

1 December 2021

ASX Announcement

IOUpay Confirms Satisfaction of Conditions Precedent to First Tranche of Investment in I-Destinasi Sdn Bhd (“IDSB”) - Specialised Malaysian Finance Company

Highlights

- IOUpay has been advised that the one remaining Condition Precedent (“CP”) relating to a third-party consent from one of the banking partners of I-Destinasi Sdn Bhd (“IDSB”) has been satisfied;
- All CPs to First Tranche Completion have therefore been satisfied;
- The First Tranche of the investment for the acquisition of 21% of the issued capital of IDSB, which can now be effected following settlement of a payment of RM63 million (~A\$20.7 million¹), being 50% of the purchase price;
- The First Tranche payment is being funded from existing cash holdings;
- The Second Tranche payment for the 50% balance of the investment is due within six months, with IOUpay having the option to bring that forward.

IOUpay Limited (ASX:IOU) (“**IOUpay**” or **the Company**) is pleased to announce that on 30 November 2021 it has been advised, that all conditions precedent have been satisfied, and that the first tranche of its investment in I.Destinasi Sdn Bhd (“**IDSB**”) can now be completed (“Settlement”).

Subsequently, in terms of the Share Purchase Agreement between the parties, the First Tranche Completion will be effected within five (5) business days of Settlement with payment to the vendors of the purchase price in relation to the transfer to IOUpay (Asia) Sdn Bhd, a wholly-owned subsidiary of IOUpay, of shares representing 21% of the total issued capital of IDSB.

As announced on 9 September 2021, the investment will see the Company acquire 42% of the total issued share capital of IDSB for a purchase price of RM126 million (~A\$41.3 million¹) (“Purchase Price”).

Purchase of the First Tranche shares is being funded by a payment of RM63 million (~A\$20.7 million¹) from existing cash holdings, representing 50% of the Purchase Price.

The Second Tranche payment for the balance of the investment is due on the later of completion of the audit of IDSB’s FY2021 statutory accounts or six (6) months after Settlement (with the Company having the right to bring forward that tranche if it wishes).

Note: 1. Assumed MYR/AUD exchange rate 3.05 using RBA sourced reference

The Company will assess its cash position and the market closer to the due date for the 2nd Tranche payment and make a decision on how it will fund that payment. The 2nd Tranche payment may be funded by way of equity capital raising (conducted at a later stage) or the Company's existing cash reserves at the time (or a combination of both).

The release of this announcement was authorised by the Board of the Company and released by the Company Secretary.

Yours faithfully,

IOUpay Limited

Jarrod White
Company Secretary

Media Enquiries:

Hannah Blackiston
Media & Capital Partners
hannah.blackiston@mcpartners.com.au

About IOUpay (ASX:IOU):

IOUpay Limited (ASX:IOU) provides fintech and digital commerce software solutions and services that enable its institutional customers to securely authenticate end-user customers and process banking, purchase and payment transactions.

The Company's core technology platform enables large customer communities to connect to end user customers using any mobile device and integrate mobile technology throughout their existing business and customer product offerings. The Company's business divisions consist of Mobile Banking and Digital Payments which service leading banks in Malaysia and large telcos and corporates in Malaysia & Indonesia. IOUpay also works with telecommunication network providers to provide mobile OTT (over-the-top) services that leverage their subscriber base to build active communities.

Forward Looking Statements

This announcement contains forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events. Forward looking statements should, or can generally, be identified by the use of forward-looking words such as "believe", "expect", "estimate", "will", "may", "target" and other similar expressions within the meaning of securities laws of applicable jurisdictions, and include but are not limited to the expected outcome of the acquisition. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. Such statements are not statements of fact and there can be no certainty of outcome in relation to the matters to which the statements relate. These forward-looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual outcomes to be materially different from the events or results expressed or implied by such statements. Those risks, uncertainties, assumptions and other important factors are not all within the control of IOUpay and cannot be predicted by IOUpay and include changes in circumstances or events that may cause objectives to change as well as risks, circumstances and events specific to the industry, countries and markets in which IOUpay operates. They also include general economic conditions, exchange rates, interest rates, competitive pressures, selling price, market demand and conditions in the financial markets which may cause objectives to change or may cause outcomes not to be realised.

None of IOUpay or any of its subsidiaries, advisors or affiliates (or any of their respective officers, employees or agents) makes any representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward-looking statement or any outcomes expressed or implied in any forward-looking statements. Statements about past performance are not necessarily indicative of future performance.