

1 Target Market Determination (TMD)

1.1 Introduction

This target market determination (**TMD**) applies to the PayOut non-cash payment facility issued by Azupay Trading Pty Ltd ABN 88 635 093 248, AFSL 537645 (**Azupay**) to merchants that are retail clients for the purposes of the *Corporations Act 2001* (Cth).

References to 'we', 'us' or 'our' means Azupay as the product issuer and the entity responsible for offering the Product.

This TMD describes:

- Who the PayOut Product is suitable for and who it is not suitable for;
- How the PayOut Product will be distributed;
- How often we will review this TMD and when the next review will occur;
- What events or circumstance may trigger a review of this TMD;
- The information that we need to decide if the TMD is no longer appropriate; and
- Our reporting obligations for this TMD.

This TMD is not intended to provide financial advice. Capitalised terms not defined in this TMD have the meaning given to them in the PDS.

1.2 Effective date and operation of TMD

The effective date of this TMD is 20 August 2025 (**Effective Date**). The TMD will apply from the Effective Date until it is replaced or withdrawn. We may review this TMD at any time.

1.3 About the PayOut product

Azupay has designed a number of products to enable the making of one-off and recurring payments in real-time, including but not limited to the PayOut Product described in this TMD, which enables merchants to make payments using the New Payments Platform (**NPP**) or the Bulk Electronic Clearing System (**BECS**).

PayOut

The following are the key attributes of PayOut:

- It is a facility which enables merchants to easily send real-time payments to customers, suppliers and / or employees as required.
- It can be used to facilitate a number of transactions at a time
- It is versatile in that accounts that are not reachable via the NPP can be processed via the BECS.
- Provides the ability to hold stored value similar to a bank account.

1.4 Class of Retail customers that comprise the target market

PayOut is designed for merchants who would like to send their payments to a variety of stakeholders, in real-time using a simplified and safe approach.

Likely Objectives:

Merchants who are seeking:

- to reduce the risk of fraud or mistaken payments;
- real-time processing, in order to increase the time the funds are in the merchant's account, or to reduce transit times, particularly where NPP is not ordinarily available;

- a simple, easy to use and remember method to send payments to a variety of stakeholders.
- to simplify finance operations with a dedicated settlement account able to store funds, maintaining simple reconciliation and initiating real time payments with ability to sweep funds to main corporate accounts either daily or as needed

Likely financial situation:

- Has financial obligations to employees, suppliers or customers, and prefers to settle via funds the merchant holds.
- Cost benefits from improved operational efficiency, lower payment costs, improved customer experience or better cashflow management exceeds foregone interest as Azupay does not pay interest.

Likely needs:

- Secure method of being able to make payments to customers, employees and / or suppliers.

However, PayOut is **not suitable** for merchants with the following characteristics:

- Who do not have an Australian bank account;
- Who are seeking to pay stakeholders outside of Australia;
- Who cannot or do not wish to, comply with any requests for customer identification and verification; or
- Who prefer to settle bills and purchases via a method of credit.

PayOut is likely to be consistent with the likely objectives, financial situation and needs of the merchants (**End Users**) described in this TMD because it provides the ability to make various real-time payments without accessing credit, in a way that is simplified and reduces the risk of fraud and mistaken payments to stakeholders.

1.5 Distribution of the product

PayOut has been designed to be distributed either direct to market by Azupay or by merchants who make payments using our PayOut product. No party may engage in the distribution of the PayOut Product unless they have entered into an agreement with us, which limits who the PayOut Product can be distributed to.

These conditions make it likely that the PayOut Product will only be distributed to End Users within the target market described in this TMD because Azupay manages and monitors its merchants & distribution partners to ensure all contractual requirements are met and has implemented processes and controls with distribution so that the products are only issued to retail clients if they fall within the target market.

1.6 Reviewing this TMD

Routine reviews of this TMD will be conducted annually.

This TMD will be reviewed earlier if any event or circumstance occurs that would reasonably suggest that the Target Market is no longer appropriate, or the PayOut Product is no longer consistent with the likely objectives, financial situation and needs of people in the Target Market. These events or circumstances are called review triggers.

A review trigger includes but is not limited to:

- Material product changes that may cause this TMD to no longer be appropriate for the target market.
- Changes to the distribution model or channels.
- Feedback or notification from ASIC or another interested party (such as AFCA) which suggests the TMD is no longer appropriate.
- High volume or significant material customer complaints relating to the product, its distribution or conduct in providing the product.
- A significant dealing that is not consistent with the product's TMD occurs.

This TMD will be reviewed within 10 business days of the occurrence of any of the review triggers above.

1.7 Reporting

If a person that is not within the Target Market accesses the PayOut Product, this must be reported to us within 10 business days of the date on which our distributor becomes aware that the PayOut Product was accessed by someone outside our Target Market.

For the purpose of this TMD, each 6-month period from the Effective Date is a Complaints Reporting Period. We record all complaints that we receive about our Products. Our authorised product distributors must provide written details of any complaint received about this Product within 10 business days after each Complaints Reporting Period.