

6 June 2022

ASX Announcement

IOUpay Partners with Pine Labs

IOUpay Limited (ASX:IOU) (“**IOUpay**” or the “**Company**”) and the Board of Directors are pleased to announce the Company’s wholly-owned subsidiary IOU Pay (Asia) Sdn Bhd (“**IOUpay Asia**”) has entered into a Master Services Partner Agreement (“**MSPA**” or the “**Agreement**”) with Pine Payment Solutions Sdn Bhd (“**Pine Labs**”) to enable mutual merchant clients to offer the Company’s myIOU Buy Now Pay Later (BNPL) services to the merchants’ consumer customers.

Work has now commenced between the integration teams at IOUpay Asia and Pine Labs to determine a detailed work schedule under the MSPA.

Master Services Partner Agreement

IOUpay Asia has entered into a MSPA with Pine Labs for a two (2) year term expiring in May 2024, renewable on a year-to-year basis. The Agreement provides, on a non-exclusive basis, for either party to procure services from each other and work together to enable each other’s merchant clients to offer instalment payment plans to the merchants’ consumer customers via the myIOU BNPL service on the Pine Labs merchant platform. The Agreement is structured to leverage each party’s business capabilities for mutual benefit and is operable in Malaysia and any other territories that the parties may agree from time to time.

Under the Agreement, Pine Labs will be responsible for connecting the Pine Labs platform to myIOU, originating applications from merchants who wish to apply for the myIOU BNPL services, onboarding to the myIOU BNPL payment service those merchants who have been approved by IOUpay, and for providing support to the merchants in using the myIOU services via the POS terminals of Pine Labs. Upon activation, Pine Labs will ensure the myIOU logo and other branding materials are properly displayed at the respective merchants’ locations and on their POS terminals.

To comply with regulatory requirements, IOUpay Asia will have a direct contractual relationship with each merchant it approves and will perform its own Know Your Customer (KYC) as well as Anti-Money Laundering and Anti-Terrorist Financing (AML) verifications. IOUpay Asia will also settle all payments with merchants directly in accordance with its standard terms and conditions.

IOUpay Asia will have absolute rights and discretion in the approval and management of any merchants referred by Pine Labs.

Standard termination conditions apply, including termination without cause by giving thirty (30) days’ notice to the other party.

There is no consideration paid by the Company to Pine Labs for entering into the Agreement.

Pine Labs Limited (“Pine Labs Group”)

A leading merchant commerce platform, Pine Labs Group serves prominent large, mid-sized and small merchants across India and Southeast Asia. The company’s leading cloud-based software platform enables it to offer a wide range of payment acceptance and merchant commerce solutions including enterprise automation systems such as inventory management and customer relationship management. Its stored value platform includes issuing, processing, and distributing digital gift cards for corporate customers around the world.

In April 2021, Pine Labs Group acquired Fave, a consumer fintech platform that provides a smart payment app to the smart generation of consumers looking to pay and save. Fave is currently available in Singapore, Malaysia, and Indonesia with a planned roll-out in India in the near term. Incorporated in Singapore, the Group's key investors include Sequoia India, Actis Capital, Temasek, PayPal and Mastercard.

Pine Labs was established in Malaysia in 2018 as a wholly-owned subsidiary of the parent to provide its merchant platform for financing and 'last-mile' retail transaction technology across Malaysia. Pine Labs now partners with many leading retailers in Malaysia operating around the country. Existing merchants utilising BNPL services on the Pine Labs platform include large global brands as well as major regional and local enterprises.

This collaboration with Pine Labs introduces IOUpay's BNPL services to this substantial merchant and consumer ecosystem. The operational engagement between IOUpay and Pine Labs involves integration between the myIOU and Pine Labs platforms so that all approved merchants can directly connect to and access the BNPL payment offerings of IOUpay in one automated process, streamlining and accelerating the multi-merchant onboarding process.

Completion of systems integration work and testing is expected to be completed during the September quarter (Q1 FY23).

Ms Gwen Khor (IOUpay's Head of Marketing) commented:

"We are really excited to be working together with Pine Labs who as a Group represent one of the leading merchant commerce platforms in India and Southeast Asia. Opening up our myIOU BNPL service to the rapidly growing community of merchants operating on Pine Labs' platform adds new payment options to drive sales growth for the merchants and provides our consumer customers with a greater range of shopping and purchase opportunities when using myIOU.

We look forward to working closely with the team at Pine Labs to grow our business for mutual benefit."

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

Yours faithfully,

IOUpay Limited

(Aaron) Lee Chin Wee
Chairman & Executive Director

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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 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 or Pine Labs Limited and cannot be predicted by IOUpay or Pine Labs Limited 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 or Pine Labs Limited operate. 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, Pine Labs Limited or any of their respective 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.