

# Quarterly Update and Appendix 4C

28 October 2021

## Openpay delivers strong growth in core businesses and officially goes live in the US

### Key Highlights

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- ✓ **Solid growth across the leading indicators in Q1FY22:**
  - Active Merchants of 4.3k up 87% relative to pcp – the highest increase of Active Merchants on record
  - Active Customers of 579k up 56% relative to pcp
  - Active Plans hit 2.2m, up 110%, vs pcp
  - Highest-ever 85% of new plans from Repeat Customers, 55% of Active Customers with multiple plans
  - Strong volume growth dynamic, with an increase in Group TTV, up 51% vs pcp to \$103m
  - Total revenue reached \$7.0m, impacted by lockdowns in high-margin verticals in Australia
- ✓ **ANZ's 'Think global. Act local.' strategy delivers record ANZ TTV \$73m and strong growth across key verticals**
- ✓ **Openpay UK enters healthcare, expands its bigger ticket retail offerings and doubles active customers numbers**
- ✓ **Successfully went live in the US with ezyVet executing on out differentiated strategy to address strong demand across target verticals**
- ✓ **Strong momentum for OpyPro with strong trading activities with Woolworths and two enterprise customers added during the quarter (HP and Kogan) as well as partnership with Kyriba in the US**
- ✓ **Online investor briefing webinar be held today at 3pm AEST.**

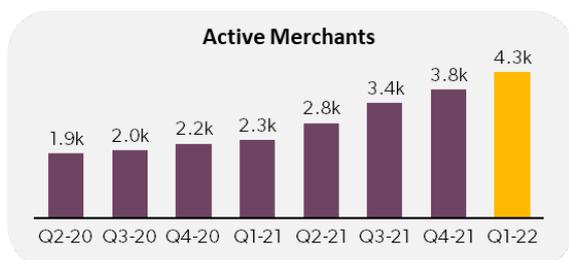
MELBOURNE Australia, 28 October 2021: 'Buy now. Pay smarter.' company, Openpay Group Ltd (ASX: OPY) (**Openpay** or the **Company**) is pleased to release its quarterly business update for the period ended 30 September 2021 (Q1FY22).

Openpay's CEO, Michael Eidel commented: "Through Q1FY22, we delivered continued strong operating and financial results despite challenging market circumstances for our key verticals in ANZ. We successfully entered the Healthcare market in the UK, whilst progressing the acquisition of the UK's Automotive BNPL leader, Payment Assist.

A standout for the period was the work undertaken in the US to set the platform for our launch. Outside of the partnerships to drive growth and scale in B2C with PatientNow, Everyware and in B2B with Kyriba, we signed key funding and risk management agreements with Goldman Sachs, Atalaya, Cross River and Experian.

Our first US plans were signed and transacted in October, taking Openpay into its third major geographic opportunity. This was a major scene setter for the step change in business performance expected as we welcome customers in the world's largest consumer payments market."

## Solid growth across the Group's leading indicators with record TTV of \$103m in Q1FY22



**Active Merchants** grew a record 87% vs pcp to 4.3k as at Q1FY22 and by 13% QoQ, as Openpay continues to partner with aggregators and distributors to grow at scale. Strong volume growth expected in upcoming quarters as their customers start using our product.



**Active Customers** grew 56% vs pcp and 7% QoQ to reach 579k at the end of the quarter. Openpay's value proposition continues to gain traction with customers leading to the highest-ever percentage (85%) of plans being held by repeat customers, with 55% of customers holding multiple active plans.



**Active Plans** increased 110% vs pcp and 10% QoQ – reaching 2.2m, driven by Openpay's stronger contribution from the retail vertical due to lockdowns. Openpay's plan mix remains comparatively longer-term and higher value with 87% of TTV from plans three months or longer during Q1FY22.

## ANZ Update - 'Think global. Act local.' Strategic Focus

Following the appointment of Dion Appel as CEO ANZ, the crystallisation of the local strategy has advanced Openpay's mission of changing the way people pay, for the better. The ANZ region will continue to focus on key verticals; automotive, healthcare, home improvement, education, memberships, and retail; where its longer, larger, and customised plans make a true difference and provide a significantly differentiated offering from most providers who predominantly focus on 'pay-in-4'.

Openpay have continued to drive an aggressive and focused strategy to acquire new customers - with initiatives including Officeworks co-marketing program, Bunnings's magazine placements with a reach of 1.3 million readers, Melbourne Storm campaign and MyHealth1st engagement for health customers. This has resulted in a 73% increase in Active Plans and record TTV of \$73 million.

Advancements to Openpay's ability to deliver targeted and more relevant communications has been delivered to improved customer engagement - key enhancements comprise automation of key customer journeys; post plan creation, geo targeting and targeted messaging, together with Braze 1st party data integration with Facebook and Google paid advertising.

During Q1FY22, Openpay has been able to sign a record number of key merchants, major platforms and aggregator partners to enable merchant growth of 84% y-o-y, which will support growth of TTV and Revenue in Q2FY22, the peak season for our business.

Openpay has partnered with Till Payments, a world leading end-to-end payments solution provider, to offer the flexibility of buy-now-pay-later (BNPL) to hundreds of Till's merchants in Australia and New Zealand in key verticals Automotive, Retail and Home Improvement.

Openpay has secured a global partnership with leading open-source e-commerce platform Prestashop. PrestaShop empowers over hundreds of thousands online businesses globally that are looking for an accessible and innovative end to end e-commerce solution. Openpay will be made available for any merchants through Prestashop's marketplace.

Openpay has also signed a global partnership with a leading SaaS Automated billing platform Paycove. The deal includes Openpay as the preferred lender for thousands of Paycove's merchants in Australia, UK and US across our target verticals in Automotive, Health, Education and Home Improvement.

During the quarter, Openpay continued to deliver new active merchants across all key verticals:

**Retail & Home** - Openpay has won major national banners, adding household names like Jeans West, Sportspower online, Sportsco, Homyped and Live Outer. JD Sports, City Beach and The Just Group including brands Peter Alexander, Just Jeans and Smiggle, now offer Openpay in-store, available across 1000+ locations.

**Automotive** - Openpay has secured partnerships with Nissan Australia, Goodyear & Dunlop Tyres Australia (including Beaufort's instore and online, Goodyear Autocare and Dunlop Super Dealers), Victorian Automobile Chamber of Commerce (VACC) and Bosch Car Service Australia.

**Health** - Openpay has demonstrated its leadership within the hospital segment having signed a partnership with Nexus Hospitals and expanded partnership with St John of God Hospitals. Continued growth in Veterinary with a signed agreement with Vets Central, and great progress with the roll out with VetPartners (97 practice locations now set up) and ezyVet (an additional 24 practices now offering Openpay).

**Memberships** - Despite lockdowns in major states, Openpay continued to sign sporting clubs in preparation for new seasons to commence in 2022. Significant sporting clubs signed during the quarter include: Bunbury Golf Club, South West Rocks Golf Club, Oxley Golf Club, Byford Baseball/Softball Association, Pinjarra, Westmeadows, Baldivis, Hillman and Willeton Cricket Clubs and Associations, Fiddes Sport, ESA Sport Agency and Scarborough Football Club.

**Education** - Education merchants continue to be onboarded, and average transaction value continues to rise as merchants start to leverage the availability of Openpay value proposition. Education merchants added during the quarter include: Berlitz Australia, Inspired Solutions, Coder College, Ecom Capital, Real Estate Training Australia, Ferres Enterprises, Industry Currency, Teme Media Group, The Studio Limited, The Distance Skills Academy, The Sales Institute of Australia, and Thnkedu.

## **UK Update - Openpay enters healthcare and expands its bigger ticket retail offerings.**

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In the UK, our target healthcare vertical gained momentum through integration with ezyVet veterinary software platform. Openpay's payment plans went live and are now available across multiple veterinary practices including Pennard Group and Two by Two vets. With additional veterinary practises expected to go live in Q2FY22 including Smart Vets.

Also, in healthcare, UK consumers have a good reason to smile thanks to Openpay's integration with Software of Excellence, the market leading provider of dental software. The new partnership provides Openpay with access over 6,500 UK dental practises with Openpay's plans expected to be live to dental consumers during Q2FY22.

Openpay's bigger ticket retail offering expanded with additions of Briq, I love Retro, Tradeprices Bathrooms, Habbio and Favolosa Furniture all benefiting from our differentiated longer, larger payment plans with average transaction value during the quarter of £1,400. While luxury fashion brands Junior Bambinos and Threads Menswear also joined the growing merchant roster.

Through our strong partnership with The Hut Group, Openpay added eight more Ingenuity brands including Kickers, Berghaus, Sanctuary Spa, Fudge Professional and St Tropez Tan during Q1FY22. In addition, Openpay went live with multiple music brands including Dawsons, DJ Warehouse, DJ Finance and Mix Direct. Plus several sporting partners were added to the team covering football, rugby and fishing with CPS Tackle, Hashtag Utd, Newport Count FC, Cardiff City, Oxford United, Futwiz, Kit Masters and Wasps RFC.

The focus on partnerships and integrations with ecommerce platform providers continued throughout Q1FY22 with major new signing Big Commerce, plus integration completed with Episerver who work with over 9,000 global brands including Peloton, Nike, IBM and Hewlett Packard. Additionally, Commerce Tools and Shopwired, where Openpay will be the exclusive recommended lending partner are due to go live this quarter.

In Q1FY22, UK Active Merchants and Active Plans increased by 279% and 204% respectively, setting our UK business from strong growth in the coming quarters from as successful onboarding of new merchants translates into TTV and revenue.

## Payment Assist Acquisition

Openpay is progressing with the anticipated acquisition of the UK's leading provider of automotive service and repair payment plans, Payment Assist. Once approved by the FCA Openpay's UK revenue will more than triple, from £2.4m to £8.4m, with very strong transaction margins. The deal accelerates growth and the path to profitability for Openpay in the UK.

The transaction is an important stepping-stone on Openpay's journey to becoming a leader in its chosen verticals and provides further differentiation from peers in the "pay-in-4" space highlighting Openpay's focus on delivering longer, larger, verticalized plans in meaningful industries.

## US Update - Opy USA successfully goes live with first of kind, flat fee BNPL 2.0

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In October, Opy USA (Opy) launched Buy Now Pay Later (BNPL) 2.0 in the world's largest developed market, the United States. BNPL 2.0 extends the ease, transparency, and affordability of pay-in-4 BNPL for longer term, larger dollar transactions. Opy's offering is a result of comprehensive planning and execution - from product definition that meets the needs of US consumers and conforms to US regulatory requirements, to partnership development that drives scale and efficiency of US operations.

To recap, the company's consumer product offering, OpyPay, will be based on differentiated longer-term (up to 24 months), larger-value (up to US\$20,000) and customised payment plans focused on specific verticals - Healthcare (e.g., Dental, Vet), Auto Repair, Home Improvement, Education and Big-Ticket Retail. The US product fills gaps unmet by traditional BNPL offerings and will be a fee-based, significantly lower-cost alternative to credit cards and traditional merchant-sponsored financing longer-duration BNPL peers that commonly charge compounded interest with annualised percentage rates (APRs) as high as 36%. OpyPay loan plan APRs are uniquely capped at 9.99%. These major differentiators are expected to attract financially savvy consumers as well as the merchants that serve them and will fill in a major offering gap in the US market.

Earlier this month, Opy announced several ground-breaking partnerships that underpin our wholesale distribution model and offer instant scalability. These include veterinary solution provider ezyVet which will distribute OpyPay through its leading practice management platform to over 1,200 US veterinary hospitals and clinics; PatientNow which will similarly integrate OpyPay in its healthcare practice management solution used by over 2,500 healthcare providers in the US; and Everyware which will enable the first for the US BNPL market pay-by-text offering. These and other partnerships will offer vertical specialisation and distribution leverage, thus driving massive scale efficiently across the US.

In addition, Opy signed earlier this month key enabling partners that are foundational for the operation of its US business - Goldman Sachs and Atalaya Capital Partners which equip Opy with a US\$271.4 million receivables facility, Cross River Bank which enables Opy to offer loans across the US (including loans with fees), and Experian which enables Opy to efficiently extend low-cost loans to a greater number of consumers.

Our lofty US aspirations are not limited to OpyPay. As a diversified global fintech, we seek and fully anticipate significant US growth for OpyPro, our end-to-end B2B trade account management SaaS solution for enterprises. We are confident that many US corporates who currently have inefficient B2B trade management processes with their buyers will be drawn by the compelling capabilities of OpyPro to eliminate their manual processes and thus to create a frictionless B2B buying experience, to increase working capital, accelerate growth at scale and improve supplier-buyer relationships. To that end, in August we announced our inaugural OpyPro partnership for the US, where we signed a referral agreement with Kyriba, a global leader in treasury management and finance solutions. The partnership will enable access to Kyriba's suite of 2,000+ enterprise-grade clients significantly reducing our customer acquisition costs and shortening sales cycles.

Given significant demand for Opy plans in the US, we expect that within 3 years, Opy USA with its OpyPay and OpyPro growth will transform the profile of the entire Openpay Group whereby the US company will represent approximately 2/3 of the business, despite concurrent growth in the UK and Australia.

## OpyPro B2B SaaS platform update - strong momentum

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OpyPro, Openpay's differentiated B2B SaaS platform continued to deliver robust growth during the quarter with more than 8,000 accounts onboarded and trading.

In August we announced HP as a new OpyPro customer in Australia and partnership with Kyriba in the US. HP integration is now completed, and first transactions have been successfully processed through the platform this quarter. Training and education sessions with the Kyriba team have begun and we are currently evaluating specific client opportunities with pilots expected to produce corporate customer sign-ups.

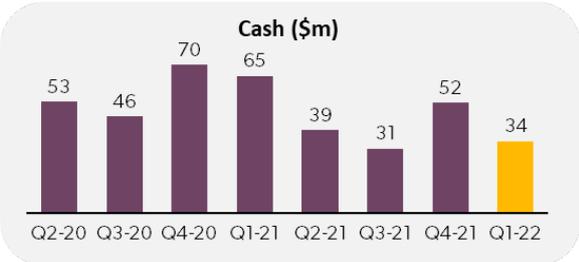
As announced in September we have also signed Kogan who is on track to go live with the platform in Q2FY22. The deal sees us providing 30-day invoice terms to Kogan’s business customers through our partnership with Lumi who provide trade credit on their own balance sheet through our software (OpyPro + Credit).

From next quarter, we expect significant growth in B2B transactions with three enterprise clients live on the platform in Australia. This is on top of continued platform development and our readiness for global expansion with localised work well progressed.

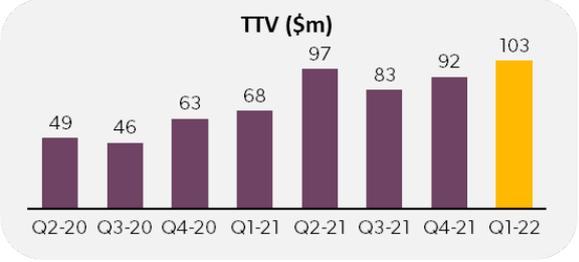
The OpyPro pipeline of new partnerships continues to mature with further B2B partnerships expected to be announced in Q2FY22.

**Strong financial performance**

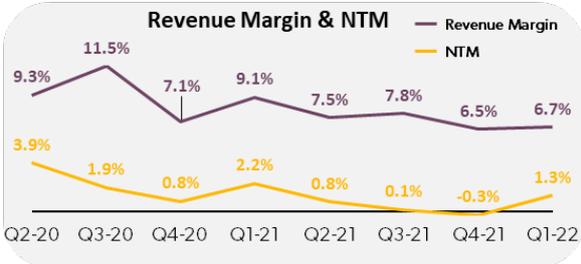
In Q1FY22, Openpay successfully re-financed and extended its existing funding facilities in Australia. The new consolidated \$65 million facility with existing financier, Global Credit Investments (GCI) has an extended maturity date of 31 January 2024 and simplifies funding sources in Australia at more favourable rates. In October, Openpay also announced a US\$271.4 million receivables facility with Goldman Sachs and Atalaya Capital Management.



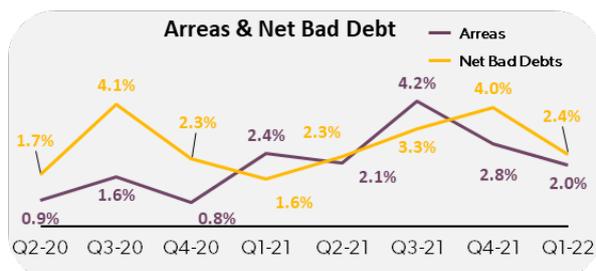
**Q1FY22 cash balance was \$34m**, which when combined with undrawn funding lines of \$153m, equates to an overall funding headroom of \$187m. The Group remains well funded, with a pro-active approach to supporting efficient global portfolio growth.



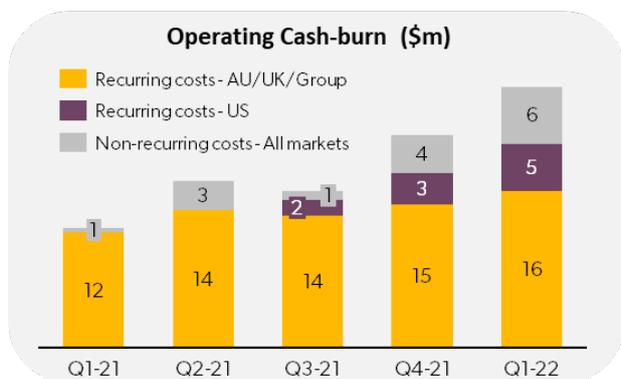
**TTV continued to grow** reaching a record \$103m in Q1FY22, a 51% increase y-o-y. Step change in TTV growth is expected during FY22 through continued market leading growth in Australia, anticipated completion of Payment Assist acquisition (subject to FCA approval), launch in UK healthcare, and US volumes.



**Strong revenue margin** at 6.7% for the quarter, an improvement from the previous quarter. Net transaction margin (NTM) improved to 1.3% in Q1FY22 as portfolio arrears improves after early-stage loss experience in the UK portfolio. The Group maintains a longer-term objective of 9.0%+ revenue margin and 2.5%+ NTM that will be delivered through a strong presence within specialised verticals globally and a growing B2B portfolio.



Portfolio performance showed reversion to expected loss outcomes during the quarter, through significantly improving arrears levels to 2.0%, resulting in a 2.4% net bad debt rate.



Recurring costs in ANZ, UK and Group have increased in line with volume growth, while recurring costs in the US increased as a result of going live with platform ready to scale-up the business. One-off costs were mostly associated with setting-up the US operations, UK inorganic growth and re-financing of existing funding facilities, the latter releasing \$10 million of equity. These non-recurring costs are expected to reduce in coming quarters.

## Outlook - pathway to profitability

In FY22 Openpay looks to deliver a step-change in volume growth through its launch in the largest global consumer market in the US, together with strong focus on our key verticals in ANZ/UK and robust progress in B2B through PpyPro. This will allow Openpay to grow at scale, and through maintaining both our market-leading revenue and net transaction margins will ensure it maintains a clear path to profitability in the mid-term.

## Online investor briefing

Investors are invited to attend an online group briefing **today at 3pm AEST**, where Group CEO & Managing Director, Michael Eidel, Group CFO, Jussi Nunes and US CEO and Global Chief Strategy Officer, Brian Shniderman will discuss Openpay's Q1FY22 results. Please register via the following link:

[https://us02web.zoom.us/webinar/register/WN\\_fcSQpJMXQsaBzOs\\_Vg88YA](https://us02web.zoom.us/webinar/register/WN_fcSQpJMXQsaBzOs_Vg88YA)

Authorised by:  
**The Board of Directors**  
**Openpay Group Ltd**

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### **About Openpay**

Openpay Group Ltd (ASX: OPY) is a fast-growing and highly differentiated player in the global 'Buy now pay later' (BNPL) payment solutions market. The Company's strong platform enables it to deliver the most flexible plans in the market with durations of 2–24 months and values of up to \$20,000.

Openpay brings fairness, transparency, and flexibility to merchants and consumers alike, and focuses on industries where it can truly make a difference: Automotive, Healthcare, Home Improvement, Memberships, and Education.

The company focuses on providing a greater range of payment solutions and has created a powerful next generation BNPL solution—Buy Now, Pay Smarter—that provides transparency and control to consumers when they need it most.

Openpay's B2B offering, OpyPro, is a SaaS-based platform that enables companies to manage trade accounts end-to-end, including applications, credit checks, approvals, and account management all in one system.

Openpay provides services to, payment processors, merchants, and their customers in Australia, New Zealand, United Kingdom, and in the United States, where it operates under the brand name Opy.

The company was recent ranked number 318 on the Deloitte Technology Fast 500™ Asia Pacific 2020, and is ranked 41 on the Deloitte Technology Fast 50 Australia.

For more information, visit [www.opy.com](http://www.opy.com).

## Annexure

In accordance with ASX Listing Rule 4.7C Openpay provides the following information:

The quarter ended 30 September 2021 is covered by the “Use of Funds Statement” as in the Openpay Prospectus dated 22 November 2019. As Openpay listed on the ASX as of 16 December 2019 with an existing cash balance the company has reflected the cashflows since 1 January 2020 to satisfy the ASX Listing Rule 4.7C except for the costs of the initial public offering transactions which has been captured from the date of listing.

A summary of the expenditure from 1 January 2020 to 30 September 2021 is outlined below:

Uses of Offer Proceeds	Per Prospectus AUD\$M	Period ended 30 September 2021 AUD\$M
UK staffing investment <sup>1</sup>	8.0	8.3
UK marketing and customer acquisition <sup>2</sup>	2.3	7.9
Development and engineering <sup>3</sup>	13.9	15.5
Funding Australian receivables growth <sup>4</sup>	6.4	1.4
Funding UK receivables growth <sup>5</sup>	10.0	1.3
Working capital and other <sup>6</sup>	3.6	4.8
Costs of the offer from 16 December 2019	5.8	5.1
<b>Total uses</b>	<b>50.0</b>	<b>44.3</b>

1. UK staffing investment includes the increase in headcount across all functions to support the future growth in this jurisdiction.
2. UK marketing and customer acquisition include costs incurred to build up the brand presence in the UK with digital advertising, sponsorship and other associated marketing costs.
3. Development and engineering costs include investments in integrations, development and enhancement of the Openpay platform and system integrations, implementation and upgrade of fraud checking tools, and maintenance of the platform.
4. Funding Australian receivables growth relates to the equity funded portion of the Australian receivables.
5. Funding UK receivables growth represents funding of the entire UK receivables book until June 2020 and the equity funded portion thereafter.
6. Working capital and other mainly relates to funding of the day to day operations of the Group.

Payments to Directors and related parties during Q1 FY22 totaled \$248,000.

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

<b>Name of entity</b>		
Openpay Group Ltd		
<b>ABN</b>	<b>Quarter ended ("current quarter")</b>	
97 637 148 200	30 September 2021	
<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	106,448	106,448
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(2,384)	(2,384)
(c) advertising and marketing	(1,963)	(1,963)
(d) leased assets	(60)	(60)
(e) staff costs	(12,783)	(12,783)
(f) administration and corporate costs	(8,059)	(8,059)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	(1,949)	(1,949)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (payments to merchants)	(106,995)	(106,995)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(27,743)</b>	<b>(27,743)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(98)	(98)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(98)</b>	<b>(98)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	10,000	10,000
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (principal elements of lease payments)	(386)	(386)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>9,614</b>	<b>9,614</b>

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	52,078	52,078
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(27,743)	(27,743)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(98)	(98)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	9,614	9,614
4.5	Effect of movement in exchange rates on cash held	174	174
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>34,025</b>	<b>34,025</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	30,510	48,329
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Cash Suspense)	3,515	3,749
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>34,025</b>	<b>52,078</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(248)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	211,919	58,653
7.2		
7.3		
7.4	<b>Total financing facilities</b>	<b>58,653</b>
7.5	<b>Unused financing facilities available at quarter end</b>	
		153,266
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	
	<p>Loan facilities in Australia consist of working capital facilities with A H Meydan Pty Ltd and Riviera Capital Pty Ltd, and a commercial bill with Global Credit Investments Pty Ltd ACN 604 417 647 in its capacity as trustee for GCI Commercial Finance Fund. Borrowings carry a fixed interest rate (working capital facilities), an interest rate based on the Bank Bill Swap Rate (GCI) plus a margin. The working capital facilities offer a committed borrowing base of \$35 million. There were no borrowings outstanding on the working capital facilities as of 30 September 2021. The commercial bill offers an available borrowing base of \$65 million of which \$55 million is committed and \$10 million is uncommitted. Of the \$55 million committed, \$40 million is drawn as of 30 September 2021.</p> <p>The Loan Facility in the UK consists of a funding agreement with Global Growth Capital (GGC) of £60 million of which £25 million is committed and £35 million is uncommitted. Borrowings carry a fixed interest rate. Of the £25 million committed, £10 million is drawn as of 30 September 2021.</p>	

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)
	(27,743)
8.2	Cash and cash equivalents at quarter end (item 4.6)
	34,025
8.3	Unused finance facilities available at quarter end (item 7.5)
	153,266
8.4	Total available funding (item 8.2 + item 8.3)
	187,291
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>
	6.8
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
	Answer:

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

*Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.*

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 October 2021

Authorised by: Managing Director  
(Name of body or officer authorising release – see note 4)

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.