

## ASX Announcement

2 March 2020

### Openpay to partner exclusively with Pentana Solutions to offer BNPL services to 60% of Australia's vehicle franchise dealerships

#### Key highlights:

- **Openpay to become exclusive, fully integrated Buy Now Pay Later (BNPL) supplier to a leading automotive technology provider, Pentana Solutions, for an initial three year exclusive term**
- **Through its Dealer Management System (DMS) called eraPower, Pentana Solutions has access to approximately 2,500 new car franchise dealerships across Australia, equating to approximately 60% of the domestic market**
- **Openpay currently services around 1,000 Australian automotive dealerships directly, approximately 60% of which are Pentana Solutions customers**
  - **Those dealerships will have the option to automatically roll over to the fully integrated system upon deployment; and**
  - **Openpay and Pentana will co-market BNPL services to the remaining 1,900 Pentana dealerships, inviting those dealers to opt in to Openpay as the exclusive BNPL service provider**
- **Partnership designed to provide quantifiable benefits to automotive dealers and their customers**
- **BNPL plans provide consumers with a responsible tool that can assist with cashflow management or to navigate through times of unexpected purchase requirements, such as the need for new tyres or parts**

MELBOURNE Australia, 2 March 2020: Buy now, pay smarter company, Openpay Group Ltd (ASX: OPY) (**Openpay** or the **Company**) is pleased to announce that it will become the exclusive, integrated Buy Now Pay Later (BNPL) supplier to Pentana Solutions Pty Ltd, the leading provider of Dealer Management Software (DMS) to 60% of the Australian new vehicle franchise dealerships across Australia.

Pentana Solutions is a leading Information Technology company that specialises in the development and delivery of software solutions and IT services for the retail automotive dealer network and associated industries. Around 2,500 Australian new car franchise dealerships such as AP Eagers, AHG, Inchcape and Peter Warren use Pentana Solutions' eraPower DMS, a central technology solution that provides dealers with seamless unified platforms to manage their entire dealership operations.

Prior to today's announcement, Openpay had direct agreements with around 1,000 dealer Merchants contributing more than 20,000 plans a year and over \$16 million per year in plan value. Approximately 60% of those dealerships are also Pentana Solutions customers. Once Openpay is integrated into eraPower, existing dealership customers will have the option to automatically be rolled across to the embedded software, promoting top of mind usage of Openpay as a payment option as a regular part of the customer check out process. Openpay and Pentana Solutions will also work together to offer Openpay services to the more than 1,900 dealerships not currently accessing BNPL services.

The integration of Openpay into eraPower is expected to commence in Q4 FY20. The agreement has an initial three-year term.

Openpay CEO, Michael Eidel commented, “Often motorists are caught in need of servicing or parts that they did not plan for in their cashflows. For that reason, we have seen growing interest in our automotive BNPL plans – people are using Openpay to solve their immediate need, such as a car service or a set of new tyres, then paying it off over a timeframe that suits their budget”.

“Pentana Solutions’ dealers service more than 4.2 million vehicles per year, equating to around \$2.5 billion in annual servicing value. Integrating Openpay into eraPower means dealers can simply and easily activate a plan for their customers at the point of sale. It has been our experience that dealerships offering Openpay as a payment option see average requisition order increase from \$450 to \$950 per customer. Given the market share that Pentana Solutions services, this agreement consolidates our market share in the automotive vertical, increases highly sought-after payment functionality for Pentana Solutions and provides the platform for us reinforce our reputation as the BNPL supplier of choice for the Australian automotive industry and a positive customer experience for vehicle owners.”

CEO of Pentana Solutions, Steve Kloss commented, “Any new partner that is embedded into Pentana Solutions eraPower system is carefully selected to bring quantifiable benefits to our customers. After a competitive tender process, we chose Openpay, being at the forefront in the buy now, pay later space for automotive dealerships. Openpay offers a flexible product delivering higher value plans at attractive terms for our dealers and for dealer customers who are asking for buy now, pay later solutions. Openpay helps customer better manage their cashflow and budget around car servicing. We expect this partnership to increase profitability and customer retention amongst our dealership partners.”

### More information

Investors are invited to visit our website at [openpay.com.au](http://openpay.com.au) for more information on Openpay.

**Michael Eidel**  
**CEO and Managing Director**  
**Openpay Group Ltd**

For further information, please contact:

<b>Investors</b>	<b>Media</b>
Ed Bunting Company Secretary Mobile: +61 401 555 333 <a href="mailto:investors@openpay.com.au">investors@openpay.com.au</a>	Jane Lowe IR Department Mobile: +61 411 117 774 <a href="mailto:jane.lowe@irdepartment.com.au">jane.lowe@irdepartment.com.au</a>

### About Openpay – see more at [openpay.com.au](http://openpay.com.au)

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.

With its 'buy now pay smarter' approach, Openpay is currently differentiated from its main BNPL competitors in the following ways:

- **Product:** Openpay focuses on a 'responsible' approach to BNPL. It has larger payment plan sizes with a greater mix of plan terms: they are offered on purchases up to \$20,000 and range from 2 to 24 months, with no interest. There is flexibility around timing of commencement of first repayments and scope to defer payments to better align to customers' cash flows.
- **Industry approach:** Complementing its retail offering, Openpay focuses on specialised industries like Automotive, Healthcare and Home Improvement, where it is often the sole BNPL provider or one of only two. Average Transaction Values in these three segments also tend to be higher than Retail.
- **Customer approach:** Openpay targets finance-savvy, responsible purchasers who use its product as a smart budgeting tool for a broad range of life's needs.
- **B2B offering:** Openpay recently announced its launch into the B2B sector with its "*Openpay for Business*" Software-as-a-Service (SaaS) portal.

Openpay provides services to customers and merchants in Australia, New Zealand and the United Kingdom.

#### **About Pentana Solutions – see more at [pentanasolutions.com](https://pentanasolutions.com)**

Founded in 1974, Pentana Solutions Pty Ltd, is a leading Information Technology company that specialises in the development and delivery of software solutions and IT services for the retail automotive dealer network and associated industries. It dominates the Australian retail automotive landscape, supplying these services to 60% market share of new car franchised dealers – or approximately 2,500 franchise sites.

Pentana Solutions employs over 570 staff throughout 17 office locations globally, with corporate headquarters in Melbourne. More than 50,000 users in over 100 countries use Pentana Solutions' products and services.

The cornerstone solution in the Australian market is eraPower, Pentana Solutions fully integrated Dealer Management System (DMS). eraPower is the central technology solution that runs Retail Franchise Car Dealerships providing dealers seamless unified platforms that manage their entire dealership operations. The solutions include:

- Full accounting and transaction management
- Service department from bookings through to invoicing
- Showroom full vehicle inventory and sales process management
- Parts inventory management and invoicing
- Fully integrated CRM functionality
- Reporting and business analytics at user and management level

Every transaction in the dealership is invoiced and managed through the eraPower DMS.