

22 January 2024

Company Announcements Office
Australian Securities Exchange

ACTIVITIES REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2023

The Board of IOUpay Limited (**IOU** or the **Company**) provides its quarterly activities report for the period ended 30 September 2023.

Principal Activities

- After careful consideration and advice, the myIOU BNPL (Buy Now Pay Later) business was put into run-off, with no new loans originated and employees reduced to 3 collections staff to manage the collection of outstanding loans;
- iSentric Mobile Banking business performed to management expectations, with the Board resolving to support current resourcing and capital allocations to continue operating the business;
- Implementation of various internal and external control mechanisms;
- Continued focus on cost-reduction program;
- Ongoing incurring of significant costs associated with the various corporate activities outlined below;

Corporate

- The Company's shares remained suspended from trading on the ASX throughout the period;
- Change of registered office;
- Roll-out of 4 key strategic priority pillars, namely:
 - To ensure the business is appropriately funded ("Funding")
 - To review, implement controls and "right-size" the business operations in Malaysia ("Control"),
 - To vigorously pursue any alleged misappropriation of shareholder funds prior to the current board appointment ("Recover"), and
 - To undertake all activities required to ensure compliance with regulatory obligations and moreover the ultimate re-quotation of the Company's shares on the ASX ("Reinstatement").
- Additional capital announced in the quarter totalled A\$ 2.3m, comprising a A\$ 300k Convertible Note and proposed Placements totalling A\$ 2.0m;
- Proposal from Finran to convert \$525k of their outstanding loan facility into equity, significantly improving the balance sheet;
- Following evaluation of proposals, the Board appointed new auditors for the Company, subject to shareholder approval. Completion of an audit of the Company's 30 June 2023 accounts would represent a major milestone in the path to reinstatement on ASX;
- Notice of Meeting for a General Meeting to be held on 6 October 2023, seeking ratification of prior and proposed issues of capital, removal of the previous auditor and appointment of a new auditor;
- In consultation with its advisors, implementation of an agreed framework to pursue and potentially recover funds on behalf of the Company's shareholders relating to certain

claims and allegations of potential misappropriation of Company funds, including appointment of suitably qualified external legal advisors.

Related Party Payments Made during the Quarter

- Payments to related parties during the quarter amounted to A\$ 87k, consisting of director and consulting fees.

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

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 and cannot be predicted by IOUpay 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 operates. 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 or any of its 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.