

## Payright announces results of Institutional Entitlement offer

Payright Limited (ASX: PYR) ('Payright' or the 'Company') is pleased to announce the results of the institutional component (Institutional Entitlement Offer) of its 125 for 39 fully underwritten pro-rata accelerated renounceable entitlement offer (Entitlement Offer).

### Key highlights:

- The Institutional Entitlement Offer closed on Thursday, 16 March 2023, and will (subject to settlement) raise gross proceeds of approximately \$5.29 million (being approximately 352.7 million new fully paid ordinary shares (New Shares)) via the take-up of entitlements under the Institutional Entitlement Offer.
- Eligible institutional shareholders (being, MCH Investment Management Services Pty Ltd atf MCP Credit Trust 1) (Metrics) took up their entitlements in full under the Institutional Entitlement Offer.
- The institutional shortfall bookbuild process was not required to be conducted on the basis that there was no shortfall from the Institutional Entitlement Offer.
- The retail component of the Entitlement Offer opens on Tuesday, 21 March 2023 (Retail Entitlement Offer).

### Use of funds

The Institutional Entitlement Offer represents the first stage of Payright's approximately \$10.07 million Entitlement Offer announced on Wednesday, 15 March 2023. The expected proceeds from the Entitlement Offer will be (subject to settlement) used to fund investment in new and existing loan assets, pay down of existing liabilities and costs of completion of ongoing projects, funding of general working capital and the costs associated with the Entitlement Offer.

### Institutional Entitlement Offer

The Institutional Entitlement Offer closed on Thursday, 16 March 2023, and will (subject to settlement) raise gross proceeds of approximately \$5.29 million.

All of the eligible entitlements in the Institutional Entitlement Offer were taken up. On that basis, there were no shortfall shares arising out of the Institutional Entitlement Offer, and accordingly an institutional shortfall book build process was not conducted after the conclusion of the Institutional Entitlement Offer.

Payright's ordinary shares will resume trading today (Friday, 17 March 2023) on an ex-entitlement basis.

### Underwriting and sub-underwriting arrangements and participation by Metrics in the Entitlement Offer

As advised in the Company's announcement of the capital raising on 15 March 2023, the Entitlement Offer is fully sub-underwritten by Metrics.

The effect that this, along with the results of the Institutional Entitlement Offer, is expected to have or may have (as applicable) on Metrics' shareholding in Payright following completion of the Entitlement Offer is as follows:

- Metrics has agreed to take up its full entitlement under the Institutional Entitlement Offer, representing 352,700,814 New Shares;
- Metrics is not required to subscribe for any additional New Shares (other than the 352,700,814 New Shares taken up under their entitlement) pursuant to its sub-underwriting obligations in respect of the Institutional Entitlement Offer as there was no shortfall arising from the Institutional Entitlement Offer;
- following completion of the Institutional Entitlement Offer, Metrics' interest in Payright will increase to 82.3%; and

- if there is limited participation by eligible retail shareholders of Payright in Australia and New Zealand (**Eligible Retail Shareholders**) in the Retail Entitlement Offer, then Metrics' shareholding in Payright could increase from 82.3% (post completion of the Institutional Entitlement Offer) to 88.7% after completion of the Retail Entitlement Offer. For completeness, Metrics' shareholding could also decrease from 82.3% (post completion of the Institutional Entitlement Offer), depending on take up of New Shares under the Retail Entitlement Offer.

Metrics will acquire its entitlements under the Institutional Entitlement Offer by relying on an exception to the prohibition in section 606 of the *Corporations Act 2001 (Act)* on persons holding in excess of 20% acquiring any further shares, namely item 10A of section 611 of the Act (as notionally inserted by *ASIC Corporations (Takeovers – Accelerated Rights Issues) Instrument 2015/1069*). This section provides an exception from the takeovers prohibition for a person participating in an accelerated rights issue or acting as underwriter or sub-underwriter to an accelerated rights issue.

Further detail in relation to the effect of the increase by Metrics on the control of the Company is set out in the cleansing notice lodged with ASX on 15 March 2023.

### Retail Entitlement Offer

The Retail Entitlement Offer is expected to open on Tuesday, 21 March 2023 and is expected to close at 5.00 pm (AEDT) on Friday, 31 March 2023.

Under the Retail Entitlement Offer, Eligible Retail Shareholders will be able to subscribe for 125 New Shares for every 39 existing shares held at 7:00pm (AEDT) on Friday, 17 March 2023 at an offer price (**Offer Price**) of \$0.015 per New Share (**Retail Entitlement**).

Eligible Retail Shareholders have the following options under the Retail Entitlement Offer:

- elect to take up all or part of their Retail Entitlement by the Retail Entitlement Offer closing date of 5:00pm (AEDT) on Friday, 31 March 2023;
- take up all of their Retail Entitlement, and apply for an uncapped number of additional New Shares at the Offer Price (**Additional New Shares**) by making an oversubscription application by the Retail Entitlement Offer closing date of 5:00pm (AEDT) on Friday, 31 March 2023; or
- do nothing and let their Retail Entitlement be offered for sale through the retail shortfall bookbuild process (**Retail Shortfall Bookbuild**), with any proceeds in excess of the Retail Entitlement Offer price paid to the relevant shareholder.

Additional New Shares will only be issued in response to an oversubscription application if the price determined under the Retail Shortfall Bookbuild is equal to the Offer Price.

If there is no participation in the Retail Shortfall Bookbuild, all of the shortfall from the Retail Entitlement Offer will be allocated to Metrics as sub-underwriter.

In order to mitigate the potential control effect of Metrics' sub-underwriting arrangements:

- Metrics is not permitted to participate in the Retail Shortfall Bookbuild;
- Eligible Retail Shareholders who take up their full entitlement of New Shares under the Retail Entitlement Offer will also be entitled to apply for an uncapped number of Additional New Shares in the oversubscription facility;
- the applications for Additional New Shares by Eligible Retail Shareholders through the oversubscription facility will be allocated in priority to any allocation to Metrics in its capacity as sub-underwriter; and
- any other eligible institutional investors who bid into the Retail Shortfall Bookbuild will be allocated New Shares in priority to Metrics in its capacity as sub-underwriter.

A Retail Offer Booklet containing information in respect of the Retail Entitlement Offer, together with a personalised Entitlement and Acceptance Form, will be sent to Eligible Retail Shareholders on or around Tuesday, 21 March 2023 and will be lodged with ASX on that date. Eligible Retail Shareholders should read the Retail Offer Booklet in full before deciding whether to subscribe for New Shares or sell their Retail Entitlements via the Retail Shortfall Bookbuild.

Any Eligible Retail Shareholder who wishes to acquire New Shares under the Retail Entitlement Offer will need to complete or otherwise apply in accordance with the personalised Entitlement and Acceptance Form that will accompany the Retail Offer Booklet by or before 5.00pm (AEDT) on Friday, 31 March 2023.

Authorised for ASX release by the Payright Board of Directors.

## About Payright

Payright is a non-bank lender and offers point-of-sale consumer finance.

## Important information

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