

ASX Announcement

11 February 2020

Openpay Group Ltd trading update

MELBOURNE Australia, 11 February, 2020: Buy now, pay smarter company, Openpay Group Ltd (ASX: OPY) (**Openpay** or the **Company**) provides an update on its operational, cash and liquidity performance for H1 FY20 as well as a trading update for the FY20 full year. These numbers are unaudited but represent a management report, reviewed by Openpay's Board today.

Trading update FY20

In H1 FY20, Openpay has significantly invested in the technical platform to enable B2B (see Woolworths announcement dated February 4, 2020) and in the corporate infrastructure in the UK which is now being leveraged and represents a significant portion of the company's growth going forward. The H1 FY20 total operating expenses are \$28.4m, including some significant one-off cost of IPO related expenses and consultant expenses to improve the maturity of processes. H1 revenue (unaudited) was up 73% pcp at \$8.4m.

Openpay currently estimates full year Earnings Before Tax (EBT) in the range of (\$35-40m). Openpay is providing this guidance given estimates currently in market to align market expectations with its own expectations for FY20.

Strong growth continues throughout January

Following the release of the Q2 FY20 quarterly report, the Company has continued to see strong growth in January 2020 numbers, with Total Transaction Value (TTV) for the month ended 31 January 2020 has been \$15.7m, and revenue of \$1.9m which also implies pcp growth rates of 86% and 58% respectively.

For the month of December 2019, Openpay's largest retail merchant, Bunnings, increased their TTV with Openpay by 150% compared with that of December 2018.

Cash and liquidity position

The Company's cash and liquidity position remains strong. It has access to an existing debt facility in Australia which is yet to be fully used, and has entered into second facility, initially for \$25m meaning in total the company has funding facility to the value of \$75m to support the expected growth.

Openpay is in advanced discussions with a number of financiers for additional facilities which would continue to support its offshore growth.

Available cash as at 31 January is \$46.3m which will provide the Company with significant runway to continue to fund operating expenses and grow the business as outlined above.

CEO, Michael Eidel commented, "As demonstrated in our recent December quarterly results, Openpay has been driving strong growth across all its key metrics. In order to position the Company to quickly scale its UK business and fund the development of the recently announced Openpay for Business SaaS product, we

have invested in major growth driving levers. Many of the costs incurred in H1 FY20 were one off expenses in areas such as getting the company to our successful IPO, recruitment and UK business set up. The business is now sitting with a strong foundation from an operational, cash and liquidity perspective that we will leverage to convert our significant pipeline of opportunities.”

The Company will announce the audited financial performance in the upcoming 4D end of February 2020.

More information

Investors are invited to visit our website at openpay.com.au for more information on Openpay.

Authorised by

Michael Eidel
CEO and Managing Director
Openpay Group Ltd

For further information, please contact:

Investors	Media
Ed Bunting Company Secretary Mobile: +61 401 555 333 investors@openpay.com.au	Gabriella Hold IR Department Mobile: +61 411 364 382 gabriella.hold@irdepartment.com.au

About Openpay

Openpay Group Ltd (ASX: OPY) is a well-established player in the fast-growing global market for ‘Buy now pay later’ (BNPL) payment solutions. Openpay partners with merchants to provide BNPL repayment plans to customers in-store, in-app and online. Openpay’s BNPL offering allows customers to purchase what they want and need while spreading repayments over time with no interest costs.

By providing flexible payment solutions to customers, Openpay’s BNPL offering also facilitates increased transaction values and conversion rates for merchants at checkout.

Currently, Openpay provides services to Customers and Merchants in Australia and New Zealand, and the Company began offering services in the United Kingdom from June 2019.

See more at openpay.com.au.