

## ASX Announcement

1 June 2020

### Openpay secures UK funding facility for £25 million with leading UK financier Global Growth Capital

#### Key highlights

- Openpay has secured a £25 million debt facility with Global Growth Capital, from which Openpay will immediately have available £10 million to support the fast-growing UK business
- Major milestone achieved with launch of JD Sports in the UK. Initial customer uptake above expectations with Active Plans and Active Customers starting to contribute positively to the overall UK business
- Further strong growth demonstrated in Openpay's leading indicators in May 2020 with Active Plans up to 739k (+220% versus pcp<sup>1</sup>), Active Customers up to 293k (+131% versus pcp), and Active Merchants up to 2,096 (+50% versus pcp)
- Total Transaction Value (TTV) grew to \$170m in May FY20 year to date (+95% versus pcp). Record growth in Active Plans, Active Customers and TTV in May driven by Merchant marketing initiatives across all industry verticals during 'OpenMay'

MELBOURNE Australia, 1 June 2020: 'Buy now, pay smarter' company, Openpay Group Ltd (ASX: OPY) (**Openpay** or the **Company**) is excited to advise it has secured a new debt facility to provide growth funding of £25 million for its recently established UK Buy Now Pay Later (BNPL) business with specialist technology finance provider Global Growth Capital (GGC), and provides a market update on its continued strong growth.

Under the terms of the £25 million UK funding agreement, Openpay will immediately have available £10 million of committed funding and a further £15 million upon GGC's satisfaction of a number of conditions. The new facility, which has a 21-month term, is in addition to Openpay's existing \$75 million debt facilities (of which \$45 million remains undrawn) and has a maximum advance rate of 80%.

Since 2016, GGC has provided flexible and non-dilutive financing solutions to technology companies and across a number of sub-sectors. GGC is particularly focused on Fintech having backed leading consumer and SME lenders globally.

Openpay CEO, Michael Eidel, commented: "Openpay UK is emerging as a significant contributor to our Total Transaction Value. This funding facility with Global Growth Capital adds strength to our strong balance sheet and provides us with ample funding to support the delivery of our current growth objectives in the UK. We are thrilled to have secured this significant funding capacity in the current market environment which is testament to both our differentiated BNPL offering and to GGC's great entrepreneurial and partnership approach."

GGC Partner, Harsh Patel added: "Global Growth Capital has a track record of supporting growth companies such as Openpay. The Company's UK business is going from strength to strength and we're

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<sup>1</sup> Prior corresponding period: the same period last year

pleased to be financially supporting the business for its next leg of growth.”

This new debt facility will support the growth of Openpay’s UK BNPL business, which is currently operating online in the retail vertical. In addition to its existing group of UK merchants, Openpay launched with JD Sports, a £2.1bn UK-based retailer, on 12 May 2020, and has seen immediate, positive uptake.

“Our team has been working very closely with the technology and marketing teams of JD Sports to embed our unique three-month plan into their ecommerce platform. We are proud to see such a respected brand become a live Openpay Merchant. While we only have very early trading data, the strong growth in newly acquired customers and Total Transaction Value observed in just the first three weeks of trading is very encouraging,” finished Openpay CEO, Michael Eidel.

Following the positive Q3 FY20 results released in April, Openpay has continued to observe further strong growth across all leading indicators through April and May. May 2020 has been the strongest month in the history of Openpay: Active Plans totalled 739k, up to from 231k in May 2019 (+220% versus pcp); Active Customers were 293k, up from 127k in May 2019 (+131%); and Active Merchants numbered 2,096, up from 1,396 in May 2019 (+50%). Total Transaction Value grew to \$170m for May FY20 year to date, up from \$87m in May FY19 year to date (+95%). A substantial contribution to the May result has been ‘OpenMay’, a month of special promotions with Merchant partners across all industry verticals.

Openpay’s underlying loan book credit quality remains strong; the number of weekly COVID-19 related hardship requests continue to diminish off a low base, and the incidence of fraud continues its downward trend due to technology upgrades recently implemented in the platform.

### More information

Investors are invited to visit our website at [openpay.com.au](http://openpay.com.au) for more information on Openpay.

Authorised by  
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**About Openpay** - see more at [openpay.com.au](http://openpay.com.au)

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.

Openpay provides services to Customers and Merchants in Australia, United Kingdom and New Zealand.