Company



With OtherPay, it's a question of  $x = x$  where  $x$  is generated independently of the service provider by either the DUO device or ONE card, using the secret PIN input and other factors known only to OtherPay and the service provider.

The service provider must generate the same 6-digit response ("x") using the same credentials that OtherPay used to generate its passcode, with the 6-digit response being compared against the passcode input for authentication purposes.

Only then, will authentication be possible.

Without knowledge of all the elements needed by which to generate the code, the risk of compromise and abuse by a fraudster is significantly diminished.

This ensures provision of a stronger authentication protocol that's based on substance and not an assumption as to the validity of the user authenticating to the service.

The same applies to the generation of a 4-digit one-time-use PIN for POS and ATM and generation of a 3-digit one-time-use security code for telephone and online shopping.

With consumer convenience being a dominant factor over that of consumer protection, OtherPay again challenges the view that **all** users prefer the convenience of a contactless payment over that of a secure purchasing experience.

This especially applies to such contactless purchases that exceed a reasonable contactless limit.

This is where a contactless purchase is approved that exceeds a limit that the consumer would themselves be willing to accept. Not a limit the issuer of the card is willing to allow.

With OtherPay, the user can generate a one-time-use PIN for transactions that exceed the contactless limit they're willing to accept, thereby mitigating the risk of them being defrauded.



With regard to telephone and online purchases, consumers can generate a one-time-use security code and alleviate the need for having to complete the secondary purchase approval process that's become prevalent of late. A cumbersome process that requires approval of the transaction on a mobile app or submission of a service generated code sent by SMS or email.



# SUPPORT THE MOVEMENT

*Through leveraging the combined strength of numerous voices, instead of depending on a solitary one, OtherPay is poised to instigate beneficial shifts in purchase protection and authentication reliability.*

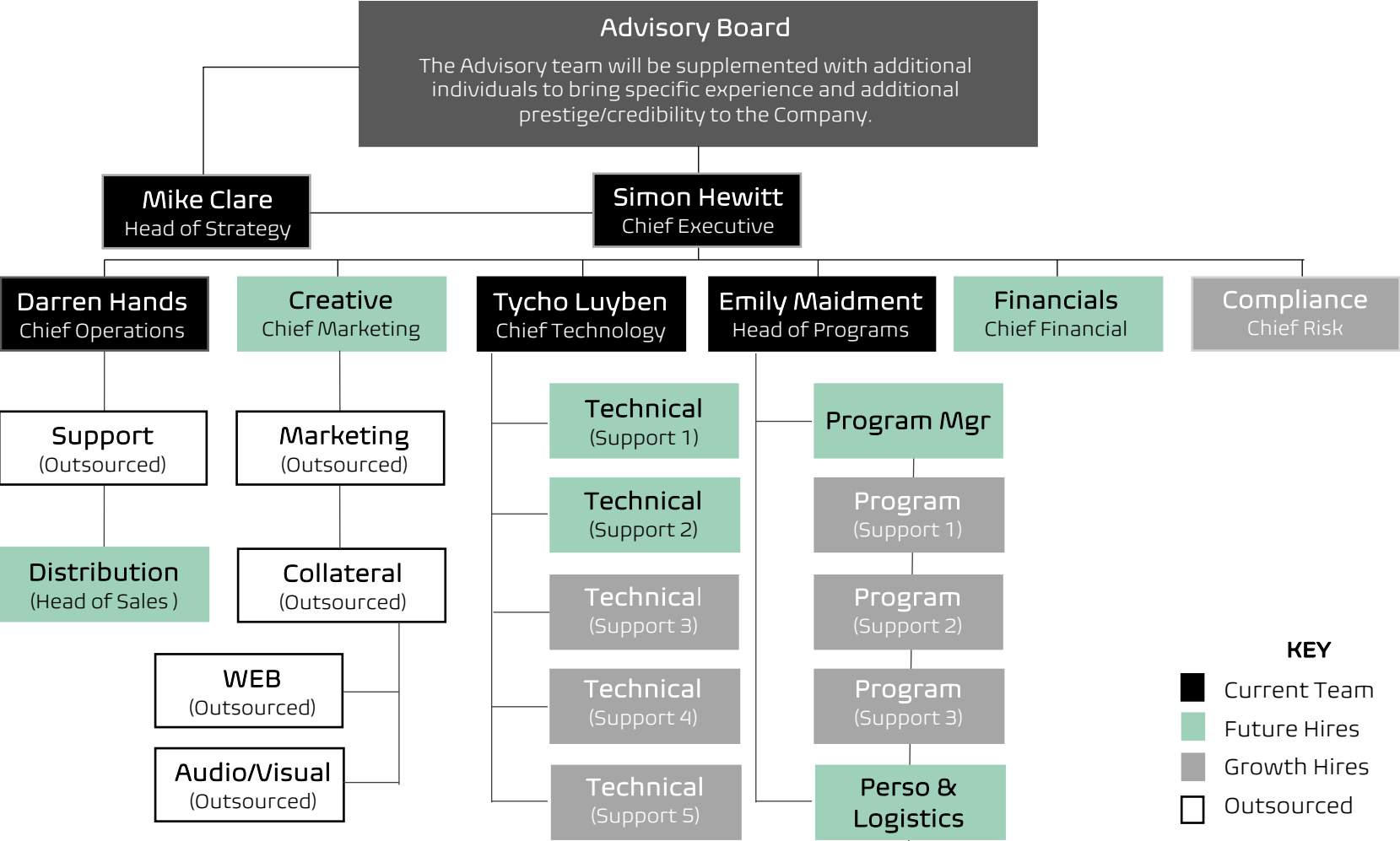
*We extend an invitation to **you** to join us and contribute **your** voice towards our movement for such positive change.*

# Section 2.0 | Information about the Company

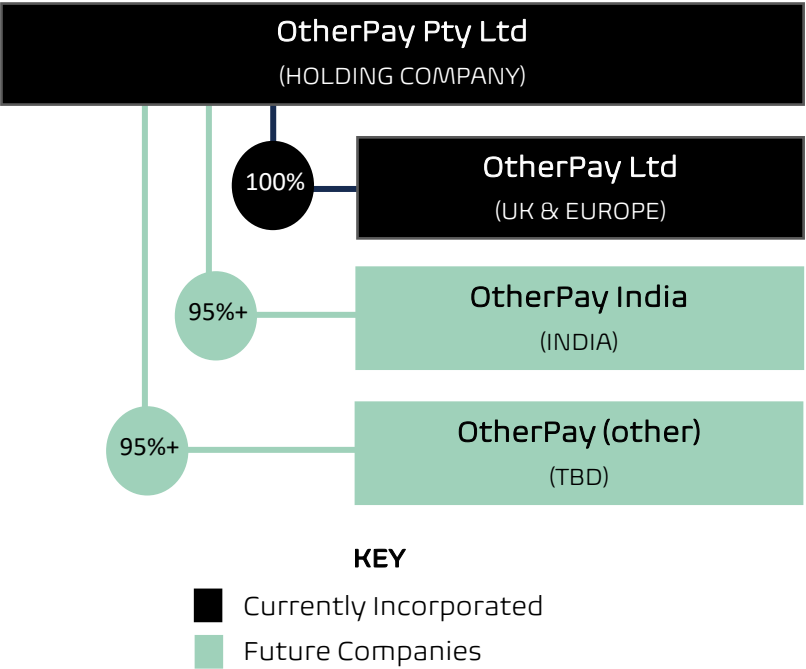


## 2.7 The team

### Organisational structure



Group structure



OtherPay Limited was originally incorporated in the UK in November 2020 but is now a 100% wholly owned subsidiary of OtherPay Pty Ltd.

It has been retained to provide the legal operational presence required for the penetration of the UK and European markets.

Having also been accepted onto Austrade’s selective and competitive India Tech Export Catalyst Program for CyberTech and FinTech, OtherPay Pty Ltd is exploring the incorporation of a legal operational entity within India with a maximum of 5% of the share capital being used to incentivise influential local C-Level management.

We expect this model to be repeated when OtherPay seeks to incorporate additional companies in other territories for which it plans to penetrate the market.



### Director



### Simon Hewitt

Chief Executive & Innovations Officer (CEIO)



Simon has held senior information security related positions within a number of major international organisations including American Express; Legal & General; Banker's Trust; JP Morgan and Standard Chartered Bank before moving to Australia in 1999 as the Head of Information Security at the ANZ before moving to Westpac as their Chief Security Officer.

He has a passion for driving innovation forward and of improving best practice with regard to cyber security, as demonstrated in his role as CEO of ScramCard – early pioneers and innovators in electronic purchase and identity protection - between 2014 and 2020.

In his role as CEIO, Simon will continue to develop high quality business strategies and plans, ensuring their alignment with short-term and long-term objectives. He will lead the motivation of senior management and advance employee engagement to develop a high performing team and he will oversee all operations and business activities to ensure they produce the desired results and are consistent with the overall strategy and mission.

He will also continue to oversee the development of further innovation and R&D to advance the IP protection afforded the business.



### Director



### Darren Hands

Chief Operating Officer (COO)



Darren is an accomplished businessman and entrepreneur with an original background in Banking and Finance, Finance Broking, Financial Planning & Property Development/ Investments. He brings over 25 years experience of driving and leading the finance and operations of disparate and innovative business models.

He is outcome focused, goal driven and approaches each challenge with an intrinsic flair for innovation, creative problem-solving and measured risk taking.

In his role as COO, Darren will collaborate with the CEO in setting and driving organisational vision, operations strategy, and hiring levels. He will translate strategy into actionable steps for growth while overseeing the company operations, finance, and employee productivity in a highly inclusive culture that will ensure employees can thrive and meet organisational goals.

Darren will also ensure compliance with national and local business regulations.

He also brings a wealth of experience to the business in the field of fund raising for charities and organisations around the world and will lead the pursuit of the programs targeting sustained giving to worthy causes.

## Section 2.0 | Information about the Company



### Senior Management



### Tycho Luyben

Chief Technology Officer (CTO)



Tycho has over two decades of experience in IT services and financial IT having had a remarkable start to programming at the tender age of eight and he has overseen the technical management of over 300 developers across the globe.

His exceptional leadership has earned him prestigious accolades, including the Deloitte Fast 50 in the Netherlands on four separate occasions. He's also demonstrated his prowess in strategic and practical software and project management through the creation and sale of the largest free dating site in the Netherlands and one of the largest free hosting sites globally.

Passionate about both hardware and software, Tycho is particularly enthusiastic about OtherPay, eagerly anticipating its utilisation. His unparalleled blend of experience, expertise, and passion positions him as a driving force in the realms of technology and innovation.

In his role as CTO, Tycho will oversee the development and execution of a robust IT strategy that aligns with the company's business objectives. He will play a key role in driving technological innovation, shaping the digital roadmap and ensuring the successful implementation of technology initiatives within the company

### Management



### Mike Clare

Head of Strategy & Portfolio Management



Mike has spent the last 15 years working in the professional services sectors as a Managing Director, and as an award winning management consultant, working with independent, corporate and start-up businesses.

He is a distinguished management consultant recognized for his excellence, holding an MBA with distinction in Management Consulting.

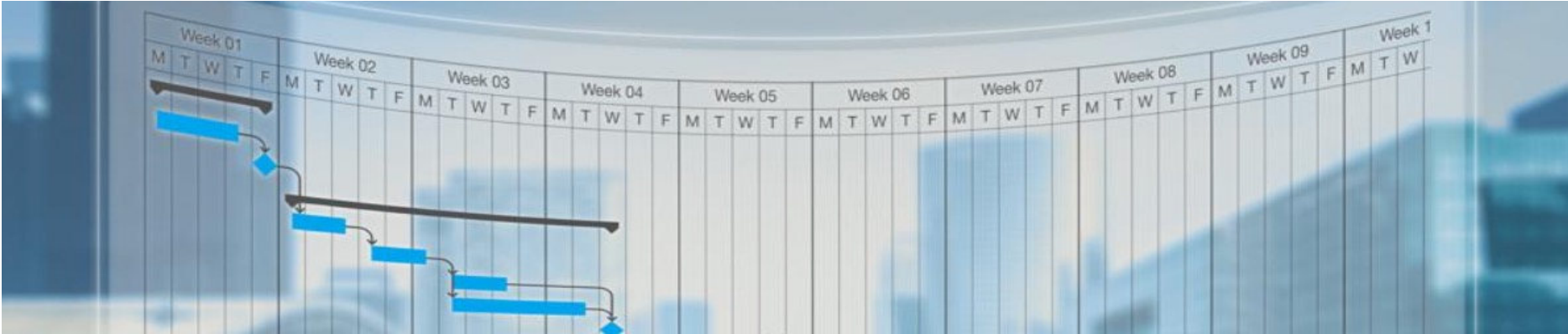
Mike's experience lies in strategic management, particularly in the development, implementation, and governance of strategies.

With a wealth of real-world experience in strategic development, start-ups; M&A; culture change projects; leadership development; and data analysis, Mike seamlessly integrates academic theory with practical insights.

In his role as Head of Strategy & Portfolio Management, Mike will spearhead corporate governance practices and strategic objectives, ensuring compliance and alignment. Additionally, he will evaluate and provide an objective valuation of OtherPay's information portfolio, leveraging his expertise to drive optimal outcomes for the benefit of the business.



Management



Emily Maidment

Head of Program Management



Emily is a seasoned expert in the payment systems industry, boasting over two decades of experience in program implementation and management.

Holding prestigious PMP certification, she excels as a program and project manager, orchestrating diverse projects with precision and finesse, often forging robust external partnerships.

Her career spans various pivotal roles within financial services, including business analyst; product owner; testing lead; business planning strategist; certification lead, and influential people leader.

In her most recent capacity, Emily has been at the helm, helping to manage the requirements for the expansive territorial expansion of the OtherPay program, showcasing her strategic acumen and leadership prowess on a global scale.

In her role as Head of Program Management, Emily will oversee the management of the critical elements needed to bring the OtherPay Prepaid program to fruition.



## Section 2.0 | Information about the Company

### Inaugural Advisory Board



**Mike Scruggs**  
(PRODUCT DEVELOPMENT)

Mike is Chief Operating Officer of InterActive Cards in Lakeland, Florida. He leads the company's R&D and manufacturing operations.

Mike was engaged by OtherPay to assist with the development of the engineering concepts which go into the makeup of both the DUO and ONE products. With over 20 years of experience in interactive card manufacturing, he is instrumental in developing IAC's specialised moulding process which integrates delicate and irregularly shaped electronic components into industry compliant cards.

Together with his team, Michael designed and built IAC's automated manufacturing line for high throughput interactive card manufacturing.



**Steve Carlin**  
(CARD MANUFACTURING)

Steve is Placard's General Manager, Technical, bringing over 20 years experience working across various areas including Card Operations, Equipment, Design, Technical & Engineering, Chip Technology, Key Management, Specialty Products, Project Management & Security.

Placard is the largest card manufacturer and fulfilment bureau, accredited by all major payment schemes including Visa, MasterCard, and China UnionPay and was fully acquired by HID Global in 2019.

Steve's contributions have been instrumental in the specification of customised card design to enable seamless integration with OtherPay's products, thereby enhancing their functionality and interoperability.



**Domenic Manno**  
(TAX & ACCOUNTING)

Dom is a highly respected Principal at Insight Advisory Group and he brings over two decades of experience to the table.

With a proven track record of success, servicing a wide range of private and public companies across various industries, including mining, importing, retail, and hospitality, this diverse experience allows him to understand unique challenges and provide tailored solutions.

In 2010, Dom became a licensed financial advisor, further expanding his ability to support the financial well-being of others. He has a deep understanding tax, strategic business restructuring, and self-managed super funds.



**Mugan Athirajan**  
(GRANTS & INCENTIVES)

Mugun is a seasoned professional with a wealth of experience spanning 16 years, specialising in facilitating companies' access to government incentives and grants, particularly in the dynamic field of innovative projects.

His expertise extends across the Information and Communication Technology (ICT) industry, complemented by a robust background in the big 4 accounting sector.

A passionate advocate for Australian innovation, Mugun's clientele encompasses a diverse spectrum, ranging from burgeoning startups to the prestigious ranks of the top 100 Australian companies with a particular focus on ICT.

## Section 2.0 | Information about the Company



### 2.8 Traction Points

In order to deliver the proposition in Australia - before expanding globally - OtherPay has all the necessary partners in place (pending funds), whose support and participation we anticipate will ensure the delivery of the OtherPay vision.

#### 1. Product supply & manufacturing

Otherpay has a Product Development & Supply Agreement in place with a world leading developer and manufacturer of advanced electronic components integrated to within unique and innovative products. They have created the necessary prototypes of the DUO device and ONE card and await our funding to productionise the solutions.

Interactive Cards Inc (<https://www.iacards.com>) is based in Lakeland, Florida and possesses the competency and capacity required by which to ensure the provision of high volume, cost effective and high quality product output in line with the aspirations of OtherPay.

#### 2. Card issuance

OtherPay has entered into a Memorandum of Understanding (MOU) with a publicly listed, certified and licensed Mastercard® card issuer with whom we expect to launch and issue both the OtherPay Prepaid Card (with DUO device) and the OtherPay ONE card.

#### 3. Payment processing

OtherPay has executed a Letter of Intent with Clowd9 (<https://www.clowd9.com>) for the provision of transaction related processing services based on the features associated

with OtherPay.

Clowd9 possesses a reach beyond Australia that we anticipate will help OtherPay's future global expansion strategy.

#### 4. Rewards & rebates

OtherPay is in the process of finalising an MOU with a leading loyalty and rewards aggregator as its reward and rebate partner.

#### 5. Customised card manufacturing & supply

OtherPay has executed a Collaboration Agreement with Placard Pty Ltd (<https://www.placard.com.au>), for the development and supply of customised cards, compatible with the OtherPay DUO device and ONE cards.

Placard is Australia's only secure plastic Card manufacturer that is accredited by all major schemes (Visa, Mastercard etc..) and produces in excess of 100 million cards annually.

#### 6. Merchant acquiring

OtherPay is working closely with Trust Payments Ltd (<https://www.trustpayments.com>) as its global merchant acquiring partner for the settlement of eventual ONE card transactions.

Together, OtherPay expects these partners and the traction gained to date to be instrumental in the delivery of the company's vision for Australia.

# Section 2.0 | Information about the Company



## 2.9 Capital structure

### 2.9.1 Issued share capital (before and after the Offer)

As at the date of this Offer Document, the Company has 9,600,000 ordinary shares on issue. The majority of shares are held by the Company’s founders/directors.

The Company also has the authority to issue up 20% of the Company’s issued share capital under the Company’s Employee Share Option Plan (ESOP).



Table 1: Issued capital of the Company before the Offer

SHAREHOLDER	SHARE TYPE	SHARES	PERCENTAGE
Simon Charles Hughes Hewitt	Ordinary	3,486,000	36.31%
Tycho Luyben	Ordinary	3,486,000	36.31%
D & L Hands Pty Ltd	Ordinary	2,167,500	22.58%
Ninth House Ventures	Ordinary	460,500	4.80%
TOTAL:		9,600,000	100%

Table 2: Issued capital of the Company following the Offer (on a fully diluted basis)

SHARES	MINIMUM SUBSCRIPTION	%	MAXIMUM SUBSCRIPTION	%
Existing Ordinary Shares	9,600,000	78.69%	9,600,000	64%
ESOP Shares (Unallocated)	2,400,000	19.67%	2,400,000	16%
Offer Shares	200,000	1.64%	3,000,000	20%
TOTAL:	12,200,00	100%	15,000,000	100%

2.9.2 Rights and liabilities associated with securities

As at the date of this Offer, the only class of shares on issue are ordinary shares. The Company has also adopted an Employee Share Option Plan (ESOP).

Set out below is a summary of the rights and liabilities associated with the securities in the Company. A copy of the Company’s Constitution is available on the Intermediary’s platform.

Ordinary Shares

The rights and liabilities associated with the ordinary shares are set out in the Company’s constitution, including:

- All ordinary shares have the same voting rights and the same rights to receive dividends;
- Restrictions on the sale or transfer of shares, including drag and tag rights and exit provisions;
- The Company has the power to refuse a transfer of shares to a third party.

The shares offered under this Offer are ordinary shares. A more detailed description of the rights and liabilities associated with the ordinary shares is set out in Section 3.3 below.



### Employee Share Option Plan (ESOP)

The Company has implemented an employee share option plan (ESOP) to attract, retain and incentivise key employees. The maximum number of options that can be issued under the existing ESOP is 20% of the share capital of the Company. As at the date of this CSF Offer Document, the Company has not issued or allocated any options under the Company's existing ESOP. 2,400,000 options under the ESOP remain unallocated.

### Shareholders agreement

Other than the Constitution, there is no shareholders agreement or other agreement between the existing shareholders of the Company.

### 2.9.3 Sources of financing, including debt and other financing

To date, the business has been funded through a combination of equity, R&D Tax Incentive grants, Founder Loans and private debt funding.

### Equity

To date, the Company has raised approximately \$793,080 from professional investors.

### Founder Facilities

As of to date, a founding shareholder has provided an unsecured credit facility of \$160,000 of which only \$8,500 has been drawn to date.

The key terms of the facility are as follows:

- Amount still available: \$151,500;
- Interest: Interest-free;
- Repayment date: At the discretion of the Company.

This founder's facility will not be substituted with or repaid from the funds raised under the Offer but will be used to repay the debt facilities as detailed below.

### Debt funding

As at the date of this Offer, the Company has the following outstanding debt facilities in place:

#### 1. Unsecured Business Loan

- Principal amount borrowed: \$35,000;
- Amount outstanding: \$35,000;
- Interest: 10% fixed;
- Repayment date: 1<sup>st</sup> May 2025.

#### 2. Director Loan

- Principal amount borrowed: \$20,000;
- Amount outstanding: \$20,000;
- Interest: Interest-free
- Repayment date: 1<sup>st</sup> August 2024.

Neither debt facility will be repaid with the funds raised under the Offer.

### Grant funding

The Company has received approximately \$202,283 in UK Government R&D related incentives to 31<sup>st</sup> March 2024.

## Section 2.0 | Information about the Company



### 2.10 Key risks facing the business

An investment in the Company should be seen as high-risk and speculative. A description of the main risks that may impact the Company's business is detailed below.

Investors should read this section carefully before deciding to apply for shares under the Offer. There are also other, more general risks associated with the Company (for example, risks relating to general economic conditions or the inability to quickly or easily sell your shares).

#### 1. Funding risk

The Company is in the process of raising funds to achieve its strategic business objectives and to cover its projected operating expenses. The Company may not raise all of the required funding and therefore not achieve all of its business objectives.

The Company may also need to raise additional funds in the future from investors or third parties. There is no assurance that the Company will be able to obtain additional rounds of funding on substantially the same terms as outlined in this Offer Document or at all. The Company's value may be materially affected if the required additional funding is not available.

#### 2. Key person risk

As an early stage business, the Company is susceptible to the loss of key team members as they are considered critical to the

continued success of the Company. If a key team member was lost, due to illness for example, this could significantly affect the Company's ability to continue its operations or achieve its business objectives as the case may be.

#### 3. Technology risk

The technology is proven based on pre-existing product development, prototyping and testing in a live environment. However, there is no guarantee that a necessity to use cards as the basis by which to pay for things will continue or that another means by which to deliver authentication based on substance rather than assumption won't be identified.

As with all technology, there is a risk that the application of the technology will not work as expected in the future.

#### 4. Start-up risk

The Company is a pre-revenue start-up and is likely to build the business with the funds raised through this CSF offer.

As an early stage business, the Company is subject to all of the risks associated with early stage companies, including uncertainty around the volume and origin of revenue streams, size and existence of repeat customers, and risks associated with evolving technology. In particular, the Company is not yet profitable and is yet to generate revenue through its target revenue streams.

### 5. Intellectual Property (IP) risk

The protection of the Company's IP is critical to our business and commercial success.

OtherPay has patents pending<sup>1</sup> and access to granted patents<sup>2</sup> that could further protect the business against any competitive threat with commercial arrangements also providing further protection against competitive risk.

However, in the future, if we are unable to protect or enforce the Company's IP rights or prevent our partners from allowing competition from third parties, there is a risk that other companies will copy our product and technology, which could adversely affect our ability to compete in the market.

### 6. Key contact risk

The Company relies on key contracts with third parties to produce, design, manufacture, maintain, and operate the OtherPay products.

Early termination by a counterparty of a key contract would materially affect the ability for the business to continue its operations if a suitable replacement was not found.

### 7. Manufacturer & third party risk

The Company contracts with third party manufacturers and does not itself produce its products. Early termination by a counterparty of a key contract would materially affect the

ability for the business to continue its operations if a suitable replacement was not found.

However, although the production of the Company's products is specialised, the Company is confident that it could source and work with alternate manufactures if necessary.

### 8. Currency risk

The Company is intending to operate globally. A negative movement in the Australian dollar against overseas currencies may not be sufficiently hedged and could negatively affect the margins and profitability of the Company.

### 9. Settlement risk

Transaction settlement with the payment schemes needs to occur at the end of the day but there could be a delay in the receipt of deposits from transactions conducted through a ONE card for which OtherPay would need to cover the shortfall sought for end-of-day settlement. This would have an adverse impact on the card program if full settlement were not net.

However, as and when required, OtherPay is confident of securing the necessary temporary debt facility to ensure continuity of settlements given the shortfall amount pending would already be a secured amount due payable to OtherPay.

1. Patents pending – GB2406527.8 & GB2407560.8    2. Patents – US15/777,245, US13/984,071, HK14104770.2, CA2863975, US29/489597, CA156416.

# Section 2.0 | Information about the Company

## 2.11 Financial information

In February 2024, the OtherPay group completed a restructuring exercise where OtherPay Ltd (UK) was brought under a new holding company in OtherPay Pty Ltd which now holds 100% of the shares in OtherPay Ltd (UK). OtherPay Pty Ltd owns the OtherPay group’s IP and is the groups’ trading entity.

Following are the financial statements of OtherPay Pty Ltd for the period from the incorporation date to 14<sup>th</sup> June 2024, which have been prepared in accordance with the Accounting Standards.

Also following are the pro forma consolidated balance sheet and profit and loss statements for the company and its controlled subsidiary for the financial years ended 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2024, which have been prepared in accordance with the Accounting Standards. These align with the UK financial year as selected by OtherPay Ltd (UK) and reflect the operating environment prior to the Group’s restructure.



### 2.11.1 Balance Sheet

OtherPay Pty Ltd – as at 14<sup>th</sup> June 2024

Account		14 June 2024
<b>Assets</b>		
<b>Bank</b>		
Cash		83
Trading account		3,235
<b>Total Bank</b>		<b>3,317</b>
<b>Total Assets</b>		<b>3,317</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
GST		(4,158)
Owner A Funds Introduced		28,500
<b>Total Current Liabilities</b>		<b>24,342</b>
<b>Non-current Liabilities</b>		
Loan		35,000
<b>Total Non-current Liabilities</b>		<b>35,000</b>
<b>Total Liabilities</b>		<b>59,342</b>
<b>Net Assets</b>		<b>(56,025)</b>
<b>Equity</b>		
Current Year Earnings		(56,108)
Owner A Share Capital		83
<b>Total Equity</b>		<b>(56,025)</b>

All figures are in AUD\$



2.11.2 Profit & Loss

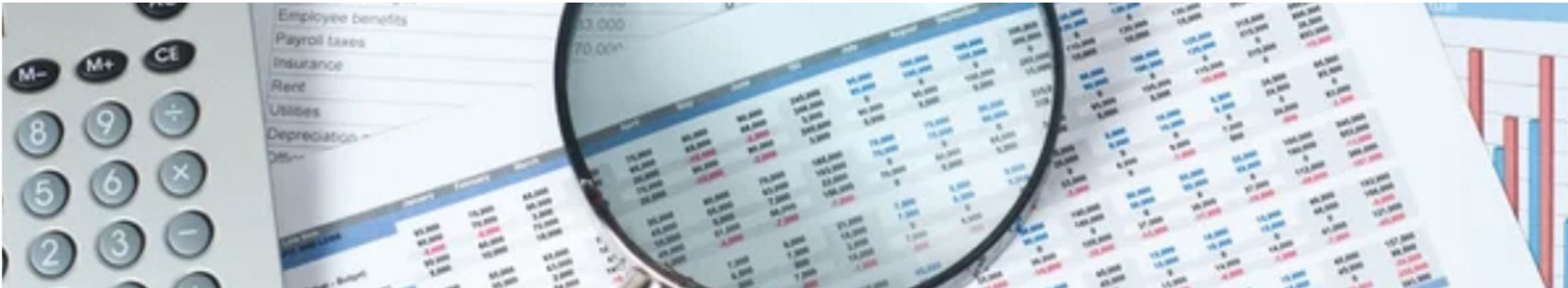
OtherPay Pty Ltd – For the period 22 Feb 2024 to 14 June 2024.

Account	22 Feb-14 June 2024
Gross Profit	0
Operating Expenses	
Advertising	44,504
Bank Fees	15
Consulting & Accounting	2,500
Legal expenses	119
Office Expenses	318
Telephone & Internet	44
Travel - International	8,299
Travel - National	309
Total Operating Expenses	56,108
Net Profit	(56,108)
Tax	0
Net Profit After Tax	(56,108)

2.11.3 Cashflow Statement

OtherPay Pty Ltd – For the period 22 Feb 2024 to 14 June 2024.

Account	22 Feb-14 June 2024
Operating Activities	
Payments to suppliers and employees	(60,265)
Net Cash Flows from Operating Activities	(60,265)
Financing Activities	
Other cash items from financing activities	63,500
Net Cash Flows from Financing Activities	63,500
Plus Movements in Equity	
Owner A Share Capital	83
Total Movements in Equity	83
Plus Tax Movements	
Tax Paid	0
Net Tax Movements	0
Cash and Cash Equivalents	
Cash and cash equivalents at beginning of period	0
Net change in cash for period	3,318
Cash and cash equivalents at end of period	3,318



2.11.4 Movements in Equity

OtherPay Pty Ltd – For the period 22 Feb 2024 to 14 June 2024.

Account	22 Feb-14 June 2024
<b>Equity</b>	
Opening Balance	0
Current Year Earnings	(56,108)
Owner A Share Capital	83
<b>Total Equity</b>	<b>(56,025)</b>



2.11.5 Balance Sheet

Pro forma consolidated financial statement.

As at 31<sup>st</sup> March 2024

Account	31 Mar 2024	31 Mar 2023
<b>Assets</b>		
<b>Bank</b>		
Wise	0	1,175
<b>Total Bank</b>	<b>0</b>	<b>1,175</b>
<b>Fixed Assets</b>		
Computer equipment	943	1,348
<b>Total Fixed Assets</b>	<b>943</b>	<b>1,348</b>
<b>Current Assets</b>		
HMRC Refund Due	0	202,283
<b>Total Current Assets</b>	<b>0</b>	<b>202,283</b>
<b>Total Assets</b>	<b>943</b>	<b>203,458</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade creditors	0	899
Other creditors	0	71,297
Directors current accounts	0	81,005
<b>Total Current Liabilities</b>	<b>0</b>	<b>153,202</b>
<b>Non-current Liabilities</b>		
Loan	5,827	10,191
Loan	0	331,173
<b>Total Non-current Liabilities</b>	<b>5,827</b>	<b>341,364</b>
<b>Total Liabilities</b>	<b>5,827</b>	<b>494,566</b>
<b>Net Assets</b>		
	<b>(4,884)</b>	<b>(291,108)</b>
<b>Equity</b>		
Called up share capital	192	192
Share premium	793,080	293,080
Retained Earnings	(799,243)	(584,256)
<b>Total Equity</b>	<b>(5,971)</b>	<b>(290,984)</b>

All figures are in AUD\$

## Section 2.0 | Information about the Company



### 2.11.6 Profit & Loss

Pro forma consolidated financial statement.

Account	Apr 2023-Mar 2024	Apr 2022-Mar 2023
<b>Trading Income</b>		
Sales	0	0
Consulting Fees	0	0
<b>Cost of Sales</b>		
Purchases	0	8,558
<b>Total Trading Income</b>	<b>0</b>	<b>0</b>
<b>Gross Profit</b>	<b>0</b>	<b>(8,558)</b>
<b>Operating Expenses</b>		
Bank Fees	711	830
Accounting	11,020	3,716
Directors' salaries	0	84,370
Directors' social security	0	12,259
Entertainment	8,822	5,359
Foreign exchange losses	(780)	(21,721)
Legals	0	0
Office Costs	0	0
R&D development costs	147,200	496,105
Interest	0	25
Marketing	0	0
Software and subscriptions	35,175	3,590
Postage & Stationery	392	573
Sundry expenses	378	82
Telephone & Internet	1,682	2,050
Travel	10,387	29,909
<b>Total Operating Expenses</b>	<b>214,987</b>	<b>617,147</b>
<b>Depreciation</b>		
Computer equipment	404	449
<b>Net Profit</b>	<b>(214,987)</b>	<b>(626,154)</b>

### 2.11.7 Mgt comments on historical performance and outlook

#### Historical Performance

Throughout 2023, OtherPay has focused extensively on research and development (R&D) to create a robust and innovative product offering.

We have strategically invested nearly \$650,000 through our UK subsidiary in R&D activities over the past 2 years. This substantial investment underscores our commitment to developing a market-leading solution that addresses the needs of our target market. These efforts have positioned us well for the next phase of our growth, with a strong foundation in cutting-edge technology and product readiness.

#### Outlook

##### 1. Pre-Sale Campaign and Revenue Generation

Following the successful completion of our Birchal CSF raise, we are poised to transition from a pre-revenue stage to generating our first streams of income. We have planned an impactful pre-sales campaign that will not only drive initial sales but also provide further critical cash flow.

This campaign is anticipated to attract early adopters and validate our market assumptions, setting the stage for broader market penetration.

##### 2. Cash Flow and Profitability

The funds raised through Birchal should enable us to scale our operations and market efforts efficiently.

All figures are in AUD\$

## Section 2.0 | Information about the Company



It's our hope that the funding of the Australian prepaid program with DUO and subsequent sales of the ONE card, along with the expansion of the program to include other white label offerings and customised card integration, will allow us to achieve revenue in the last quarter of 2024.

Our objective is that in achieving such an outcome, we won't need to raise further funds for territorial expansion.

### 3. Global Expansion and Client Acquisition

With the foundational R&D phase complete and initial revenue channels established, we would look forward to expanding our program on a global scale.

Historical market research by our previous partners indicated a high level of interest from prospective clients, and we are confident in our ability to convert this interest into tangible business relationships once our program is live.

Our global expansion plans are supported by strategic partnerships, targeted marketing efforts, and a scalable operational framework designed to adapt to diverse market needs.

### 4. Prospective Clients and Market Potential

We've identified numerous prospective clients who have expressed interest in our solution.

This interest spans multiple industries and regions, highlighting the broad applicability and demand for our product.

Our team is actively engaging with these potential clients to ensure a smooth onboarding process once the product is available. We believe that this strong pipeline could help accelerate our growth trajectory and solidify our market presence.

#### 2.11.8 Financial Disclaimer

Our financial reports are currently not required to be audited. This means that the Company's financial reports are currently not subject to auditor oversight and therefore, until such time as an audit of the financial records of the company is required, there will be no independent assurance of the Company's financial statements.

However, the directors are still required to ensure that the financial statements give a true and fair view of the Company's financial position and performance and that the financial statements comply with the accounting standards.

Comments on revenue outlook are inherently uncertain and should not be solely relied upon as they are subject to change, uncertainty and unexpected events, many of which cannot be controlled. Accordingly, actual results are likely to differ from the forecasts.

No representation or assurance is or can be given that the forecasts will be achieved and past performance is no guarantee of future performance.

This outlook has been prepared by the Company and has not been validated by an independent third party.

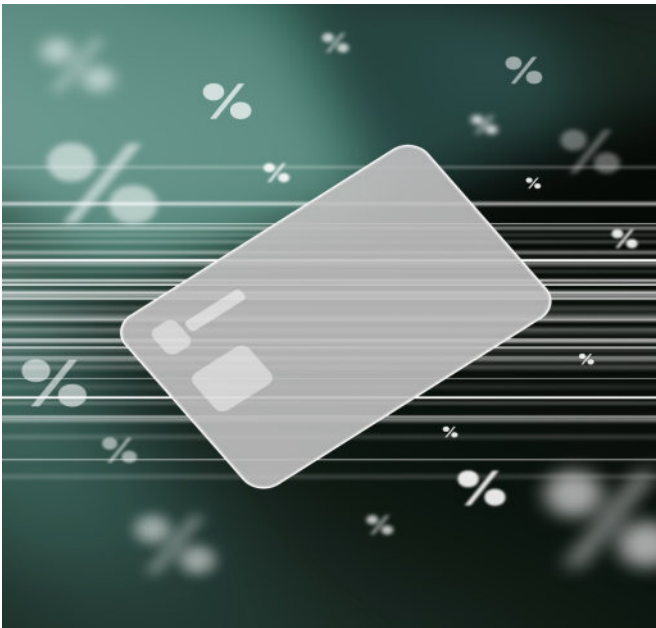


# Section 3.0 | Information about the Offer



## 3.1 Terms of the Offer

	TERM	DETAILS
1	Shares	Fully-paid ordinary shares
2	Price	\$1.00 per share
3	Minimum Subscription	\$200,000
4	Maximum Subscription	\$3,000,000
5	Opening Date	18 <sup>th</sup> June, 2024
6	Closing Date	4 <sup>th</sup> July, 2024



The Company is offering up to 3,000,000 shares at an issue price of \$1.00 per share to raise up to \$3,000,000.

A description of the rights associated with the shares is set out in Section 3.3.

To participate in the Offer, you must submit a completed application form together with the application money via the Intermediary’s platform. The Intermediary’s website provides instructions on how to apply for shares under the Offer at the Birchal website [here](#).

The Intermediary must close the Offer early in certain circumstances. For example, if the Maximum Subscription is reached, the Offer must be closed. If the Minimum Subscription is not reached or the Offer is closed but not completed, you will be refunded your application money.

Retail investors may withdraw their application during the Cooling-off Period. Further information on investor cooling-off rights can be found in Section 4 of this CSF offer document.

The Offer is not underwritten and there is no guarantee that these funds will be raised.

# Section 3.0 | Information about the Offer



## 3.2 Use of funds

The table below sets out the intended use of funds raised under this Offer based on the minimum and maximum subscription amounts:

INTENDED USE	\$MINIMUM SUBSCRIPTION	\$MAXIMUM SUBSCRIPTION
Pre-sales Campaign	\$10,000	\$250,000
Marketing Collateral Development	\$15,000	\$150,000
R&D	\$40,000	\$75,000
Payroll	\$105,000	\$1,145,800
Program Establishment	\$0	\$150,000
Working Capital	\$10,800	\$1,000,000
Offer Costs (incl. Birchal Admin Fee)	\$19,200	\$229,200
TOTAL:	\$200,000	\$3,000,000

### Financial rational

Working capital includes the costs attributable to the ongoing establishment and eventual running of the planned OtherPay prepaid card program and unplanned costs relating to potential program expansion and disparate card customisation and sales.

In the event of the minimum subscription being realised, OtherPay will focus on targeted measures necessary to realise sufficient capital with which to execute the tasks needed for the establishment of the prepaid card program.

## Section 3.0 | Information about the Offer



### Minimum subscription

A primary objective of OtherPay, regardless of whether the minimum or maximum subscription targets are met, is to productionise the DUO device in anticipation of retail sales.

If only the minimum subscription is reached, we would aim to secure either a financial or non-financial pilot partner for the expansion of the use of DUO beyond merely a reliance on the envisaged OtherPay prepaid card.

With the minimum subscription, we would sustain a level of R&D effort needed with our product supply and manufacturing partners to ensure delivery of a baseline metal DUO product and would pull back on more innovative R&D into the use of more unique and sustainable materials.

Program establishment would need to be suspended as would further progress of the ONE card, pending receipt of sufficient capital from sales of DUO and B2B related card customisation efforts. Income that would be sufficient as to allow us to accelerate the OtherPay prepaid card program integration and approval.

A greater focus on the use of DUO with non-financial customised cards would also alleviate the financial pressure on the cost of establishing the prepaid card program.

### Maximum subscription

With the maximum subscription, OtherPay expects to be able to accelerate all the tasks needed to facilitate the launch of the

DUO device and OtherPay prepaid card into the market before the end of 2024

OtherPay should be able to promote a pre-sales campaign that leverages a dynamic cross-section of media and advertising channels beyond merely social media and influencer engagement.

The company expects to invest in the pursuit of more optimal and cost effective electronic components and materials to optimise the products and the consumer experience.

The Company hopes to recruit key staff in the areas of:

- Technical support,
- Program management;
- Logistics and personalisation;
- Marketing;
- Sales; and
- Financial control.

Our ambition is to use funds raised to establish the prepaid card program and ensure sufficient working capital from which to ensure the minimum monthly fees of both issuer and processor are met, during which time the company will be able to focus on growing both its consumer and corporate portfolios.

We estimate that the maximum subscription will be sufficient to meet the immediate needs of the Company in bringing DUO and the OtherPay prepaid card to market and advancing productisation of the ONE card.

# Section 3.0 | Information about the Offer



Details of payments to be made to directors and management out of the funds raised under the CSF Offer are as follows:

ROLE	\$MINIMUM	\$MAXIMUM
Director	\$0	\$0
CEO	\$40,000	\$250,000
COO	\$30,000	\$200,000
CTO	\$30,000	\$200,000
Head of S&PM	\$5,000	\$50,000
Head of Program	\$0	\$75,000

The minimum subscription amount would allow for \$105,000 in available payroll for the use in the remuneration of the directors and management team in their continued pursuit of the company’s growth. The maximum subscription would allow for contributions towards the industry’s reasonable expectation of annual remuneration for the requisite roles.

If this CSF Offer is unsuccessful, or if only the Minimum Subscription amount is raised and our DUO related sales efforts fail to secure sufficient income for use in establishing the prepaid card program, the company will require further funding

to be able to carry out its intended activities and may consider alternative sources of funding, such as undertaking a further CSF offer under the CSF regime or other debt or equity funding.

Until additional funding is obtained, we would suspend the expense of the prepaid program and pursue sales of customised cards to both financial and/or non-financial clients for which stronger authentication and greater purchase protection are sought.

The Offer costs include the Intermediary's fees under the hosting agreement between the Company and the Intermediary. These fees are up to 7.5% of all funds raised by the Company through Birchall Financial Services Pty Ltd (Intermediary), plus \$4,200 for administration and setup costs.

Other than as specified herein, no other payments from the funds raised will be paid (directly or indirectly) to related parties, controlling shareholders, or any other persons involved in promoting or marketing the Offer.

## 3.3 Rights associated with the shares

Immediately after issue, the shares under this Offer will be fully-paid ordinary shares.

There will be no liability on the part of shareholders and the shares will rank equally with the shares currently on issue.

The rights associated with the shares are set out in the Company’s constitution. These rights are described below. A copy of the constitution is available on the Intermediary’s platform.



### 3.3.1 Voting rights

Each shareholder has one vote on a show of hands and, on a poll, one vote for each share held.

### 3.3.2 Dividends

Subject to the Law and any special rights or restrictions applicable to any Shares, the Directors may declare and pay Dividends on: Shares; any individual class of Shares that appear to them to be justified.

Without limiting the above, the Directors may declare and pay Dividends if:

- the Company's assets exceed its liabilities immediately before the Dividend is declared, and the excess is sufficient to pay the Dividend;
- the payment of the Dividend is fair and reasonable to the Company's shareholders as a whole;

### 3.3.3 General meetings & notices

Directors have the power to call meetings of all shareholders or meetings of only those shareholders who hold a particular class of shares. Shareholders who hold at least 5% of the votes which may be cast at a general meeting of the Company have the power to call and hold a meeting themselves or to require the directors to call and hold a meeting.

### 3.3.4 Election & removal of directors

Pursuant to clause 17.2 of the Constitution, Shareholders may - by a simple majority vote - elect and remove directors at a general meeting.

### 3.3.5 Winding-up

If the Company is wound up, the liquidator may, with the sanction of a Special Majority Vote of Members, divide among the Members in kind the whole or part of the property of the Company, and may for that purpose set such value as he considers fair on any property to be so divided and may determine how the division is to be carried out as between the Members or different classes of the Members subject to the rights and restrictions attached to those classes of Shares.

### 3.3.6 Drag along and tag along rights

If one or more Shareholders intend to sell Equity Securities equal to or greater than 60% of the Ordinary Shares on a Fully Diluted Basis ("Drag Seller") then the Drag Seller may give a notice ("Drag Notice") to each Shareholder ("Dragged Shareholder")

If one or more holders of Equity Securities intends to sell Equity Securities which represent 50% or more of the Equity Securities on a Fully Diluted Basis ("Tag Sellers") to a person ("Tag Buyer") then, subject to clause 7.4.2 ("Exceptions"), the Tag Seller must give a notice ("Invitation to Tag") to each Ordinary Shareholder ("Tag Shareholder") with a copy to the Company.

### Exit provisions

The Company may provide exit opportunities for shareholders through the following mechanisms:

An Initial Public Offering (IPO); A trade sale; Share buybacks, subject to compliance with the Law; Any other mechanism as approved by a Special Majority Vote of the Board and shareholders.

## Section 3.0 | Information about the Offer



### Pre-emptive rights on transfer

If a Substantial Shareholder, holding 5% or more of the voting shares in the company, (the "Selling Shareholder") proposes to sell or otherwise transfer any shares in the Company (the "Offered Shares"), the Selling Shareholder must first offer the Offered Shares to the other shareholders (the "Non-Selling Shareholders") on the same terms and conditions as those offered to the proposed purchaser or transferee.

The pre-emptive rights provided in this clause may be waived with the written consent of shareholders holding at least 75% of the voting rights.

### Initial Public Offer IPO

If the Company undertakes an IPO:

- The terms and conditions of the IPO must be approved by a Special Majority Vote of the Board.
- Existing shareholders may be subject to a lock-up period, as determined by the Board, during which they cannot sell their shares.

### General Discretion Not to Register a Share Transfer

Subject only to this clause, the Directors may refuse to register a transfer of Shares for any reason they think fit.

### On-sale restrictions under the Corporations Act

Shares acquired under the Offer may not be on-sold within 12 months of their issue without a prospectus or other disclosure document, unless an exemption under section 708 of the

months of their issue without a prospectus or other disclosure document, unless an exemption under section 708 of the Corporations Act 2001 (Cth) applies (e.g. sales to sophisticated or professional investors) or unless ASIC gives relief from the requirement to provide such prospectus or other disclosure document.

### 3.3.7 Amendments to the Constitution

To vary the Constitution or adopt a new constitution, the Company must pass a special resolution at a general meeting.

At least 75% of the voting members of the Company must vote in favour of the resolution for it to pass.

### 3.3.8 Early Stage Innovation Company **E.S.I.C.**

From 1 July 2016, if you invest in a qualifying early stage innovation company (**ESIC**), you may be eligible for tax incentives. The incentives provide eligible investors, who purchase new shares, with:

- a non-refundable carry forward tax offset equal to 20% of the value of their qualifying investments. This is capped at a maximum tax offset amount of \$200,000 for sophisticated investors and their affiliates and \$50,000 for retail investors and their affiliates;
- a modified capital gains tax CGT treatment, under which capital gains made or accrued on qualifying shares that are continuously held for at least 12 months and less than ten years are exempt from CGT. Capital losses made or accrued on shares held less than ten years are also disregarded.

## Section 3.0 | Information about the Offer



More information about the ESIC regime is available from the [ATO website here](#).

Based on an objective self-assessment with the assistance of advisors, the Company has assessed itself and believes that it meets the criteria as a qualifying ESIC for the purposes of this Offer. Investors who purchase new shares in qualifying ESICs may be eligible for certain early stage tax incentives.

The Company does not warrant or guarantee that it will qualify under relevant rules as an ESIC and is not able to form a view or give investors tax advice as to whether they are eligible for any tax incentives.

Neither the Company nor Birchall Financial Services Pty Ltd take any responsibility for investors that invest on the assumption that ESIC will apply to them or the Company.

We recommend that investors seek independent tax advice about their investment.

### 3.4 What can I do with my shares?

Shares in the Company are considered illiquid as they cannot easily be transferred or sold.

However, there are numerous possible circumstances that may create an opportunity for shareholders to exit their investment in the Company. These include:

- A trade purchase of the Company;
- A listing on a registered stock exchange (eg the ASX); and
- A private equity investment in the Company.

There is no guarantee that any of the exit options will eventuate.



### 4.1 Cooling-off rights

If you are a retail investor, you have the right to withdraw your application under this Offer and to be repaid your application money. If you wish to withdraw your application for any reason (including if you change your mind about investing in the Company), you must do so within five business days of making your application (**Cooling-off Period**).

You must withdraw your application via the Intermediary's platform. You will be able to withdraw your application within the Cooling-off Period by following the link and the instructions within your portfolio on the Intermediary's platform.

After your withdrawal has been processed, the Intermediary will refund the application money to your nominated account as soon as practicable.

### 4.2 Communication facility for the Offer

You can ask questions about the Offer on the communication facility available on the Intermediary's platform. You can also use the communication facility to communicate with other investors, with the Company and with the Intermediary about this Offer.

You will be able to post comments and questions about the Offer and see the posts of other investors on the communication facility. The Company and/or the Intermediary will also be able to respond to questions and comments posted by investors.

Officers, employees or agents of the Company, and related parties or associates of the Company or the Intermediary, may participate in the facility and must clearly disclose their relationship to the Company and/or Intermediary when making posts on the facility.

Any comments made in good faith on the communication facility are not subject to the advertising restrictions in the Corporations Act.

### 4.3 Proprietary corporate governance obligations

#### 4.3.1 Annual report

While the Company is currently not required to prepare annual financial reports and directors' reports, if we successfully complete this Offer, then we will be required to prepare and lodge these annual reports with ASIC (within four months of the financial year end). The Company has a 30 June year end and its financial reports must be lodged by 31 October each year.

Our financial reports are currently not required to be audited. This means that the Company's financial reports will not be subject to auditor oversight and, therefore, there will be no independent assurance of the Company's financial statements. However, the directors are still required to ensure that the financial statements give a true and fair view of the Company's financial position and performance and that the financial statements comply with the accounting standards.



## Section 4.0 | Information about investor rights



We may be required to have our financial reports audited in the future if we raise more than \$3 million from CSF offers (including this current offer and any future offers) or otherwise become a large proprietary company.

### 4.3.2 Distribution of annual report

The Company is not required to notify shareholders in writing of the options to receive or access the annual report. Shareholders will not be able to elect to receive a copy of the annual report by way of email or post. However, shareholders can access the annual report on the Company's share registry website at the following address <https://www.cakeequity.com/> (free of charge) or can purchase the report from ASIC.

### 4.3.3 Related party transactions

If we successfully complete this Offer, the rules on related party transactions in Chapter 2E of the Corporations Act will apply to the Company (for so long as we continue to have CSF shareholders). This means that the Company is required to obtain shareholder approval before giving financial benefits to related parties of the company (e.g. directors and their spouses, children or parents), subject to certain exceptions (such as reasonable remuneration provided to directors).

### 4.3.4 Takeovers

If we successfully complete this Offer and have more than 50 shareholders, the takeover rules in the Corporations Act will only apply to the Company in a very limited way. If someone

wants to buy more than 20% of the voting shares in the Company, they will be able to do so without complying with the takeover rules. This means a person may be able to get control of the Company without making a formal takeover bid to all shareholders or without seeking shareholder approval.

Shareholders will not have the benefit of the full protections under the takeover rules, which means you may not have the right to vote on or participate in a change of control of the company. However, the general principles of ensuring shareholders have sufficient information and time to consider a change of control, and all have a reasonable and equal opportunity to participate in any benefits, will apply to the Company. In addition, the Takeovers Panel has jurisdiction to hear disputes relating to control of the Company.

### 4.4 Company updates

The Company will provide regular updates to investors following completion of the Offer via a secure Investor portal on the Company's website at the following address <https://otherpay.com/investors/>, for which individual credentials required for access will be given.

Further updates will also be available via the Company's share registry website at the following address <https://www.cakeequity.com/> and via the Intermediary's platform.

# Glossary



**Company** means OtherPay Pty Limited ACN 675 233 940

**Cooling-off Period** means the period ending five business days after an application is made under this Offer, during which a retail investor has a right to withdraw their application and be repaid their application money.

**CSF** means crowd-sourced funding under Part 6D.3A of the Corporations Act

**Intermediary** means Birchal Financial Services Pty Ltd ACN 621 812 646 AFSL 502618

**Maximum Subscription** means the amount specified in this CSF offer document as the maximum amount sought to be raised by the Offer. The Maximum Subscription is subject to rounding based on the share price of the Offer.

**Minimum Subscription** means the amount specified in this CSF offer document as the minimum amount sought to be raised by the Offer. The Minimum Subscription is subject to rounding based on the share price of the Offer.

**Offer** means an offer of fully-paid ordinary shares by the Company under this CSF offer document

**Retail investor** has the meaning given to the term “retail client” under the Corporations Act