

18 February 2021

ASX Announcements Office

IOU Anchors Expansion with \$50 million Placement

HIGHLIGHTS:

- **IOU completes significant placement of \$50 million within 48 hours – the largest single raising in the Company's history**
- **Strong demand from both new and existing institutional investors significantly exceeded available capacity**
- **Proceeds to be used for growth initiatives including digital payments and to accelerate new business development opportunities in the BNPL sector in South East Asia, along with working capital purposes**

IOUpay Limited (ASX Code: IOU) (**Company**) is pleased to advise that it has successfully secured binding commitments for \$50,000,000 using its placement capacity pursuant to ASX Listing Rules 7.1 and 7.1A.

Placement

Clee Capital Pty Ltd (ABN 637 619 937) (**Lead Manager**) was appointed to act as the Company's corporate advisor and lead manager in connection with the placement.

Pursuant to the placement, 100,000,000 shares were offered to investors at an offer price of 50 cents per share. The pricing represents a 15.06% premium to the 15 day volume weighted average price ("VWAP") of the Company's shares on ASX prior to the date of the placement. The price of \$0.50 represented a 28.57% discount to the closing price of \$0.70 on 15 February 2021.

The Company will issue 65,000,000 shares to investors pursuant to its 15% placement capacity under ASX Listing Rule 7.1 and 35,000,000 shares to investors pursuant to its 10% additional placement capacity pursuant to ASX Listing Rule 7.1A.

The placement received strong investor demand far exceeding the placement limit agreed by the Company. The Company secured strong support from new and existing sophisticated, local and international institutional investors which involved syndication through other brokers and leading market participants that represent new investor interest in the Company.

In relation to the completion of the placement, IOU Chairman Aaron Lee noted:

"The Company is delighted to see the market respond so strongly to our plans to accelerate our market position as a leading operator in the digital payments and BNPL sectors in South East Asia. This capital raising represents another important milestone in our roadmap to expand our existing and new product offerings and accelerate the growth potential of that expansion. We welcome all new shareholders and thank our existing shareholders for their continued support for this exciting new next chapter of IOU which combined with existing cash reserves provides us with a strong capital platform to execute our market validated business plan."

Application of Funds

The Company will be applying the proceeds from the placement towards funding existing operations including digital payments and BNPL inventories, new BNPL product development, expansion of the Company's Malaysian operations, expansion in South East Asia, administrative and other costs, consistent with application of funds and expenditures outlined in the Company's previous announcements including the Operational Update announced on 15 December last year and the Quarterly Report and Business Activity Update announced on 31 January this year

Settlement and Finalisation of placement

The Company expects completion of the commitments received for the Placement to lead to the following settlement and share issuance timetable:

Timetable Event	Indicative Timetable
EFT Funds Due by Committed Participants	18 February 2021
Settlement Date with IOU	22 February 2021
Allotment Date	23 February 2021
Date Shares First Commence Trade on ASX	24 February 2021

The Company will advise if there are any changes to the above anticipated timetable.

The release of this announcement was authorised unanimously by the Board of Directors.

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, Digital Payments and Digital Services which service leading domestic and international 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.