

# Q1FY22 Presentation.

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**openpay** Buy now.  
Pay smarter.

**opu**pro

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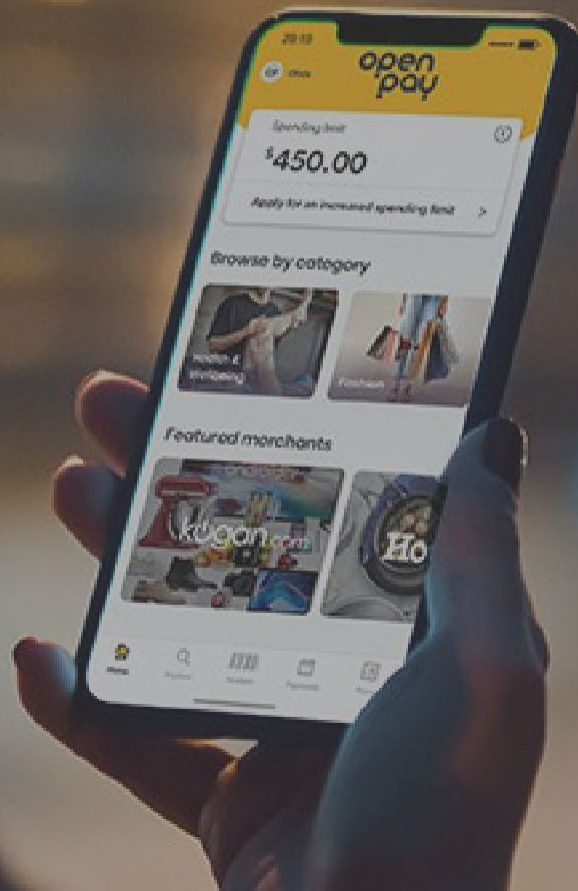
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# Q1FY22 Performance Highlights.



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# Q1FY22 Highlights.

## Major announcements and partnerships.

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- ✓ Partnership signed with Goodyear & Dunlop Tyres Australia
- ✓ Preferred BNPL provider status in partnership with the Victorian Automobile Chamber of Commerce and Bosch Car Service Australia
- ✓ Secured a key agreement with Nissan Australia



- ✓ Agreement expanded with Nexus Hospitals in Australia and Henry Schein (Dental) in UK
- ✓ Healthcare launched in the UK via ezyVet integration

opupro



WOOLWORTHS GROUP

- ✓ >8,000 businesses on-boarded and trading



- ✓ HP 30 day credit term funding for business buyers in Australia

kogan

kyriba

- ✓ Kogan.com will offer OpyPro to their business customers who transact on terms, with Lumi providing credit
- ✓ 2,000 treasury and enterprise clients

opy



Goldman Sachs



ATALAYA ✓ US\$271.4 million receivables facility

cross river

- ✓ Accelerated access to the US market, enabling Opy to offer loans across the entire US

experian

- ✓ Tailor-made risk solutions for the US enables Opy to extend low-cost loans to a greater number of consumers

PatientNow

PRACTICE WITH PURPOSE

ezyVet

- ✓ Distributes OpyPay to more than 2,500 healthcare providers and 1,200 veterinary clinics in the US

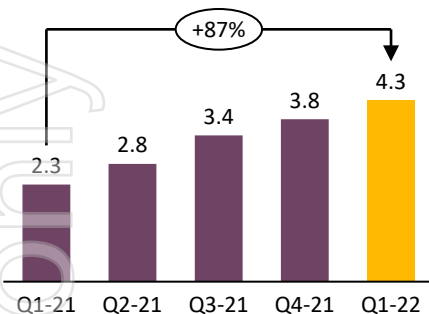
EVERYWARE

- ✓ Enables OpyPay on Everyware, making Opy the first US BNPL offering Pay-by-Text

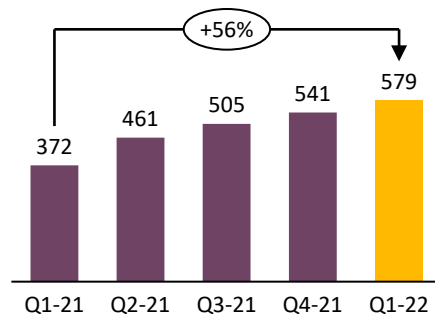
# Strong growth across all key metrics.

Performance of key metrics (all before Payment Assist integration).

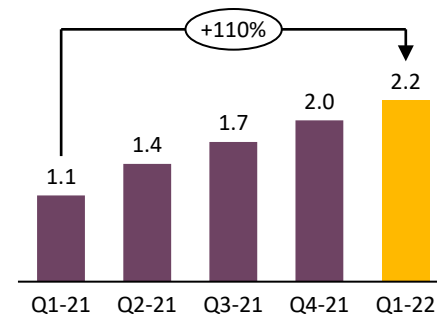
Active Merchants ('000s)



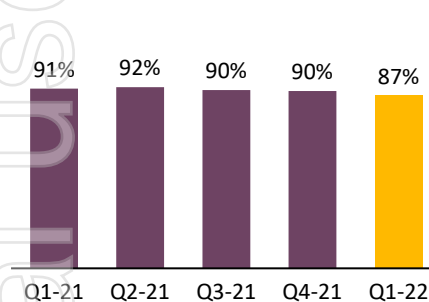
Active Customers ('000s)



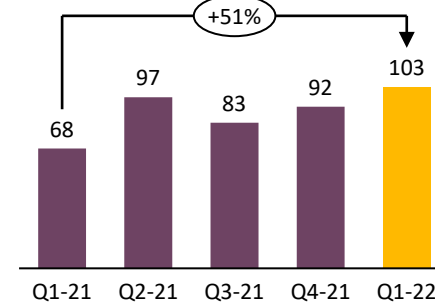
Active Plans ('m)



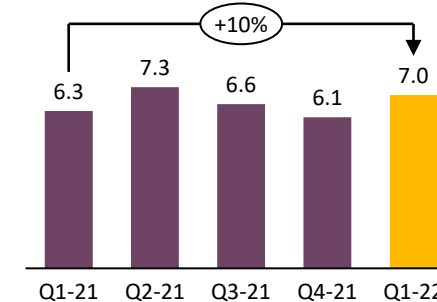
Larger, Longer Plans\*



Total Transaction Value (\$m)



Revenue (\$m)

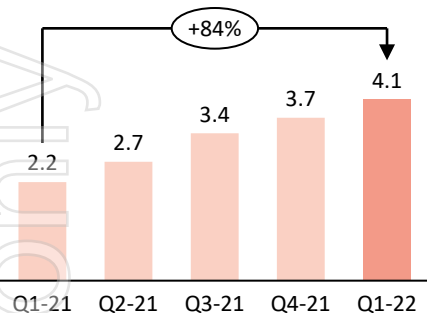


\*% of TTV, 3 months+

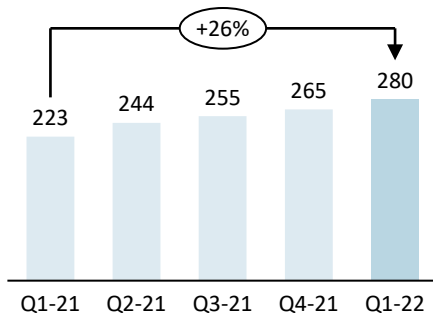
# Record TTV performance in home market Australia & New Zealand.

For the first time online has surpassed instore sales.

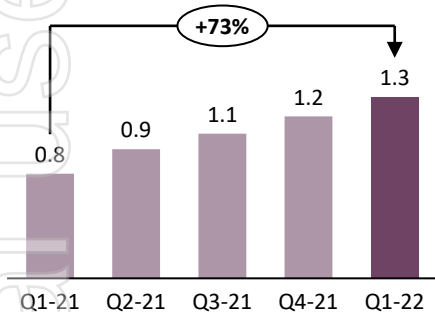
Active Merchants ('000s)



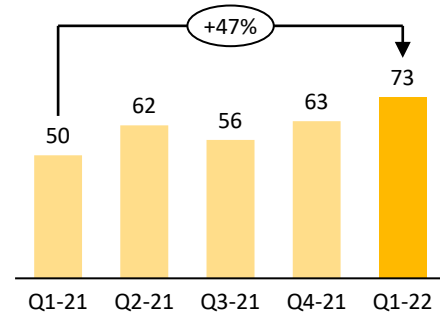
Active Customers ('000s)



Active Plans ('m)



Total Transaction Value (\$m)

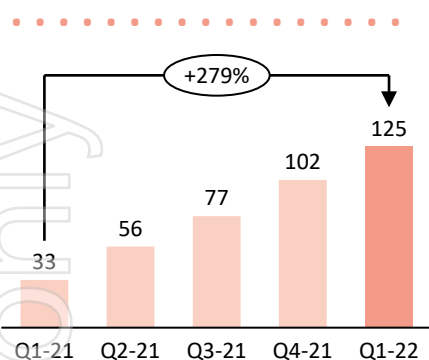


- Openpay ANZ signed a record number of key merchants, major platforms and aggregator partners to enable merchant growth of 84% y-o-y, which will support growth of TTV and Revenue in Q2FY22, the peak season for our business
- Active Customers and Active Plans grew 26% and 73% respectively driven by improved customer engagement through target communication
- ANZ's 'Think global. Act local.' strategy delivers record TTV \$73m with strong growth across key verticals

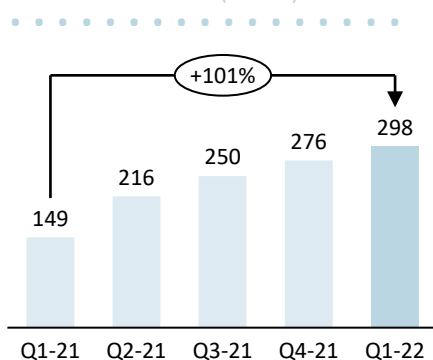
# Continued growth in the United Kingdom.

Openpay UK enters healthcare and expands its bigger ticket retail offerings.

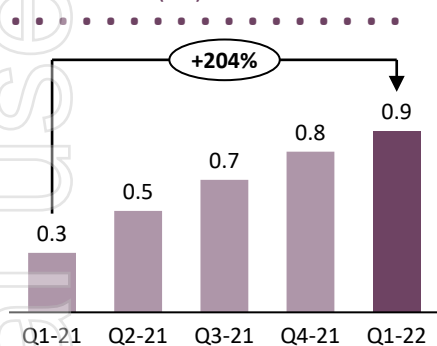
Active Merchants



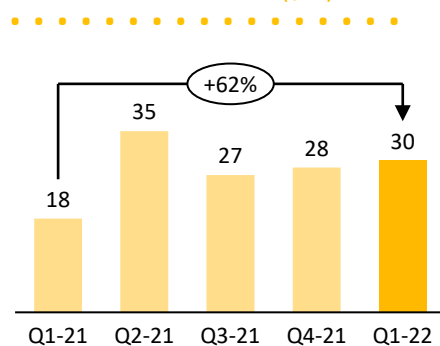
Active Customers ('000s)



Active Plans ('m)



Total Transaction Value (\$m)



- Openpay UK continue to gain momentum and during the quarter entered healthcare and expanded its bigger ticket retail offerings
- The focus on partnerships and integrations with ecommerce platform delivered an increased of 279% in Active Merchants
- Active Customers and Active Plans grew 101% 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.
- TTV grew a solid 62% as we continued to focus on quality growth in the UK, rightsizing volumes according to acceptable loss rates
- Awaiting FCA approval for anticipated Payment Assist acquisition

# Launched in the US with differentiated strategy.

Tapping into a massive addressable market.

## Diversified Global Fintech

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- Flexible installment plans, partnering with merchants for fit-for-purpose solutions

opupro

- End-to-end B2B trade account management for leading corporates, via a SaaS solution

## Financial Backing

- ✓ Goldman Sachs and Atalaya provides US\$271.4 million receivables warehouse facility - Triples Opy's credit facilities to support its US scale
- ✓ Cross River fast-tracks Opy's ability to provide OpyPay consistently across the entire US

## Differentiated US Proposition

- Larger and longer than the pay-in-four BNPLs
- More responsible than traditional credit
- Targeting high-ATV verticals underserved by the competition:



Health / Dental



Veterinary



Education



Auto Repair



Home Repair



Big Ticket

## Growth at Scale

- ✓ US Partnerships in place to distribute OpyPay to more than 2,500 healthcare providers through PatientNow and 1,200 veterinary clinics through ezyVet
- ✓ Everyware enables OpyPay to be the first US BNPL offering Pay-by-Text
- ✓ Kyriba partnership to distributes OpyPro to more than 2,000 enterprise-grade clients world-wide



# Strong OpyPro Pipeline.

Unique SaaS-based capital light, low risk, transactional B2B product.



From account applications through to reconciliation and remittance, *OpyPro* is a B2B platform that fully digitises business and trade accounts, end to end

A highly value-accretive contributor to Openpay's pathway to mid-term profitability

WOOLWORTHS GROUP



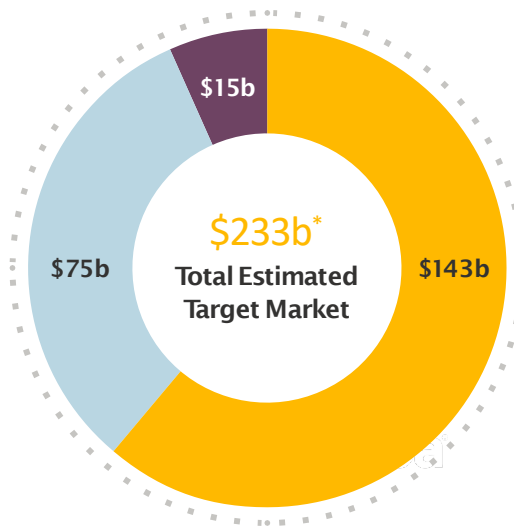
kogan

lumi

kyriba

## Australian B2B Target Market

- Self-Funded enterprise merchants - *OpyPro*
- Externally Financed enterprise merchants - *OpyPro* + *Credit*
- No Current B2B Solution - *OpyPro* / *OpyPro* + *Credit*



\* Percentage on Trade Credit - Artemis Report (2019)



Financial  
Summary.

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# Performance Highlights.

Record TTV and margin turn around.

Key Financial Metrics	30 Sep 21 \$m	30 Sep 20 \$m	Change %
Total Transaction Value	103	68	51%
Net Receivables	64.0	46.9	37%
Buy Now. Pay Smarter. (BNPS) Income	6.9	6.2	12%
Gross BNPS Revenue Margin as a % of TTV	6.7%	9.1%	(240)bps
NTM <sup>1</sup> as % of TTV	1.3%	2.2%	(90)bps
NTL <sup>2</sup> as % of TTV	-1.4%	-1.7%	30bps

**\$34m**

Cash at bank

**\$60m**

Undrawn debt AU

**£50m**

Undrawn debt UK

- Openpay's BNPS business continues to grow strongly within all portfolio metrics in anticipation of new vertical entry both within the US and UK markets. For the first time TTV surpassed \$100m, with a strong Q2FY22 expected, as well as a step change in portfolio growth dynamics in the first half of CY 2022
- As well as a QoQ BNPS revenue margin increase, from 6.5% to 6.7%, the Group has started to record additional capital-light revenues from its newest OpyPro merchants. Whilst revenue margins have eased on a YoY basis, it is purely due to mix, with underlying margins strong
- The Group's Net Transaction Loss (NTL) rate has recovered as expected, from early stage losses in the UK, to produce an improved NTM of 1.3% with a positive trajectory during early FY22
- Openpay's combined funding capacity of \$187m remains healthy, composed of cash and undrawn debt, to support further growth. Additionally, the Group will deploy its significant funding warehouse through Goldman Sachs/Atalaya to drive portfolio growth from Q2FY22 onwards

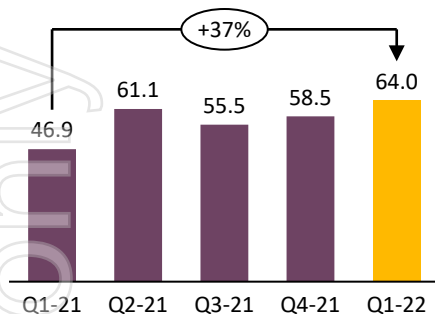
1. Net Transaction Margin (NTM) is measured as BNPS Income (excluding late fee income), less Net Transaction Loss and cost of providing services (including financing costs).

2. Net Transaction Loss (NTL) is measured as the total of receivables impairment and customer charge back expenses net of late fees received.

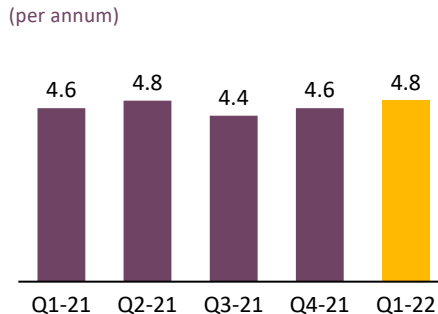
# Performance Highlights.

## Key portfolio and financial metrics.

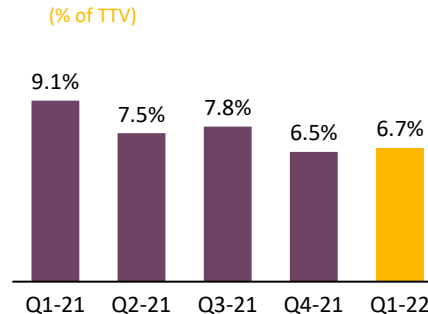
### Net Receivables (\$m)



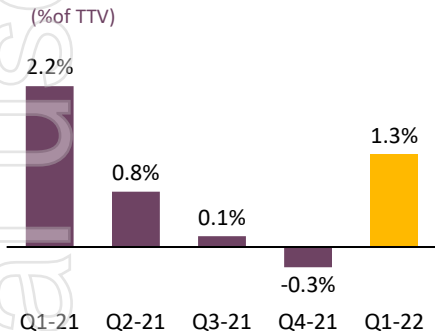
### Average Receivables Turns



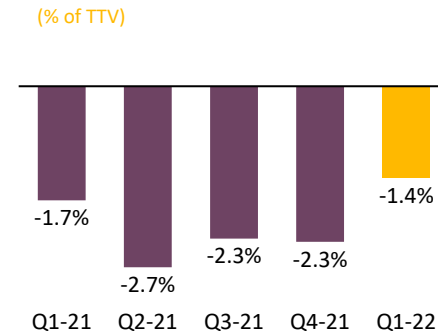
### BNPS Revenue Margin



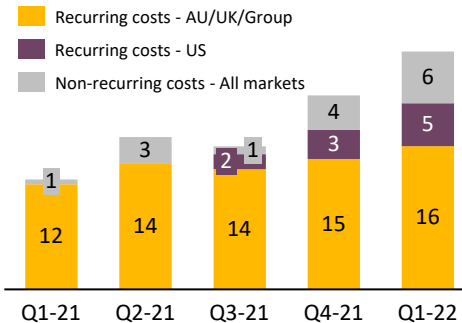
### Net Transaction Margin



### Net Transaction Loss



### Operating Cash-burn (\$m)



- Group portfolio growth rates maintained with increased funding efficiency from higher receivables turns
- The Groups BNPS margin reduced y-o-y to 6.7% due to mix impact of retail volume, however strong momentum in early FY22
- Loss performance with NTL within expected range, and stable in all regions
- Resultant NTM has rebounded in the new financial year, and is expected to continue to improve
- 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.
- Non-recurring costs are expected to reduce in coming quarters





Thank  
You

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