



IOUPAY LIMITED (ASX: IOU)

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ASX Announcement

IOUpay Limited (ASX Code: IOU)

IOUpay Partners with leading online payment gateway, iPay88, to provide BNPL services

IOUpay Limited (ASX:IOU) ('**IOUpay**' or **the Company**) and the Board of Directors are pleased to announce the Company has entered into a Merchant Referral Agreement with iPay88 (M) Sdn Bhd (521817-M) (**iPay88**) to enable iPay88's merchants and end-user customers to utilise IOUpay's BNPL payment services.

iPay88

iPay88 is the dominant online payments brand in Malaysia. In 2020 its merchants processed over 360 million transactions across iPay88's payment gateway network with a total transaction value (TTV) of approximately \$10 billion (RM2.5 billion per month and RM30 billion for the year using an RM:AUD exchange rate of 3.00).

This represents 50% of the total online transaction and payment market in Malaysia as reported by iPay88 on 16 November 2020.

The iPay88 Group currently services more than 45,000 online merchants and 20,000 in-store merchants, in Malaysia alone, with operations firmly established across the South East Asian (SEA) markets of Indonesia, Philippines, Thailand, Vietnam, Cambodia and Bangladesh.

Market History and Growth of iPay88 in SEA

iPay88 was established in Malaysia in 2000, initially trading as Mobile88 to capitalise on prepaid airtime and internet 'top-up' online bill payment services. In 2006, the company registered iPay88 and began marketing to SME's and corporates after building its own payment gateway network to service Fujifilm and several other cornerstone customers for all their online payment requirements.

The business grew exponentially with the rapid rise of large e-commerce based corporate customers whose products and services are sold and paid for exclusively online, which has spurred the mass market adoption of digital payments across the SEA region.

In September 2015, the Japanese conglomerate NTT Data Corp acquired a 51% equity holding in iPay88 through its Singapore subsidiary NTT Data Asia Pte Ltd Corp.

The NTT Group is a leading Fortune Global 500 company ranking 62 in 2020. NTT is the fourth largest telecommunications company in the world in terms of revenue, as well as the fifth largest publicly traded company in Japan after Toyota, Mitsubishi Corporation, Honda and Japan Post Holdings, as of September 2019.

NTT Data accounts for over 70% of the local online payment market in Japan using its CAFIS® network, the largest payment card network in Japan that serves over 200 banks in Japan with

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more than 900,000 terminals which processed 700m transactions per month back in 2017 which has since grown with the shift to cashless payments.

iPay88's state-of-the-art payment platform and infrastructure for banks, financial institutions and businesses to process online payments quickly, securely and seamlessly is certified to meet International Security Standards (PCI DSS Certified Level) which is the highest standard in the global online payments industry to ensure all transactions and data are safeguarded.

Other key features of iPay88's network is E-Commerce and M-Commerce site integration, multi-currency and extensive gateway features to safeguard consumer data and maintain merchant credibility, proven fraud prevention system and monitoring (Zepsecure) with fraud ratios far below industry thresholds and single contact point management for all banks, financial institutions, corporates and their merchant distribution networks.

Merchant Referral Agreement

iPay88 has entered into a Merchant Referral Agreement with IOUpay for a one year renewable term to refer and acquire its merchants to onboard and utilise IOUpay's BNPL payment service offering.

There is no consideration paid by the Company to iPay88 for entering into this agreement.

System Integration and Rollout

IOUpay and iPay88 will commence integrating systems with BNPL payment processing capabilities in March with the onboarding of merchants and approved customers planned for April 2021.

Merchant onboarding and rollout will initially consist of selected priority merchants for quality control purposes, given the size and scope of iPay88's merchant network.

Mr Khong Kok Loong (IOUpay CEO) commented:

"iPay88 are the clear market leader in the online payments industry in Malaysia with a strong presence across South East Asia. We are delighted to be partnering with iPay88 in this landmark deal to rollout our BNPL offering to merchants and consumers and are committed to building a long term strategic relationship".

Mr Lim Kok Hing, (iPay88 CEO) commented:

"iPay88 is pleased to have finalized the agreement to work with IOUpay on merchant acquiring for their BNPL solutions."

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

Yours faithfully,

IOUpay Limited



Jarrod White
Company Secretary

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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 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.

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