

Sharecafe Presentation

The Pathway to Profitability

November 2022

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Who We Are



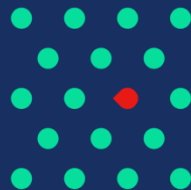
We provide fintech services in South East Asia (SEA) working with our partners and merchant networks to capitalise on the rapid growth and adoption trends in digital payment solutions



We connect banks, telcos, big brands and their e-commerce or in-store merchant networks with their customers online and at the point-of-sale every day. Our market focus is large communities of low risk consumers & reputable merchants














Our brand is built on a 20-year foundation of securely authenticating and processing digital payments, and includes a 'best-in-class', scalable BNPL service



Our goal is to be one of the leading digital transaction processors in the booming cashless economies of South East Asia

Core Capabilities – Our Pillars for Successful Growth



Core Capabilities	 <p>Innovation (Intellectual Property)</p> <p>Trusted & secure technology platform; Unique, innovative product offerings</p>	 <p>Business Development</p> <p>Highly targeted customer acquisition plan – large customer communities</p>	 <p>Marketing</p> <p>Digital & social media 'guerrilla' marketing; instore promotions; mainstream media</p>	 <p>Credit & Risk Management</p> <p>Sophisticated e-KYC & credit checking system with fit-for-purpose BNPL limits</p>	 <p>Wholesale debt funding</p> <p>Experienced team in executing bond issues, hybrid equity & receivables portfolio financing</p>	 <p>M&A</p> <p>Highly credentialed, Malaysian & SEA market experts; strong corporate finance experience</p>
	Value Delivered	 <p><i>Credibility from 20 years of processing millions of mobile banking transactions</i></p>	 <p><i>Access to creditworthy consumers – key to profitability & NPL</i></p>	 <p><i>This capability gives us customer acquisition & reach at low cost</i></p>	 <p><i>Essential for sustainable growth in the unique credit markets of Malaysia & SEA</i></p>	 <p><i>Access to lower cost, non-dilutive capital is essential for scalability & shareholder value</i></p>

Highlights & Achievements



Mobile Banking – record monthly transaction volumes in Q1FY22 ¹; infrastructure upgrade December 2021 positioning for growth



BNPL launch – flagship BNPL platform myIOU launched June 2021; market leading new products announced to drive growth



Strong profit margins & positive underlying cashflow – last four quarters reported positive adjusted Net Operating Cash Flow of more than \$1.0m



Strategic IDSB investment – provides large scale² BNPL growth from well-established portfolio of high credit quality customers



Product innovation – to drive growth and scale

- **myIOU 2.0 launch** – design, functionality & security improvements
- **KA\$Hplus** – game changing prepaid VISA card to enable BNPL for purchases made anytime-anywhere
- **myIOU Islamic** – Shariah compliance certification opens access to new markets in Malaysia & SEA

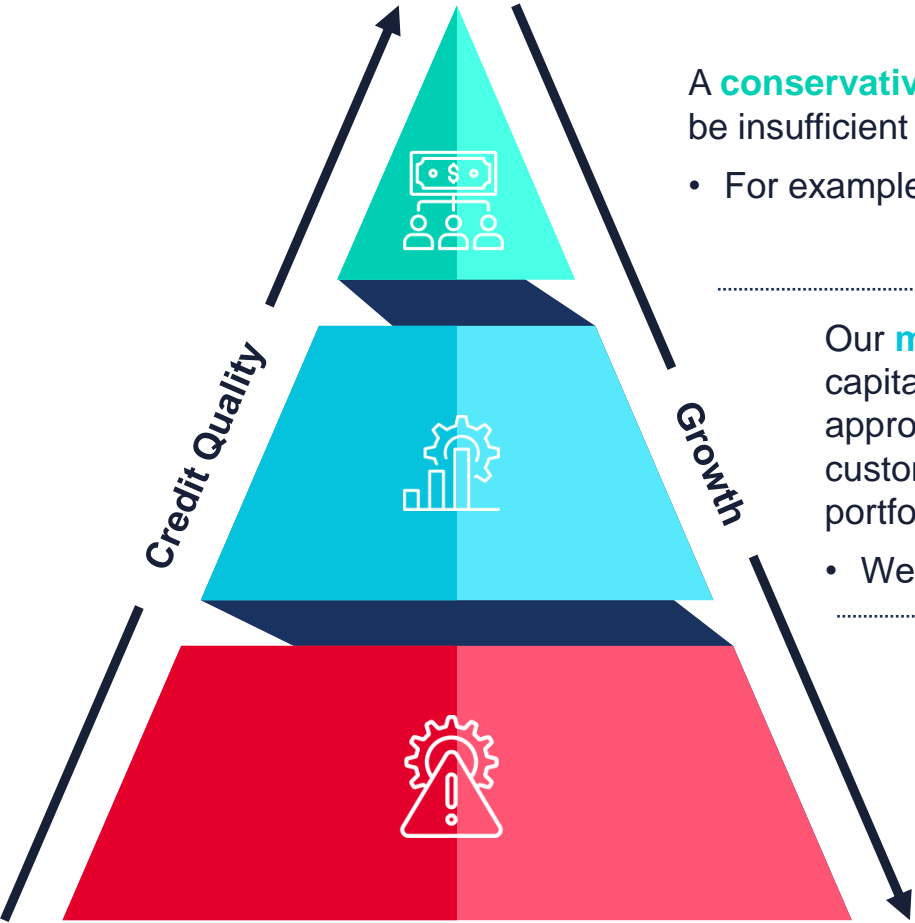


Note: 1. Monthly transaction events reached 28million, up ~50% from pre-COVID levels. 2. Opportunity to more than double the number of current myIOU active users by marketing myIOU BNPL offering to IDSB's existing customers.

Our Strategic Approach to Sustainable Value Creation



We have the benefit of hindsight in developing our **measured** approach to sustainable growth



A **conservative** approach will protect capital with very low credit risk but volumes will be insufficient to deliver the growth necessary for sustainable shareholder value

- For example, focusing on the top tier (say 10%) of credit risk

Our **measured** approach to growth in phases is deliberate and designed to limit capital at risk, build a portfolio with sound performance metrics and attract risk-appropriate funding as the business develops. We do this through targeted customer acquisition, working with merchants and other partners who have portfolios of higher credit quality customers

- We know what works from our 20 years' experience in Malaysia & SEA

An **aggressive** approach is dangerous in the unsophisticated credit markets of SEA where chasing top-line growth brings significant risk of credit losses and compromises ability to attract low cost portfolio finance


- Pursuing revenue for market share is potentially feasible in established credit markets for large portfolios; In SEA the risks to equity are unacceptable and prejudice debt finance facilities

Malaysia's BNPL Market – Our Initial Focus



Malaysia BNPL active users **600,000 in 2021** with CAGR¹ 24.6% to **4m users by 2028²**

Malaysia BNPL GMV³ US\$287m in 2021 predicted to **double to US\$601m in 2022** then CAGR 49% from 2022-2028 to **US\$6.5b⁴**


Our strategy is to adopt a measured approach to growth, ensuring our product offering sustainably delivers our financial objectives before upscaling portfolio volumes

- 45% of Malaysia's population is serviced by banks
- Our target market is the top two thirds of this banked population
- Accounts for approx. 50% of addressable BNPL market
- Avoids high-risk segment of consumer market - important given difficulty enforcing consumer debts under ~A\$32k under Malaysian law⁵
- Our **current market share is 4%** by volume with a **medium term target of 10%⁶**

Notes/Sources: 1. CAGR means Compound Annual Growth Rate. 2. "Cover Story: Buy now, pay later... or not?", The Edge Markets, 9/12/2021. 3. GMV means Gross Merchandise Value. 4. ResearchAndMarkets.com, Q4 2021 BNPL Survey. 5. Under Malaysian law, court orders to enforce consumer debts not considered for debts under RM100,000. 6. The target for market share in Malaysia is a medium term goal over the next 2-5 years and should not be taken as a forecast or relied upon.

SEA – The Bigger Picture



SEA Population
679M
across 10 countries¹

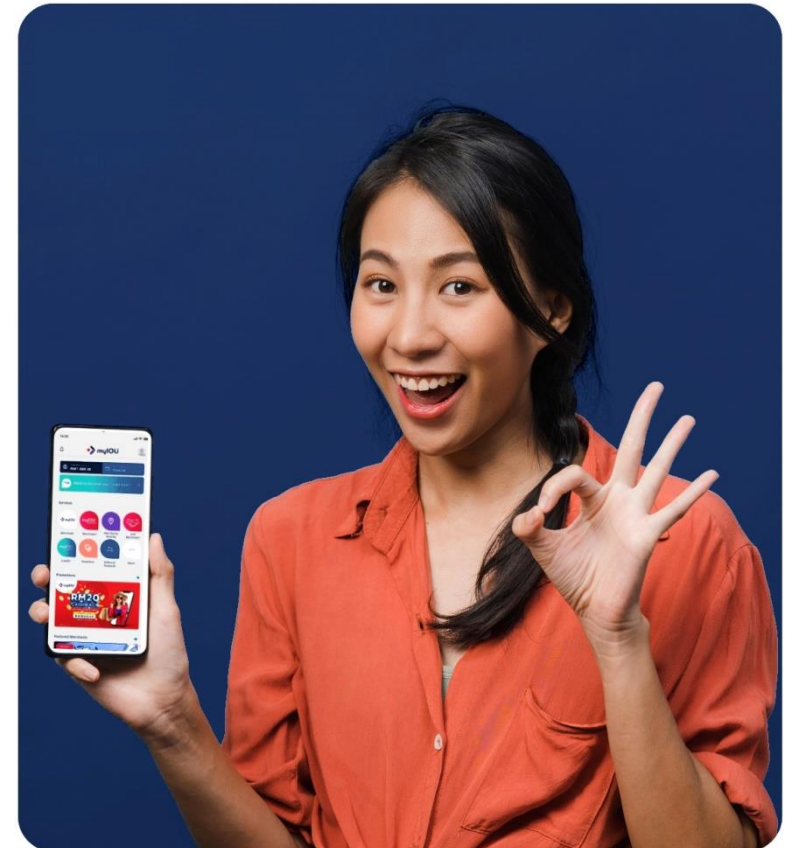
350M
SEA digital consumers
have made at least
one purchase online²

SEA now has
440M
internet users ...

... and **80%** of
them are digital
consumers having
made at least one
purchase online²

Internet economy worth
\$100B in 2019...
US\$170B in
2021...

... and is projected to
reach **\$300B** by
2025 and well on its way
towards **\$1T** GMV³ by
2030²



Sources: 1. worldpopulationreview.com as at 4/4/22 based upon projections of latest United Nations data. 2. 6th Edition of e-Economy SEA by Google, Temasek and Bain & Company. 3. GMV means Gross Merchandise Value.

Strategic Partnerships – Drivers for Growth & Scale



IOU Pay’s strategy is to establish relationships with reputable partners who manage large communities of quality merchants and credit-worthy consumers. This strategy leverages IOU Pay’s existing relationships and facilitates the efficient acquisition and management of merchant customers, and the targeted marketing into specific consumer communities.



- Shariah-compliant payment gateway
- Approx. 7,000 merchants
- Efficient merchant acquisition and management



- Bank Simpanan Nasional is a major Malaysian retail bank
- Over 6.5 million card members and 390 branches
- Marketing collaboration



- Online payment gateway and e-commerce platform
- Over 15,000 online merchants
- Efficient merchant acquisition and management



- Pine Labs is a leading merchant commerce platform across India & SEA
- Positions for territory expansion as Pine Labs expands its footprint



KA\$Hplus Card – The Anytime-Anywhere Game Changer



KA\$Hplus expands merchant base to all VISA-approved merchants



Merchant coverage includes purchases made globally providing cross-border services for myIOU customers



New customer acquisition – access to all VISA-approved merchants is a compelling incentive for new customers



Existing myIOU customers – digital banking style benefits designed to increase BNPL transaction volumes, frequency & loyalty

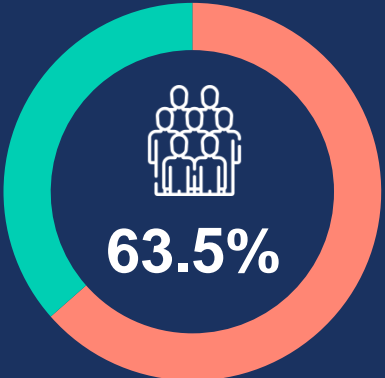


- **KA\$Hplus & myIOU** co-brand VISA prepaid card to be integrated to the myIOU BNPL platform
- **Features** include prepaid loading, top-up & debit-card-style usage with recharge via bank & e-wallet transfers
- **Stage 1** – Rollout cards to existing IDSB and selected myIOU customers
- **Stage 2** – Integrate myIOU KA\$Hplus card into myIOU BNPL platform to provide customers with more flexible shopping and payment options



Note: Stage 2 Rollout remains subject to pending BNM (central bank) approvals.

Shariah Compliance – The Birth of myIOU Islamic



Malaysia’s Islamic population exceeds 60%¹ with Islamic finance & investment comprising in excess of **50%** of banking & payments market²

A commercial imperative for expansion into Indonesia

- To access Islamic financing and BNPL opportunities within industry best practice for Shariah principles requires certification from a Shariah Advisor licensed by the Securities Commission Malaysia
- In July, certification was confirmed and a partnership agreement was signed with PayHalal, an Islamic fintech and payment gateway
- First Shariah BNPL transactions processed ahead of schedule in early September



Sources: 1. 63.5% (and growing) per MyCensus 2020, Department of Statistics Malaysia. 2. "Islamic Finance & BNPL – The Opportunity Ahead", The Capital Markets Company (UK) Limited.

IDSB – Strategically Aligned Investment¹



Compelling investment fundamentals



Unique competitive advantage over traditional institutional lenders



Capital uplift through growth of bank portfolios



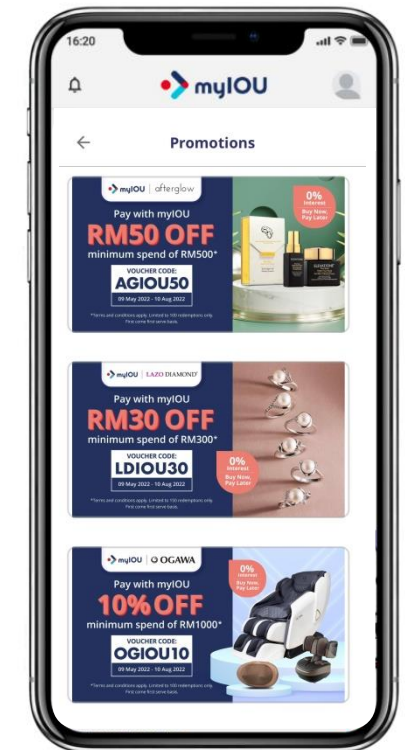
Significant upside potential from additional banks with large portfolios of civil servant customers



Consistent dividend distributions

Access to bank customer communities & debt capital to service them

- Broadens base of consumer finance & collections capabilities to meet longer term vision
- Unique collections capability based on AG-Code licence²
 - Being paid directly by Government payroll office eliminates credit risk whilst customer is employed (Government jobs are highly valued)
 - Very low collection costs
- IDSB is a consumer loan portfolio processing agent for banks with civil servant customers (1.5m in Malaysia)
- Cross-sell marketing into captive, high credit quality consumers³ with proven track records servicing instalment plans



Note: 1. The Company announced on 9 September 2021 that it had entered into a Share Purchase Agreement to acquire 42% of the total issued capital of IDSB. The investment is accounted for as an investment in an associate under AASB12 and AASB128 using the Equity Method. 2. AG-code is a licence granted by Malaysian Government, Ministry of Finance to deduct loan repayments from civil servant payroll prior to remittance to employee. 3. IDSB has serviced consumer loans for 50,000 civil servant customers of RHB Bank and Affin Bank.

IDSB – Collaborating for Strategic Value Creation



The Company's investment in IDSB unlocks a range of commercial partnership opportunities which position IOUpay for diversified growth along the consumer finance value chain. Working together with a focus on each others' competitive strengths presents significant opportunities to develop a broader base of consumer finance offerings with recurring revenue streams.



- Proven technology platform 20 years processing payments securely at high volumes for Malaysian banks
- Short term instalment based consumer finance
- myIOU online origination & account management (including sophisticated e-KYC & credit checking)
- PCI-DSS certified - high security standards
- High-quality distribution channels (merchants & partners)



- Established & reputable – 40-year history providing consumer finance in Malaysia
- Long term instalment based consumer finance
- Banks provide portfolios of high credit quality customers
- Banks fund IDSB-processed loans (low capital needs)
- AG Code licence means unique competitive advantage (low risk, competitive pricing)

- Pipeline of additional bank partners (customer portfolios & funding)
- Customers (civil servants) require short term & long term finance options
- Immediate growth opportunity to increase share of civil servant market (1.5m)
- Leverage IDSB collections with IOUpay automated front & back-end processing
- Innovative product development to increase share of customer lifetime value
- Upfront & recurring revenues; top-ups, consolidations & refinancing
- Building scale & diversification with new distribution models

Pathway to Profitability



Phase 1 Initial growth phase (FY22)

- Protects capital during period proving product model & credit risk framework – critical for shareholders & future debt providers
- Provides opportunity to modify & enhance product offering and credit risk profile



Phase 2 Portfolio expansion phase (FY23)

- Building critical mass with maturity & seasonality
- Second SEA jurisdiction development
- Product innovation to facilitate scale & cross border activities
- Negotiating interim debt (or hybrid) facility as pathway to Phase 3 large scale wholesale funding



Phase 3 Scale phase (FY24+)

- Wholesale portfolio debt funding to support lower cost, non-dilutive, accelerated growth with multi-jurisdictional flexibility
- Regulatory sophistication to accommodate cross border business lines at scale
- Innovation – to capitalise on competitive advantages & market leadership
- SH value – P/E growth and pathway to yield aspirations

Thank You