

ASX Announcement

16 December 2019

Openpay lists on the ASX, following strongly supported \$50m IPO

Highlights

- **Openpay to list on the ASX following its successful \$50m initial public offering, which was strongly supported by institutional and retail investors**
- **Company well established in fast-growing Australian buy now, pay later (BNPL) market and expanding to take advantage of early adoption in the UK and Europe**
- **Growth underpinned by continued strong momentum in Active Merchants (year on year growth of 74.8% to 30 November 2019 vs 68.5% to 30 June 2019), Active Customers (84.9% vs 62.4%, respectively) and Active Plans (169.4% vs 110.5%, respectively)**

MELBOURNE Australia, 16 December, 2019: Buy now, pay smarter company, Openpay Group Ltd (ASX: OPY) (**Openpay** or the **Company**) is proud to announce the successful completion of its Initial Public Offering of new shares (**IPO**) and listing on the Australian Securities Exchange (**ASX**). The Company's shares are expected to commence trading on the ASX under the code 'OPY' at 12pm today.

About the IPO

Openpay raised \$50m through the issue of 31.25m new shares at \$1.60 per share for a market capitalisation of \$150m at listing.

The IPO, which was fully underwritten, was strongly supported by institutional and retail investors. Demonstrating the investor appetite for the Company's payment technology offering and significant growth potential, the IPO received strong demand with applications significantly exceeding the targeted \$50m raising, leading to substantial scaling back of allocations.

Proceeds from the IPO will be primarily used to support Openpay's growth strategies, including working capital to underpin the Company's target business plans as well as continued investment into increasing the Company's addressable market through product development, talent acquisition and continued UK expansion, continued enhancement of its technology platform and decisioning tool and receivables growth through increased access to equity funding.

Openpay CEO and Managing Director, Michael Eidel, PhD commented, *"We are absolutely delighted to see Openpay complete its ASX debut today. The strong support from investors is testament to the strength of the opportunity we see ahead of us. We thank all those long term and new shareholders who have invested in our business."*

"With our 'buy now, pay smarter' approach, we've seen strong growth in Australia and have recently launched very successfully in the UK as a first step in our international expansion. Listing on the ASX reinforces our commitment to strong regulation and governance and provides a great opportunity for investors to participate in what we see as a fast-growing, globally relevant Australian company."

The Company's IPO was supported by Investec as financial adviser, Shaw and Partners as lead manager and underwriter, and Clayton Utz as legal adviser.

Market opportunity

Openpay, a payments technology company, provides a platform that allows Customers to better manage cash flow by splitting payments for their in-store and online purchases over time and free of interest from a growing and diverse range of Merchants. Openpay currently services Merchants across four key household spend verticals (consumer retail, healthcare, automotive and home improvement) which collectively represent a substantial market opportunity, underpinned by the following characteristics: these sectors are large and growing, and in Australia totalled \$366.6 billion in sales during FY19; and reflect important aspects of a household's day-to-day budget.

Openpay's BNPL offering is relevant to many other verticals where consumers may wish to stagger repayments.

Openpay's market opportunity was further expanded in June 2019 when the Company entered the United Kingdom. Openpay believes the United Kingdom currently has lower levels of BNPL adoption and represents a significantly larger market than Australia (based on relative total consumer retail sales for FY19).

Operational update

Openpay continues to rapidly grow its portfolio of Active Merchants, Active Customers and Active Plans using the Openpay platform in the Australian and UK markets.

As at 30 November 2019, Openpay reported 1,834 Active Merchants (vs 1,510 as at 30 June 2019). This represented year on year growth to 30 November 2019 of 74.8% (vs 68.5% to 30 June 2019).

In Australia, key recent highlights include:

- the onboarding of all The Just Group brands online, all Hanes Australasia brands and Total Tools both instore and online in the retail sector;
- contracts signed with United Vets Group and Vision Australia in the healthcare sector; and
- continued dealership network expansion with new deals signed with LSH Group and Duttons Motor Group in the automotive sector.

The strong momentum in Openpay's UK expansion continues, with the commencement of online trading with Ideal Shopping Direct, a large online and TV retailer. Openpay has also signed a contract with JD Sports, a £2.1bn UK retailer, with online trading expected to commence during the quarter ending 31 March 2020.

Openpay's Active Customers and Active Plans also continue to rapidly grow. As at 30 November 2019, Openpay reported 178,390 Active Customers (vs 133,556 as at 30 June 2019) and 391,360 Active Plans (vs 251,780 as at 30 June 2019). This represented year on year growth to 30 November 2019 of:

- 84.9% (vs 62.4% to 30 June 2019); and
- 169.4 (vs 110.5% to 30 June 2019), respectively.

Financial reporting

Openpay's first statutory reporting filing as an ASX listed company will be its quarterly cashflow (Appendix 4C) and quarterly activities reports for the quarter ending 31 December 2019, scheduled for release in January 2020.

Growth strategy

With the IPO process complete, Openpay's focus will continue to be on achievement of the stated objectives within its IPO prospectus, including:

- **Continued local market growth** – Openpay seeks to position itself as the 'go to' provider for responsible, financially savvy customers. The Company aims to retain its existing, and attract new, Merchants and Customers to build upon its competitive market position in the automotive, healthcare and home improvement verticals, and to capture a larger share of the Australian retail market;
- **Geographic expansion** – Openpay intends to grow its presence in the United Kingdom by continuing to onboard new Merchants and executing on its strong pipeline of leading retail brands. Openpay will also look to strengthen its position in New Zealand; and
- **New platform offerings** – Openpay will seek to leverage its platform to expand into new household spend verticals and other adjacent market opportunities, including developing a B2B payments solution with a capital light SaaS (software-as-a-service) model.

More information

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

Michael Eidel, PhD
CEO and Managing Director
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For further information, please contact:

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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.