

9 November 2020

ASX Announcements Office

Successful Capital Raise

HIGHLIGHTS:

- **Successful capital raise totalling commitments of \$10,055,300 via placements to sophisticated and institutional investors;**
- **Placement strongly supported by new and existing sophisticated investors;**
- **Overall price of \$0.16 per share when Tranche 1 & Tranche 2 are combined;**
- **Proceeds to be used for working capital purposes including digital payments and to accelerate new product development.**

IOUpay Limited (ASX Code: IOU) (Company) is pleased to advise that it has successfully secured binding commitments via its lead broker for \$10,055,300 under a Total Placement using the approved placement by members in addition to the Company's existing placement capacity.

Placements

The capital raising consists of commitments received by the Lead Manager Barclay Pearce Capital Pty Ltd ACN 634 843 735 ("Barclay Pearce") for the raising of \$3,000,000 approved by shareholders on 30 September at the Company's General Meeting of Shareholders (Tranche 1) (the EGM) with an additional \$7,055,300 raised using the Company's existing capacity under ASX Listing Rule 7.1 (Tranche 2).

Tranche 1 and Tranche 2 placements result in the Company issuing a Total Placement of 62,845,625 ordinary shares comprised of 20,408,163 (Tranche 1) and 42,437,462 (Tranche 2).

The Tranche 1 capital raising received strong investor appetite far exceeding the shareholder approved \$3,000,000 limit for Tranche 1 at the recent EGM. Investor demand demonstrated interest to subscribe for additional shares at a higher issue price in a more significant placement which the Company on review of that demand chose to allocate under its ASX LR7.1 placement capacity. The capital raise was led and managed by Barclay Pearce, securing strong support from new and existing sophisticated and institutional investors.

In relation to the completion of the placement, the Chairman Aaron Lee noted:

"The Company is delighted to see the market respond so strongly to our plans to accelerate our market position as a leading operator in the digital payments sector in South East Asia. This capital raising represents another important milestone in our roadmap to expand our existing and new product offerings. We welcome all new shareholders and thank our existing shareholders for their continued support."

Pricing

As noted the Total Placement has been completed in two Tranches. The pricing of shares to be issued under the Tranche 1 placement totalling \$3,000,000 was \$0.147 representing a 25% discount to the 5 day volume weighted average price (VWAP) prior to the date of the placement in accordance with the specific approval by shareholders at the EGM held earlier this year.

The pricing of shares to be issued under the Tranche 2 placement totalling \$7,055,300 was \$0.166 representing a 15.31% discount to the 5 day VWAP prior to the date of the placement.

The Company and Barclay Pearce as the Lead Manager to the placement decided that the allocation of shares to sophisticated and institutional investors under Tranche 1 and Tranche 2 should be determined on a pro-rata basis, meaning that if an investor participated in Tranche 1 then they were also a participant of Tranche 2 on a pro rata basis.

Both Tranche 1 and Tranche 2 settlements will therefore occur simultaneously.

In this way if both tranches are viewed together then the result of both Tranche 1 and Tranche 2 participation was a blended price of \$0.16 representing a 18.45% discount to the 5 day VWAP prior to the date of the placement.

Application of Funds

The Company will be applying the proceeds from the capital raise for Tranche 1 toward Salaries, Professional Services, Administration Expenses, Product Development, Digital Payment Inventory and Marketing Development as approved by shareholders at the EGM. With additional funds from Tranche 2 utilised to accelerate growth in the Company's Digital Payment Inventories and New Product Development, in addition to working capital across the Group.

Settlement and Finalisation of Placement

The Company expects completion of the commitments received for the Tranche 1 and Tranche 2 Placements (being the Total Placement) in conducting the Placements to lead to the following settlement and share issuance timetable:

Timetable Event	Indicative Timetable
EFT Funds Due by Committed Participants	9 November 2020
Settlement Date with IOU	11 November 2020
Allotment Date	12 November 2020
Date Shares First Commence Trade on ASX	13 November 2020

The Company will advise if there are any changes to the above anticipated timetable.

Issue of Options

In accordance with the specific approval by shareholders at the EGM (Resolution 4 – Approval of Issue of Lead Manager Options) and as set out in Schedule 1 of the Explanatory Note in the Notice for Meeting of Shareholders issued to shareholders on 25 August, on completion and settlement of the Placement the Company will grant and issue 20,000,000 options to Barclay Pearce (Lead Manager Options).

As approved by shareholders the options have an expiry date of 12 months from the date of the granting of the options and have an exercise price of \$0.04 which upon exercise have an entitlement for the holder to subscribe for one fully paid ordinary share.

Under the specific shareholder approval the issue of the Lead Manager Options and any shares issued upon exercise of the options will not be counted as reducing the number of Equity Securities which the company can issue without shareholder approval under the limit imposed by ASX Listing Rule 7.1.

For more information regarding this announcement please contact Mr Lee Chin Wee, the Company's Interim Chairperson and Executive Director at aaron.lee@isentric.com.

The release of this announcement was authorised by the Board of the Company.
Yours faithfully

IOUpay Limited

Jarrold White
Company Secretary

Sydney Singapore Jakarta Yangon Kuala Lumpur



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, Digital Payments and Digital Services which service leading domestic and international banks in Malaysia and large telco's and corporates in Malaysia & Indonesia. IOUpay also works with telecommunication network providers to provided mobile OTT (over-the-top) services that leverage their subscriber base to build active communities.



Sydney Singapore Jakarta Yangon Kuala Lumpur

IOUpay Limited (ASX:IOU)
(ACN 091 192 871)
www.iou-pay.com