

ASX Announcement - 28 April 2021

Openpay takes it to the next level on the global stage through Q3 FY21

Key highlights:

- Uplift recorded across the following leading indicators in Q3 FY21, following a very strong Q2 FY21:
 - Active Plans of 1.7m up 185% relative to pcg (prior comparable period: March 20) and up 19% QoQ
 - Active Customers of 505k up 102% relative to pcg and up 10% QoQ; 50% now from UK
 - 82% of new plans generated by Repeat Customers, 51% of Active Customers with more than one plan
 - Active Merchants of 3.4k up 70% relative to pcg and 24% QoQ, the highest increase in new merchant numbers on record
- Total Transaction Value (TTV) up 80% in Q3 FY21 vs pcg to \$83m
- Revenue up 24% vs pcg to \$6.6m, following a very strong holiday retail trading period in Q2 FY21. Revenue yield up to 7.8% in Q3 FY21, from 7.5% in Q2 FY21
- In Australia, key agreements were signed with leading brands, Officeworks and Ford, and Openpay entered into the hospital sector with St John of God Health Care
- Woolworths Group continues to accelerate the transition of existing business customers onto the OpyPro platform
- Growing pipeline of enterprise merchants seeking to integrate with the OpyPro B2B platform has led to a term sheet being signed with Lumi who will provide SME funding, enabling OpyPro to remain a pure SaaS, capital light solution for Openpay
- International expansion continued at pace: Openpay entered into the US\$55.8b US and UK veterinary markets in partnership with ezyVet
- Opy USA ticks key boxes on its six-pillar strategy through agreements signed with global payments provider, Worldpay from FIS, and with veterinary channel aggregator, ezyVet
- Significant funding package secured, raising \$37.5m equity via an oversubscribed institutional placement, \$25m debt facility, and a \$5m share purchase plan (SPP) is currently open to shareholders

Openpay continues to move with urgency to capture market opportunity and disrupt major payments markets with its highly relevant and transparent offering for merchants and consumers.

MELBOURNE Australia, 28 April 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 31 March 2021 (Q3 FY21).

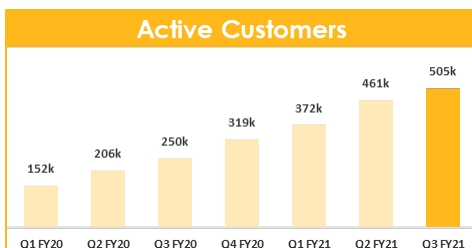
Openpay CEO, Michael Eidel commented: "Q3 has set us up to take Openpay's growth trajectory to the next level. We announced a very well supported funding package, with much of the new capital now being actively deployed in support of our fast-emerging US business, which brings with it a US\$829b opportunity in our core verticals. This funding followed two highly strategic and significant wins with aggregators with the strong potential to take Opy plans into the US market at mass scale, ticking additional boxes on our focused six-pillar US market entry strategy.

"In our home market of Australia, we signed partnerships with iconic brands Officeworks and Ford, and we recorded another first, bringing BNPL to the hospital segment through our partnership with St John of God Health Care. In the UK and US, we entered the US\$55.8b healthcare vertical via our partnership with cloud-based Practice Management Software platform, ezyVet, and our UK Retail expansion continues, with Monsoon and Accessorize brands as recent wins. While TTV and Revenue were seasonally slightly down following a vibrant Q2 Christmas shopping period, the work we are doing now to launch with our global partners and activate recent wins is positioning Openpay for the next level of growth in FY22."

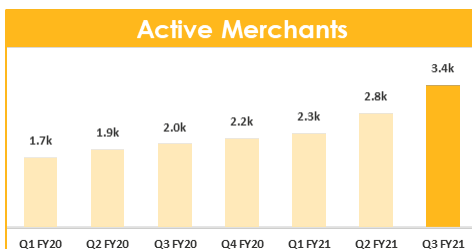
Solid growth in leading indicators, record growth in Active Merchants



Active Plans increased 185% vs pcp and 19% QoQ to 1.7m, mainly driven by the continued recovery of bricks and mortar growth rates in Openpay's specialised verticals (particularly Healthcare and Automotive), after sustained lockdowns across Australia ended. Openpay's plan mix is comparatively longer-term and higher-value with three to five-month plans accounting for 71% of TTV during Q3 FY21.



An Active Customer growth rate of 102% vs pcp was achieved at an aggregate level across all merchant verticals, and Openpay finished the quarter with 505k Active Customers. Strong customer engagement and awareness led to 82% of plans being held by repeat customers, with more than every second customer holding multiple concurrent plans at the end of the quarter.



Overall, Active Merchants grew by 70% vs pcp to 3.4k as at Q3 FY21 and 24% QoQ, the highest increase in new merchant numbers on record. During the quarter, Openpay continued to deliver on its strategy of building an Australian portfolio of high-growth Merchant businesses at scale, with a new partnership with leading retailer Officeworks going live. Under the agreement, Openpay plans were rolled out across Officeworks online and in-store Australia-wide in February and March. Openpay's new automated self-service program (built particularly for small and mid-sized merchants) and platform integration partnerships contributed to the strong growth.

Openpay Australia continues to build its portfolio of high-growth Merchant businesses at scale

In February, Openpay signed a partnership with **Ford Australia** as key Auto customer, with Openpay's BNPL solution to be rolled out to Ford's dealership network to support customer car servicing needs. The agreement demonstrates Openpay's continued delivery on the objective of driving growth at scale in the Automotive vertical, where pushing upstream into automotive Original Equipment Manufacturers (OEMs) enables **strong incremental utilisation amongst dealership groups**. As a direct result of this relationship, Openpay was able to secure a deal with Tilford Auto group, which operates five Ford dealerships.

Openpay strengthened its position in the Australian Healthcare vertical, becoming **the first BNPL player to enter the hospital segment** of Healthcare via a partnership with St John of God Health Care, one of Australia's largest Catholic providers of healthcare services. Also in Healthcare, the partnership between Openpay and 1st Group (who own **MyHealth1st healthcare** and **PetYeti** veterinary platforms) moved from initial roll out into full scale production, ahead of schedule, following strong early outcomes for merchants and patients.

Other major merchant wins during the quarter in Retail included shoe retailer Florsheim; online hair, fashion and beauty provider, Black Swallow; mattress group, Sleeping Duck; and James Lane Group, Mosaic Brands; and pharmacy chain, The Discount Chemist. In Automotive, new merchant agreements were signed with The Tyre Factory, automotive heating and cooling group, Natrad, as well as with a number of dealerships: WA Automotive, Brighton Auto Group and Sydney City Motors, and software group, Costar. In Healthcare, an agreement was signed

with Practice Management Software group, coreplus. In new markets, Openpay switched on the partnerships with MSL Solutions and Stack Sports. The Stack Sports partnership has resulted in more than 400 sporting clubs becoming active since go-live in February. A new agreement was also signed with membership software management company, TidyHQ.

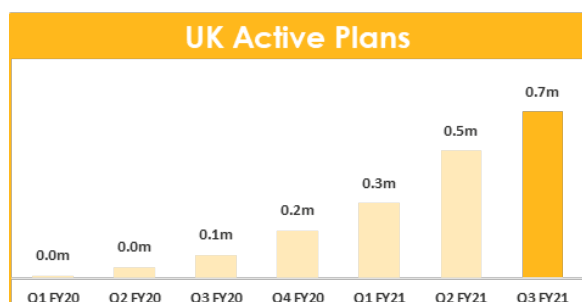
OpyPro B2B SaaS platform update

Openpay has built out a strong pipeline of enterprise merchants for its B2B SaaS platform, OpyPro. In doing so, the Company has received expressions of interest for a funding solution to support business customers.

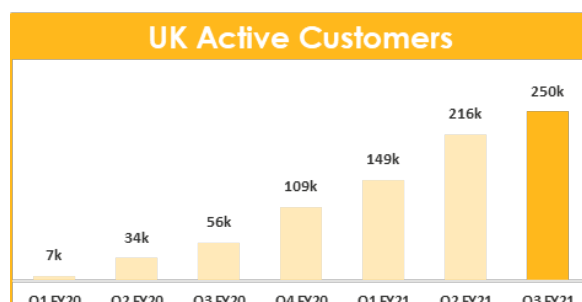
As a result, and to meet market demand, a binding term sheet for an integration and referral partnership has been signed with Lumi Financial Management Pty Ltd, an Australian provider of small business loans. Under this partnership, which will be exclusive for the first 24 months, Openpay will refer trade account customers to Lumi based on Openpay's agreement with a merchant to provide our B2B SaaS platform solution, OpyPro. Once integrated and as part of a seamless customer experience, Openpay will facilitate the introduction of potential trade customer clients to Lumi for the purpose of such clients entering into a separate agreement with Lumi for the provision of trade credit.

During the quarter, Woolworths Group continued to accelerate the transition of existing business customers onto the OpyPro platform.

Openpay UK grows at pace



During Q3 FY21, **strong momentum continued in Openpay's UK business**, with Active Plans increasing 31% QoQ to 0.7m, driven by record growth through THG brands and new merchant launches. UK Active Plans growth represented **58% of overall global growth in Active Plans** for the quarter.



Active Customers were **up 15% to 250k QoQ**, contributing 76% to **overall global growth in Active Customers** for the quarter.

Having built a robust base of Active Customers in the UK Retail vertical, Openpay is now working on providing customers with offerings in other verticals. This strategy of building a strong retail customer base, then cross pollinating into other verticals, such as Healthcare, Automotive and Home Improvement, leverages the successful model executed by Openpay Australia.

The first key agreement was announced in March, when Openpay UK and Opy USA announced their entry into the US\$55.8b US and UK Healthcare channel, in partnership with cloud-based veterinary Practice Management Software platform, ezyVet. This partnership not only signals the move into Healthcare for Openpay UK market but also the provision of its 'Buy now. Pay smarter.' solution via an in-store proposition expected to launch during Q4.

Within the traditional Retail channel, key merchant wins the UK included: established fashion and accessories brands Monsoon and Accessorize; and consumer electronics brand Maplin. As announced in February 2021, an integration partnership deal was signed with APEXX payment gateway, a payments processor which works with numerous enterprise Retail brands.

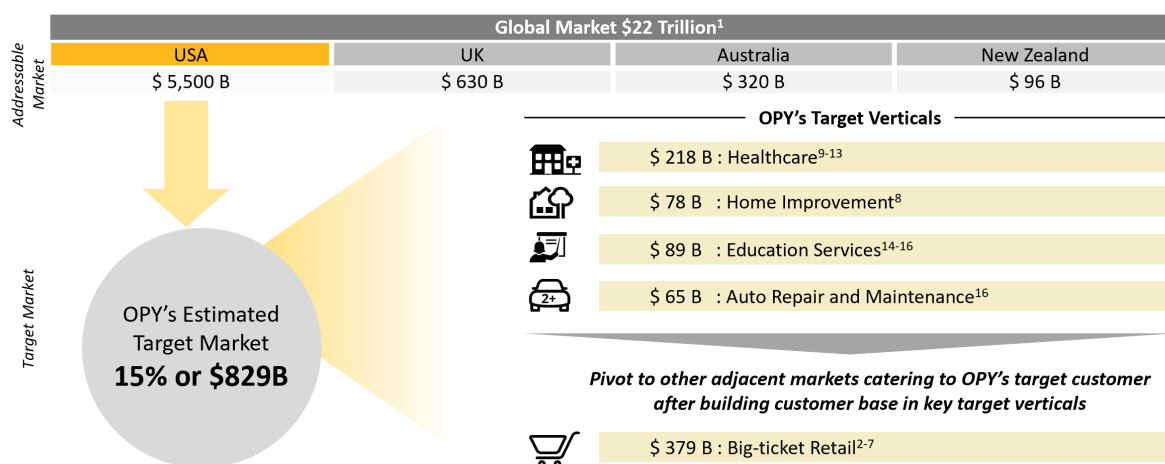
Several new merchants also went live through the quarter, broadening Openpay UK's available offering across home, family, lifestyle, health, beauty and sporting brands, including Arthaus Furniture, Kiddies Kingdom and DJ Superstore.

UK regulation

In February, Openpay welcomed the publication of the UK's Financial Conduct Authority's (FCA) *Woolard Review – A review of change and innovation in the unsecured credit market*, and embraced appropriate regulatory oversight of the UK BNPL sector. Openpay has been continuing to work with the FCA to seek to ensure that any further regulatory measures for the BNPL sector are designed to promote consumer choice, product innovation and strong consumer protections and Openpay was pleased to see recognition that BNPL can be a helpful way for consumers to manage their finances.

Creating the next-generation BNPL solution for the multi-trillion-dollar US payments market with Opy's six pillar strategy

Opy USA believes that there is a significant market opportunity in the US for its customised higher-value, longer-term plans. By servicing strategic target verticals, Opy will address the current gaps in the BNPL market in the US. Our pipeline is focused on what we consider to be our largest opportunities, beginning in Healthcare.



1

With the global market for BNPL valued at an estimated \$22t, the US market size alone is currently estimated to be \$5.5t. We estimate that the market for our differentiated key verticals for our BNPL solutions is US\$829b, based on the target verticals highlighted above.

Opy USA's strategy is to capture customers in verticals like Healthcare and via strategic ecosystem partnerships, then pivot them into big-ticket Retail purchases or grow customers organically across the specialised verticals of Healthcare, Home Improvement, Education Services and Auto Repair and Maintenance.

¹ Notes: 1. Barclays Research, 2021: Buy Now, Pay Later: Global Uptake Points to a Long US Growth Runway 2. IBIS 3. CNBC 4. IBIS 5. IBIS 6. IBIS 7. IBIS 8. Census 9. IBIS 10. World Bank 11. Assumption based on UK Market 12. IBIS 13. IBIS 14. IBIS 15. PR News 16. IBIS 17. IBIS Note: Addressable market in the US comprises of Total Retail Commerce, Out of Pocket Healthcare (including vet care), Home Improvement services, Education Services, Auto Repair and Maintenance Services

Through the March quarter, Opy demonstrated successful delivery across four of the six pillars in its **US six-pillar strategy**.



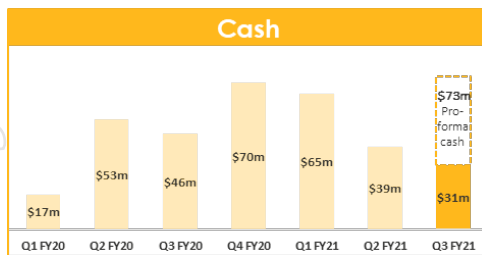
1. A core, highly **experienced leadership team** is in place – ten strong leaders and a growing team
2. Opy signed its inaugural **merchant aggregator agreement** in March and is now preparing to enter the US veterinary market via an agreement with ezyVet, which is expected to go live in H2 FY21
3. An agreement with **global payments provider**, Worldpay from FIS, was signed in March and discussions are underway with additional processors
5. A group of senior leaders and influencers from the US payments market has formed the **Openpay Merchant Advisory Council (OMAC)**. This team is helping to **shape our products** to meet merchants' and their customers' needs and drive industry change

Activities under pillars 4 and 6 are also well progressed, with work continuing on a range of initiatives in these areas.

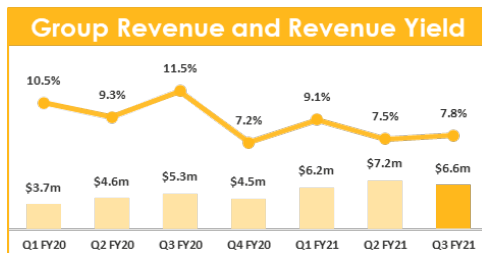
Quality of earnings and Financial Position

During Q3 FY21 Openpay further strengthened its balance sheet position for growth, by delivering a ~\$67.5m funding package. This funding comprises an institutional placement of \$37.5m (part of which is subject to shareholder approval, to be sought at a general meeting to be held on 10 May 2021), a corporate debt facility of \$25m, and a share purchase plan (SPP) for approximately \$5m, which will support the Group to continue investment in its strong growth trajectory in Australia, the UK, and now also within the USA. The use of funds will mainly contribute to merchant acquisition within Australia and the UK, whereas in the US the funding will allow Openpay to develop organisational capability to further support market entry and acquire key initial aggregator relationships, while funding early stage TTV growth.

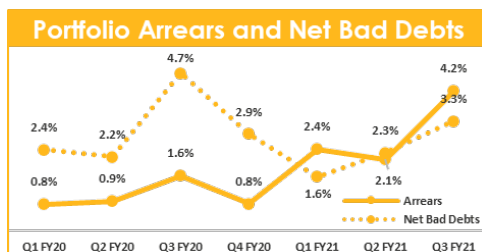
Quality of earnings within the quarter saw an expected rebound in the revenue margin, to record an overall return of 7.8% on reported TTV, from the reduced level of 7.5% evidenced during Q2 FY21, influenced by heightened seasonal Retail spend. Realised losses during the period amounted to a 3.3% charge as a portion of TTV, which represents an elevated level compared to the two previous quarters, at 2.3% and 1.6% respectively. The primary drivers of the loss rate include the reversion to post-peak season TTV performance, as per expectations, with actual realised loss amounts stable. Additionally, some early-stage losses were noted for part of the international portfolio (with continuous improvement shown within Q4 FY21). This resulted in a net transaction margin (NTM) for the third quarter of 0.1%, which is expected to improve throughout the current quarter as loss performance also improves.



Openpay's cash balance is strong as at the end of March at \$30.5m, which, when combined with undrawn funding lines of \$160.3m, equates to an overall funding headroom of \$190.8m (*pre-private placement and SPP, but inclusive of corporate debt facility*) and supports healthy growth within the portfolio. Additionally, once final equity-raise proceeds of ~\$42.5m² are received the Group expects to have a pro-forma funding headroom position of ~\$233.3m.



Topline gross revenue margin returns to expected levels of 7.8%, following the lower-margin peak-season retail spend registered during Q2 FY21. During the third quarter the Group also registered in excess of \$0.1m revenue from its B2B product, and expects this to continue and increase throughout the calendar year through existing and prospective business clients.



Early stage international growth loss profile evident in arrears and loss profile, resulting in a 3.3% net bad debt rate, which is slightly outside the Group's target range of up to 2.5%. This loss dynamic, which is mostly attributable to the largest enterprise merchant in the UK, has been temporary with improved loss performance already recorded during the latter part of Q3 FY21 and in Q4 FY21 to date, based on credit model improvements. Performance is expected to return to target levels in the near term.

Outlook – continuing to disrupt major payments markets with a highly relevant offering for merchants and consumers

<p>Global momentum Openpay is experiencing continued and accelerating growth</p>	<p>Unmistakable opportunity \$829b estimated target market in the US alone across our differentiated key verticals</p>	<p>Funding for growth Well supported by domestic and global institutions. SPP open from 9 April for shareholders</p>
<p>Refreshingly different Being recognised by merchants as fairer and better – no interest, no surprises</p>	<p>Ticking the boxes Highly experienced team, product built by merchants for merchants and a focused US go to market strategy</p>	<p>The time is now We are moving with urgency to capture market opportunity.</p>

Openpay continues to experience continued and accelerating growth and its focus remains on disrupting major payments markets with its highly relevant offering for merchants and consumers.

In its home market of Australia, Openpay is in a strong position to continue to grow at scale, based on a wide range of merchant partnerships, including enterprise and large-scale eCommerce pure-plays, and with strategic platform

² This assumes \$5m is raised under the SPP, which remains open, and that the shareholder approval to be sought at the general meeting on 10 May 2021 is obtained for the issue of approximately 2.6m shares under the second tranche of the placement.

partnerships. While Openpay remains a provider of choice in verticals including Automotive, Health and Home Improvement, where it is often the sole, or one of two providers, it has been able to significantly solidify its position as a complementary provider of plan structures in Retail, for merchants' higher-value products, providing finance-savvy customers with a smart budgeting tool.

Following the successful establishment of the partnership agreement with ezyVet to enter into the UK veterinary market, Openpay UK is preparing to move into the Automotive vertical and continues to build its presence in the Healthcare vertical.

The funding package secured during the quarter means Openpay is ready to accelerate its international expansion, with a strong focus on the US, and is moving with urgency to capture market opportunity.

In the US, Openpay will continue to address current BNPL gaps in order to capture a significant addressable market and also continue to deliver on its six-pillar strategy to drive growth in the fast-growing payments market.

Authorised by:

Michael Eidel

CEO and Managing Director

Openpay Group Ltd

For further information, please contact:

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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. Openpay'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 focuses on industries where it can make a true difference: Automotive, Healthcare, Home Improvement, Memberships and Education; and its target customers are finance-savvy and of an older demographic who use Openpay plans as a cashflow management tool.

Openpay also has a unique B2B offering, OpyPro, a SaaS-based platform that allows companies to manage trade accounts end-to-end, including applications, credit checks, approvals and account management in the one system.

Openpay provides services to Customers and Merchants in Australia, New Zealand, the UK and entered the US market, under the brand name Opy, in December 2020.

See more at www.openpay.com.au.

Annexure

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

The quarter ended 31 March 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 31 March 2021 is outlined below:

Uses of Offer Proceeds	Per Prospectus AUD\$M	Period ended 31 March 2021 AUD\$M
UK staffing investment ¹	8.0	5.8
UK marketing and customer acquisition ²	2.3	5.1
Development and engineering ³	13.9	9.2
Funding Australian receivables growth ⁴	6.4	0.0
Funding UK receivables growth ⁵	10.0	0.0
Working capital and other ⁶	3.6	1.1
Costs of the offer from 16 December 2019	5.8	5.1
Total uses	50.0	26.3

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 Q3 FY21 totaled \$263,000.

Authorised by:

Michael Eidel
CEO and Managing Director
Openpay Group Ltd

Appendix 4C

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

Name of entity

Openpay Group Ltd

ABN

97 637 148 200

Quarter ended ("current quarter")

31 March 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	97,608	264,053
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(2,562)	(7,431)
(c) advertising and marketing	(1,644)	(5,919)
(d) leased assets	(78)	(74)
(e) staff costs	(7,365)	(20,104)
(f) administration and corporate costs	(2,993)	(9,083)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	113
1.5 Interest and other costs of finance paid	(1,709)	(4,633)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (payments to merchants)	(88,620)	(261,385)
1.9 Net cash from / (used in) operating activities	(7,357)	(44,463)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(81)	(223)
(d) investments	-	-
(e) intellectual property	(1,172)	(3,108)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
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)	-	-
2.6	Net cash from / (used in) investing activities	(1,253)	(3,331)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	229
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	-	8,996
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)	(351)	(1,005)
3.10	Net cash from / (used in) financing activities	(351)	8,220

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	39,281	70,059
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(7,357)	(44,463)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,253)	(3,331)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(351)	8,220
4.5	Effect of movement in exchange rates on cash held	212	47
4.6	Cash and cash equivalents at end of period	30,532	(30,532)

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	26,882	35,363
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Cash Suspense)	3,650	3,918
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	30,532	39,281

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(263)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	208,342	48,057
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities	208,342	48,057
7.5	Unused financing facilities available at quarter end		160,285
7.6	<p>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> <p>Loan facilities in Australia consist of working capital facilities with A H Meydan Pty Ltd and Riviera Capital Pty Ltd, a commercial bill with GCI Consumer Credit Finance Trust 1 and a revolving credit facility with the Specialised Finance Warehouse Trust 1. Borrowings carry a fixed interest rate (working capital facilities), an interest rate based on the Bank Bill Swap Rate (GCI) and RBA Cash Rate (Specialised Finance Warehouse Trust 1) plus a margin. The working capital facilities offer a committed borrowing base of \$35 million. The commercial bill offers an available borrowing base of \$40 million of which \$30 million is committed and \$10 million is uncommitted. Of the \$30 million committed, \$30 million is drawn as of 31 March 2021. The revolving credit facility offers a committed borrowing base of \$25 million, with an option to extend to \$100 million. There were no borrowings outstanding on the working capital facilities nor the revolving credit facility as of 31 March 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 31 March 2021.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(7,357)
8.2	Cash and cash equivalents at quarter end (item 4.6)	30,532
8.3	Unused finance facilities available at quarter end (item 7.5)	160,285
8.4	Total available funding (item 8.2 + item 8.3)	190,817
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	26
	<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 APRIL 2021

Authorised by: MICHAEL EIDEL - 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.