

## Appendix 4E

### Preliminary final report

Name of entity:

**IOUpay Limited**

ABN or equivalent company  
reference:

**11 091 192 871**

#### 1. Reporting period

Reporting period:

**Year ended 30 June 2022**

Previous corresponding period:

**Year ended 30 June 2021**

#### 2. Results for announcement to the market

Current Year  
2022  
\$

2.1	Revenue from ordinary activities	Up	<b>16.9%</b>	to	<b>\$8,399,809</b>
2.2	Loss from ordinary activities for the period after tax attributable to members	Up	<b>100.8%</b>	to	<b>(\$9,623,622)</b>
2.3	Net loss for the period attributable to members	Up	<b>95.0%</b>	to	<b>(\$9,639,777)</b>
<b>2.4</b>	<b>Dividends</b>		Amount per security		Franked amount per security
	Final dividend		<b>Nil</b>		<b>N/A</b>
	Interim dividend		<b>Nil</b>		<b>N/A</b>
<b>2.5</b>	<b>Record date for determining entitlements to the dividends</b>		<b>N/A</b>		

#### 2.6 Brief explanation of any of the figures reported above to enable the figures to be understood:

- Refer to Section 14.5 for details of the trends in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

### 3. Consolidated Statement of Comprehensive Income

	Current Period 30 June 2022 \$	Previous Period 30 June 2021 \$
Revenue from continuing operations	8,399,809	7,186,717
Cost of goods sold	(6,018,674)	(5,998,106)
<b>Gross profit</b>	<b>2,381,135</b>	<b>1,188,611</b>
Other income	2,639,135	531,739
Amortisation and depreciation	(512,016)	(580,078)
Compliance and professional fees	(4,180,293)	(3,000,679)
Employee benefits expenses	(4,253,322)	(1,611,709)
Administration expenses	(933,062)	(413,551)
Marketing expenses	(2,004,324)	(139,724)
Travel expenses	(92,484)	(36,446)
Insurance expenses	(48,867)	(39,647)
Impairment expenses	(680,507)	(490,385)
Finance costs	(48,401)	(11,906)
Share-based payments	(856,533)	(67,710)
Other expenses	(1,543,413)	(117,967)
Share of profit of equity-accounted associate	522,556	-
Loss before income tax	<b>(9,610,396)</b>	<b>(4,789,452)</b>
Income tax expense	(13,226)	(4,136)
<b>Loss after income tax expense from continuing operations</b>	<b>(9,623,622)</b>	<b>(4,793,588)</b>
<b>Items that may be reclassified to profit or loss</b>		
Exchange differences on translating foreign operations, net of tax	(16,155)	(150,739)
<b>Loss attributable to:</b>		
Members of the Parent Company	<b>(9,639,777)</b>	<b>(4,944,327)</b>
<b>Basic and diluted loss per share</b>	<b>(1.74 cents)</b>	<b>(1.14 cents)</b>

#### 4. Consolidated Statement of Financial Position

	Current Period 30 June 2022 \$	Previous Period 30 June 2021 \$
<b>Current Assets</b>		
Cash and cash equivalents	5,859,768	51,408,709
Trade and other receivables	21,896,109	4,952,995
Inventories	-	292,046
<b>Total Current Assets</b>	<b>27,755,877</b>	<b>56,653,750</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	1,725,663	1,504,929
Investment in associate	20,653,297	-
Intangible assets	1,600,952	1,627,199
<b>Total Non-Current Assets</b>	<b>23,979,912</b>	<b>3,132,128</b>
<b>Total Assets</b>	<b>51,735,789</b>	<b>59,785,878</b>
<b>Current Liabilities</b>		
Trade and other payables	2,401,926	1,663,107
Lease liabilities	299,277	218,182
<b>Total Current Liabilities</b>	<b>2,701,203</b>	<b>1,881,289</b>
<b>Non-Current Liabilities</b>		
Lease liabilities	721,739	828,541
Provision for restoration costs	61,494	39,944
<b>Total Non-Current Liabilities</b>	<b>783,233</b>	<b>868,485</b>
<b>Total Liabilities</b>	<b>3,484,436</b>	<b>2,749,774</b>
<b>Net Assets</b>	<b>48,251,353</b>	<b>57,036,104</b>
<b>Equity</b>		
Contributed equity	80,610,069	80,611,576
Options reserve	924,243	67,710
Foreign currency translation reserve	355,149	371,304
Accumulated losses	(33,638,108)	(24,014,486)
<b>Total Equity</b>	<b>48,251,353</b>	<b>57,036,104</b>

**5. Consolidated Statement of Cash Flows**

	<b>Current Period 30 June 2022 \$</b>	<b>Previous Period 30 June 2021 \$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	25,177,122	6,979,608
Payments to suppliers and employees	(17,183,698)	(10,767,300)
Payments to merchants	(29,639,069)	(523,867)
Finance costs paid	-	(1,305)
Interest received	698,527	271,854
Income tax paid	(207,406)	(36,390)
Other	(62,367)	117,782
<b>Net cash used in operating activities</b>	<b>(21,216,891)</b>	<b>(3,959,618)</b>
<b>Cash flows from investing activities</b>		
Payments for plant and equipment	(554,559)	(438,715)
Payments for purchase of inventories	-	(1,456,650)
Deposits for investment	-	(1,199,974)
Proceeds from disposal of non-current assets	293	346,860
Deposits for business acquisition	(23,941,445)	(1,456,650)
Dividend received	611,570	-
Others	-	26,357
<b>Net cash used in investing activities</b>	<b>(23,884,141)</b>	<b>(4,178,772)</b>
<b>Cash flows from financing activities</b>		
Proceeds from shares issued net of costs	-	64,051,739
Cost of capital	-	(4,981,665)
Proceeds from borrowings	-	98,294
Repayment of borrowings	(19,976)	(159,238)
<b>Net cash (used in)/provided by financing activities</b>	<b>(19,976)</b>	<b>59,009,130</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(45,121,008)</b>	<b>50,870,740</b>
Cash and cash equivalents at the beginning of the year	51,408,709	578,063
Effects of exchange rate changes on cash	(427,933)	(40,094)
<b>Cash and cash equivalents at the end of the year</b>	<b>5,859,768</b>	<b>51,408,709</b>

## 6. Consolidated Statement of Changes in Equity

	Issued capital	Options Reserve	Foreign Currency Translation Reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	<b>80,611,576</b>	<b>67,710</b>	<b>371,304</b>	<b>(24,014,486)</b>	<b>57,036,104</b>
Loss for the year	-	-	-	(9,623,622)	(9,623,622)
Other comprehensive income	-	-	(16,155)	-	(16,155)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>(16,155)</b>	<b>(9,623,622)</b>	<b>(9,639,777)</b>
Transactions with owners in their capacity as owners:					
Costs of capital raising	(1,507)	-	-	-	(1,507)
Share based payments expenses	-	856,533	-	-	856,533
<b>Balance at 30 June 2022</b>	<b>80,610,069</b>	<b>924,243</b>	<b>355,149</b>	<b>(33,368,108)</b>	<b>48,251,353</b>
<b>Balance at 1 July 2020</b>	<b>21,164,032</b>	<b>-</b>	<b>522,043</b>	<b>(19,220,898)</b>	<b>2,465,177</b>
Loss for the year	-	-	-	(4,793,588)	(4,793,588)
Other comprehensive income	-	-	(150,739)	-	(150,739)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>(150,739)</b>	<b>(4,793,588)</b>	<b>(4,944,327)</b>
Transactions with owners in their capacity as owners:					
Shares issued in the year	64,438,875	-	-	-	64,438,875
Costs of capital raising	(8,020,413)	-	-	-	(8,020,413)
Options issued during the year	-	3,029,082	-	-	3,029,082
Options converted during the year	3,029,082	(3,029,082)	-	-	-
Share based payments expenses	-	67,710	-	-	67,710
<b>Balance at 30 June 2021</b>	<b>80,611,576</b>	<b>67,710</b>	<b>371,304</b>	<b>(24,014,486)</b>	<b>57,036,104</b>

## 7. Dividends (in the case of a trust, distributions)

Date dividend is payable

N/A

+Record date to determine entitlements to the dividend

N/A

If it is a final dividend, has it been declared?

N/A

**Amount per security**

	Amount per security	Franked amount per security at 30% tax (see note 4)	Amount per security of foreign source dividend
<b>Final dividend:</b> Current year	NIL	N/A	N/A
<b>Interim dividend:</b> Current year	NIL	N/A	N/A

**Total dividend (distribution) per security (interim *plus* final)**

	Current period	Previous Period
Ordinary securities	N/A	N/A
Preference securities	N/A	N/A

**8. Dividend or distribution plans in operation**

N/A
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The last date(s) for receipt of election notices for the <sup>†</sup>dividend or distribution plans

N/A
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**9. NTA backing**

	Current Period 2022 Cents per Share	Previous Period 2021 Cents per Share
Net tangible asset backing per ordinary share	8.42	10.05

**10. Details of entities over which control has been gained or lost during the period**

*Controlled entities*

	Country of Incorporation	Percentage Owned	Date Control Gained
Sibu Kurnia Marine Sdn Bhd	Malaysia	100%	14 January 2022

**11. Details of associates and joint venture entities**

The Group acquired a 21% equity interest in I-Destinasi Sdn Bhd (“IDSB”), a specialised Malaysian finance company, on 30 November 2021.
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## 12. Significant information

Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position:

Please refer to section 14.5 for information on the Group's financial performance.

## 13. Foreign entities set of accounting standards used in compiling the report (IAS)

The Company is not a foreign entity. Australian Accounting Standards have been applied consistently across all entities in the Group.

## 14. Commentary on the results for the period

### 14.1 Earnings per security (EPS)

	Current Period 2022	Previous Period 2021
Basic Loss per share	(1.74 cents)	(1.14 cents)

### 14.2 Returns to shareholders (Including distributions and buy backs)

	Current Period 2022 \$	Previous Period 2021 \$
Ordinary securities	-	-
Preference securities	-	-
Other equity instruments	-	-
<b>Total</b>	-	-

### 14.3 Significant features of operating performance

Please refer to section 14.5 for information on the Group's financial performance.

### 14.4 Segment Information

30 June 2022	Malaysia \$	Singapore \$	Australia \$	Indonesia \$	Myanmar \$	Consolidation Adjustment \$	Consolidated Group \$
<b>Revenue</b>							
External sales	7,739,221	355,928	-	271,912	32,748	-	8,399,809
Other	2,544,632	32,018	-	1,308	43,602	17,575	2,639,135
<b>Total segment revenue</b>	<b>10,283,853</b>	<b>387,946</b>	<b>-</b>	<b>273,220</b>	<b>76,350</b>	<b>17,575</b>	<b>11,038,944</b>
<b>Segment operating result</b>	<b>(6,619,997)</b>	<b>(971,691)</b>	<b>(2,086,752)</b>	<b>2,337</b>	<b>887</b>	<b>51,594</b>	<b>(9,623,622)</b>
<b>Segment assets</b>	<b>48,339,211</b>	<b>3,463,875</b>	<b>70,396,020</b>	<b>1,371,124</b>	<b>69,333</b>	<b>(71,903,774)</b>	<b>51,735,789</b>

30 June 2021	Malaysia \$	Singapore \$	Australia \$	Indonesia \$	Myanmar \$	Consolidation Adjustment \$	Consolidated Group \$
<b>Revenue</b>							
External sales	5,502,836	1,583,597	-	9,235	91,049	-	7,186,717
Other	310,458	10,690	209,355	447	789	-	531,739
<b>Total segment revenue</b>	<b>5,813,294</b>	<b>1,594,287</b>	<b>209,355</b>	<b>9,682</b>	<b>91,838</b>	<b>-</b>	<b>7,718,456</b>
<b>Segment operating result</b>	<b>(2,605,831)</b>	<b>(800,926)</b>	<b>(1,278,751)</b>	<b>(163,859)</b>	<b>(63,527)</b>	<b>119,306</b>	<b>(4,793,588)</b>
<b>Segment assets</b>	<b>54,525,866</b>	<b>4,228,779</b>	<b>71,470,951</b>	<b>130,245</b>	<b>104,606</b>	<b>(70,674,569)</b>	<b>59,785,878</b>



## 14.5 Report on trends in performance

### Revenue

Revenue has seen an increase of 17% on the prior year to \$8,399,809, reflecting growth in the BNPL division following launch in June 2021.

### Expenses

- Total expenses saw a 133% increase on the prior year to \$15.15m which has been due to the following activities:
  - Ongoing compliance and professional costs increased related to increased regulatory and compliance costs associated with an expanded shareholder register and costs associated with the investment in IDSB;
  - Employee benefits expenses increased to accommodate the growing scale of the BNPL division; and
  - General administration expense increased in line with the general expanded scope of the business.
- In February 2022, the Company issued 5.8 million options to staff under an Employee Share Option Plan. The Group recognised \$856,533 in (non-cash) share-based payments expense to 30 June 2022.

### Balance Sheet

- The balance sheet has seen a reduction in net assets on the prior year reflecting the net loss result from the Company's first year of BNPL operation and expansion;
- Cash at bank reduced by \$45.55m to \$5.86m due to capital applied to development of the BNPL portfolio and the payment for its investment in IDSB;
- Trade and other receivables increased from \$4.95m to \$21.90m as the BNPL portfolio has developed with rapid growth in BNPL sales; and
- Increases in trade and other payables due to a general increase in total costs incurred as the business continues to expand.

### Cashflows

Revenues and direct costs increased materially during the financial year due to the growth and expansion strategies implemented in FY2022:

- Receipts from customers increased substantially given the first full year of trading of the BNPL business (having been launched in June 2021), increasing by 261% to \$25.18m;
- In line with the increase in BNPL revenue, payments to merchants increased to \$29.64m as the BNPL portfolio has grown and developed;
- Increased advertising costs paid of more than \$1.84m due to BNPL marketing and promotional activities in Malaysia including engagement of brand ambassadors and social media influencers;
- Increased office rental and utilities in line with the Company's new offices and operational requirements;
- Increase in staff costs by 153% to \$3.71m due to the expansion of the BNPL business; and
- The investment in IDSB yielded capital and revenue proceeds of \$611,570.

**14.6 Report any factors which have affected the results during the reporting period or which are likely to affect results in the future, including those where the effect could not be quantified.**

N/A

**Any other information required to be disclosed to enable the reader to compare the information presented with equivalent information for previous periods. This must include information needed by an investor to make an informed assessment of the entity's activities and results.**

N/A

### 15. Compliance statement

This report is based on accounts to which one of the following applies.  
(Tick one)


- |  |  |
|--|--|
| <input type="checkbox"/> The accounts have been audited.   | <input type="checkbox"/> The accounts have been subject to review.           |
| <input checked="" type="checkbox"/> The accounts are in the process of being audited or subject to review. | <input type="checkbox"/> The accounts have not yet been audited or reviewed. |

**16. If the accounts have not yet been audited or subject to audit review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:**

At the date of this report, the audit of the 2022 Annual Report is ongoing but the Board is not aware of any likely dispute or qualification.

**16. If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:**

N/A

Sign here:  .....

Managing Director on behalf of a resolution passed by the Board of Directors

Print name: (Aaron) Lee Chin Wee

Date: 31 August 2022