

ASX Announcement

25 January 2022

Correction to quarterly activities statement

MELBOURNE, 25 January 2022: Global diversified payments and lending fintech, Openpay Group Ltd (ASX: OPY) (**Openpay** or the **Company**) provides a brief correction to one of the figures released earlier in today's quarterly activities statement.

The paragraph and chart under the section entitled, **Financial Performance – Arrears and Net Bad Debt** should have read, "Portfolio performance showed a consistent reversion to expected low loss outcomes during the quarter. Arrears levels have dropped to 1.4% and Net Bad Debts down to 1.9%, noting ANZ stand-alone Arrears is **only 0.9%** and Net Bad Debts is only 1.2%. The Group pro-actively manages book quality to ensure that the quality of maintainable earnings is sustainably strong."

Any investors queries should be directed to the persons listed below.

Authorised by
The Board of Directors
Openpay Group Ltd

For further information, please contact:

Investors	Media
Aline van Deventer Head of Investor Relations Mobile: +61 423 55 34 34 investors@openpay.com.au Ed Bunting Company Secretary investors@openpay.com.au	Australia: Keep Left openpay@keepleft.com.au

Quarterly Update and Appendix 4C

25 January 2022

Openpay delivers record growth and reduced cost base accelerating pathway to profitability in Australia with focus on the US as key growth market

Key Highlights – Q2 FY22

- ✓ **Strong growth across the leading indicators in Q2 FY22:**
 - Total Active Merchants of 4.4k up 60% compared to pcg (Q2 FY21)
 - ANZ Merchants up 57% to 4.2k vs pcg
 - Total Active Customers of 614k up 33% compared to pcg
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 - Total Active Plans hit 2.5m, up 71%, compared to pcg
 - ANZ Plans up 61% to over 1.5m vs pcg
 - Total Group TTV a record high of \$118m, up 22% compared to pcg
 - ANZ TTV of \$87m up 41% compared to pcg
 - ANZ TTV last 3 quarters TTV CAGR of 16% quarter on quarter (Q2 FY22 quarterly growth of 19%)
 - Total quarterly revenue reached \$8m, up 30% on a comparable basis* to pcg
 - ANZ Revenue of \$6.3m, up 37% on a comparable basis* to pcg
- ✓ **Strong and growing gross revenue margin and net transaction margin (NTM), particularly in ANZ**
 - Global NTM has improved from 0.8% in Q2 FY21 to 1.2% in Q2 FY22
 - ANZ NTM was 2.4%
- ✓ **Continued strong improvement trend in arrears and bad debts**
 - Total Net Bad Debts down from 2.3% in Q2 FY21 to 1.9% in Q2 FY22 (from a peak of 4% in Q1 FY21)
 - ANZ Net Bad Debts down to 1.2%
- ✓ **In the UK, Openpay and Payment Assist agree to a strategic partnership**
- ✓ **Opy US has signed and commenced onboarding dentists, veterinarians, and auto dealerships**
- ✓ **Strong pipeline for B2B SaaS platform OpyPro. Continues solid trading activities with existing enterprise customers with a growing and maturing pipeline**

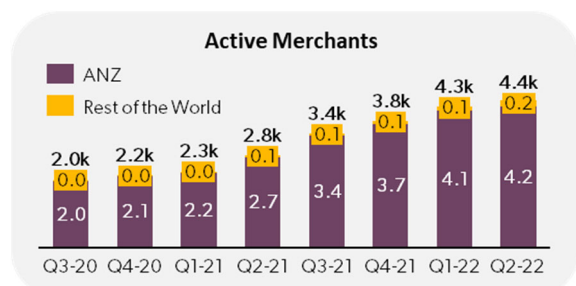
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Openpay's Non-Executive Chairman, Patrick Tuttle, commented: *"In Q2 FY22, Openpay delivered record TTV and very strong operating and financial results in a competitive market whilst keeping costs down and implementing additional efficiency measures to continue this trend. In ANZ, we delivered record operating performance as we manage the business to profitability, and in the US, Opy now has all the building blocks in place to monetise this significant opportunity."*

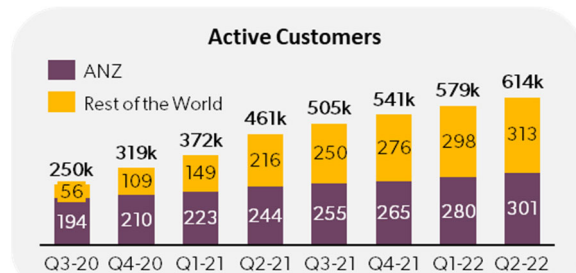
Earlier this month, the Board provided a strategic update where we highlighted furthering our focus in the US and accelerating the path to profitability in ANZ within 12 to 18 months. In addition, we are entering into a partnership agreement with Payment Assist in the UK. This clear strategic direction will promote strong financial performance and long-term value creation for the Group's shareholders."

* On a like-for-like comparison basis for Q2 FY22 and Q2 FY21 when adjusting for EIR accounting treatment.

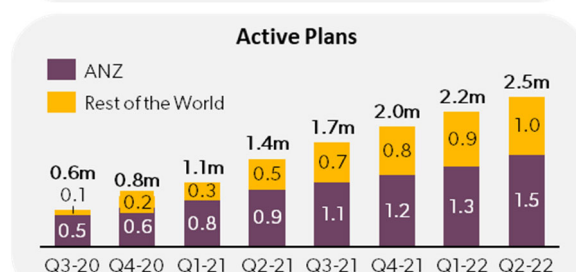
Strong growth across the Group's key indicators with record TTV of \$118m in Q2 FY22



Active Merchants increased 60% vs pcp to 4.4k as at Q2 FY22, as Openpay continues to partner with aggregators and distributors to grow at scale both in ANZ and in the US. Strong growth is expected in upcoming quarters as the Company begins to sign up merchants in the US.



Active Customers grew 33% vs pcp to reach 614k at the end of Q2 FY22. Openpay's strong value proposition and customer experience led to a record 56% of Openpay's customers holding multiple active plans and 86% of active plans are held by repeat customers.



Active Plans increased 71% vs pcp, reaching 2.5m, driven by Openpay's stronger contribution across key consumer segments. During Q2 FY22, 86% of TTV are from plans three months or longer as the Company continues to gain traction across target verticals.

ANZ Update – Record operating performance and productivity improvements targeting to deliver profitability in 12 to 18 months

In Q2 FY22, Openpay ANZ achieved its highest ever quarterly TTV of \$87 million, an increase of 41% vs pcp and 19% QoQ, this included a record monthly TTV of \$35 million in December. The strongest ever ANZ TTV delivered a market-leading revenue margin of 7.2% and NTM of 2.4% in Q2 FY22. November is typically Openpay's strongest month in TTV in Q2, this year December delivered the record, up 24% on November.

This strong performance was supported by continued growth across key leading indicators, with Active Merchants reaching 4.2k, an increase of 57% vs pcp, driven by strong growth across key consumer segments, including: Automotive, Healthcare, Home Improvement, Education, Memberships, and Retail.

Active Customers grew at 23% vs pcp and to reach over 300k in Q2FY22 and Active Plans grew a strong 61% vs pcp and to over 1.5 million, highlighting increased demand for Openpay's payment plans during the holiday season.

Our targeted approach delivers market-leading margins and together with improved productivity, support Openpay's ambition to deliver profitability in ANZ within the next 12-18 months.

US Update – A renewed focus on a unique opportunity

Openpay (branded "Opy" in the US) was excited to commence the initial controlled launch of its OpyPay product during Q2 FY22, with an initial focus on the Healthcare and Automotive Verticals.

Since the initial launch, Opy has already signed, trained, and onboarded dental, veterinarian, and automotive merchants across eight US states. Opy's expansion across multiple US states has been enabled through its partnership with Cross River announced during Q2 FY22, which means that the OpyPay product is a regulated, responsible finance solution that has US regulatory permission and multi-State credit licensing.

Opy also secured a confidential pilot with a large US healthcare insurance provider (with access to over 50 million customers) during Q2 FY22, with the pilot commencing in Q3 FY22.

During Q2 FY22, the Company also announced its US\$271m debt facility from Goldman Sachs and Atalaya, with Opy also commencing its work with US Investment Bank Keefe, Bruyette & Woods on the US expansion and associated capital strategy to ensure the ramp-up in the US has strong financial support.

Opy continued to enter partnerships with large-scale US industry participants and aggregators during Q2 FY22, with Opy adding a US partnership with **American Express** to its existing partnerships with **Worldpay from FIS** and **Experian**. Opy's strong record of building partnerships shows that the OpyPay product clearly resonates with the US market and should also help ensure that Opy can rapidly drive scale and value to Openpay Group.

Openpay looks forward to further significant progress in the Opy business during Q3 FY22, with the addition of new merchants and the progression of the controlled launch and pilots that are already underway or soon to commence.

UK Update

As recently announced, the Group has made a strategic decision to change direction in the UK market. Openpay is currently consulting with both merchants and employees to assess the implications for our ongoing UK operations. The Company is also entering into a partnership with Payment Assist. Openpay will provide updates to the market regarding its UK business as appropriate, with the Company's expectation remaining that the UK changes will result in the release of capital and in material cost savings both of which will be available for reinvestment in the Australian and US businesses.

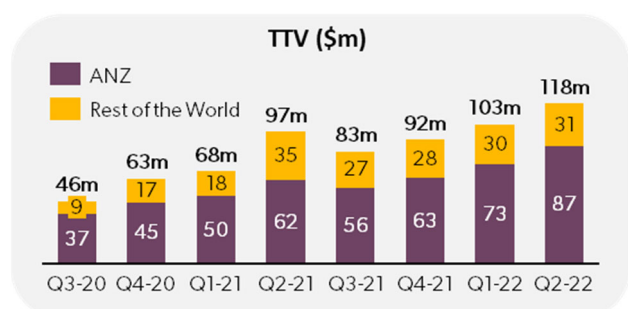
OpyPro B2B SaaS platform Update - strong pipeline and performance

OpyPro, Openpay's B2B SaaS platform continued to see strong demand during the quarter with further B2B partnerships expected to be announced in coming quarters.

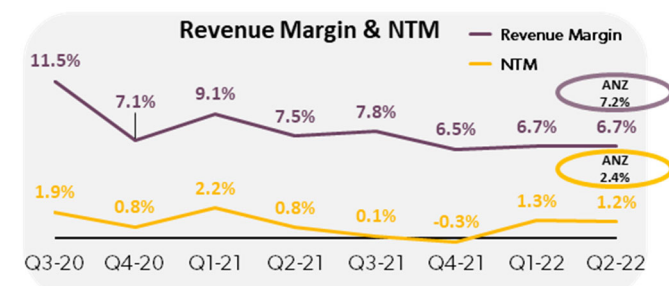
OpyPro now has several enterprise clients live on the platform in Australia. Combined Woolworths, HP, and now Kogan have more than 8,500 business accounts onboarded on the platform while transaction volumes have risen over 149% QoQ. The pipeline continues to grow and mature.

In the US, Openpay now has dedicated resources to build a pipeline for that market, using the partnership with Kyriba to assist in targeting customers and shortening the sales cycle for OpyPro SaaS new B2B clients.

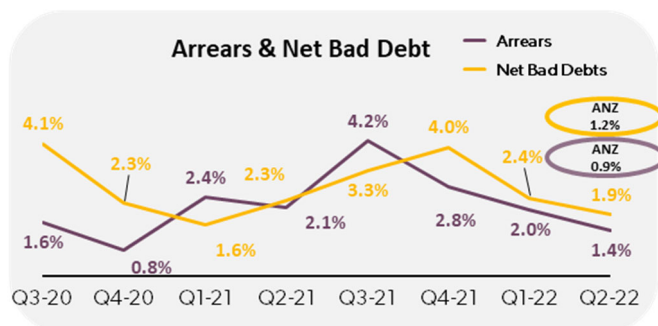
Financial Performance



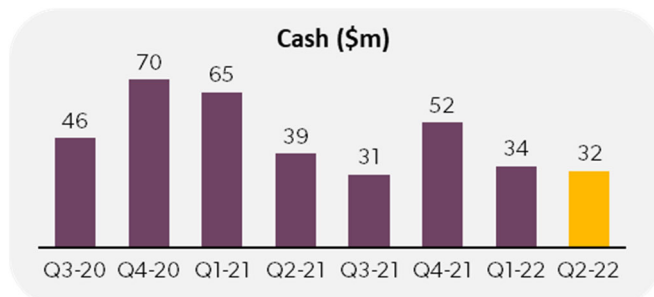
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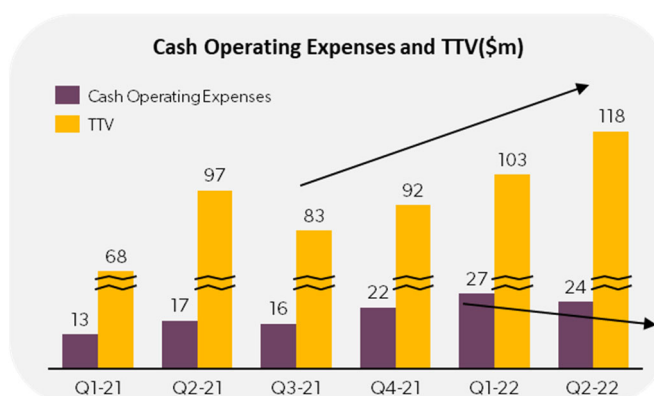
Group revenue margin was 6.7% for the quarter, while ANZ revenue margin was 7.2% in Q2FY22. NTM for the Group continued strong at 1.2%, while ANZ NTM was 2.4%. The Group maintains a longer-term objective of 9.0%+ revenue margin and 2.5%+ NTM, which it expects to reach in the near to medium term.



Portfolio performance showed a consistent reversion to expected low loss outcomes during the quarter. Arrears levels have dropped to 1.4% and Net Bad Debts down to 1.9%, noting ANZ stand-alone Arrears is only 0.9% and Net Bad Debts is only 1.2%. The Group pro-actively manages book quality to ensure that the quality of maintainable earnings is sustainably strong.



Q2 FY22 cash balance has been stable over the quarter at \$32m, which when combined with undrawn corporate and receivables funding lines of \$501m, equates to an overall funding headroom of \$533m.



The Company has invested in growth, technology, and international expansion over the last three quarters, particularly in the US, to be market-ready for launch and expansion. One-off costs associated with the US expansion have now been significantly reduced.

Broader Group-wide operating costs have also now been reduced and are expected to reduce further as efficiencies now materialise. Going forward this trend line of reduced costs but growing TTV and Revenue, coupled with increasing revenue margin, NTM, and low Net Bad Debts is expected to continue, especially in Australia, as the Company focuses on moving towards profitability.

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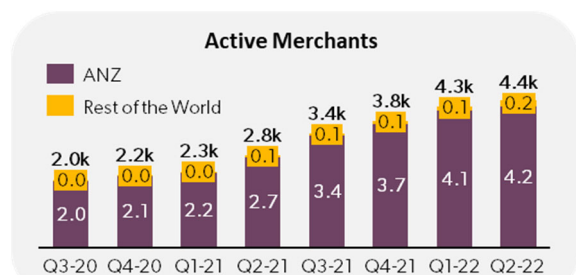
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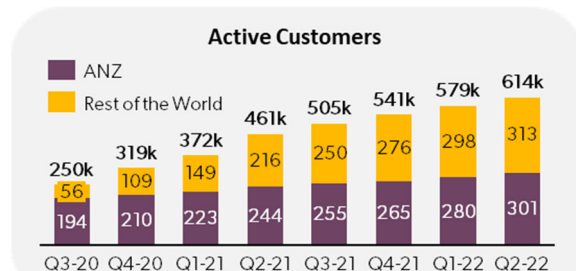
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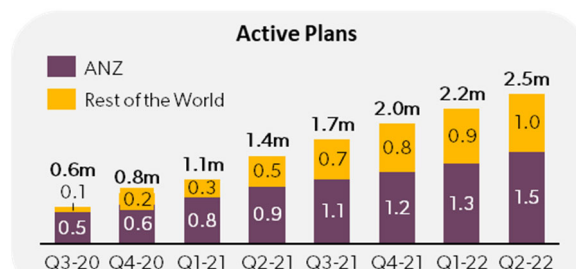
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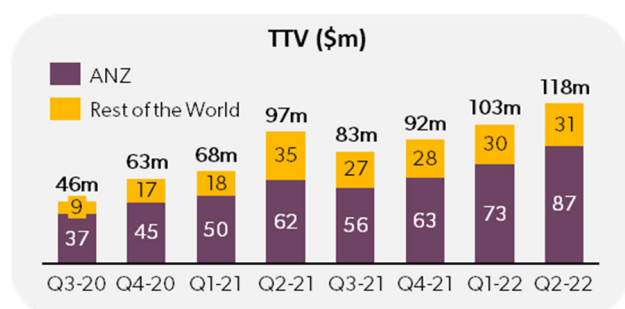
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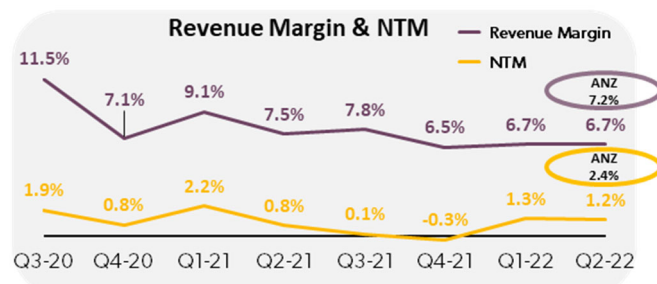
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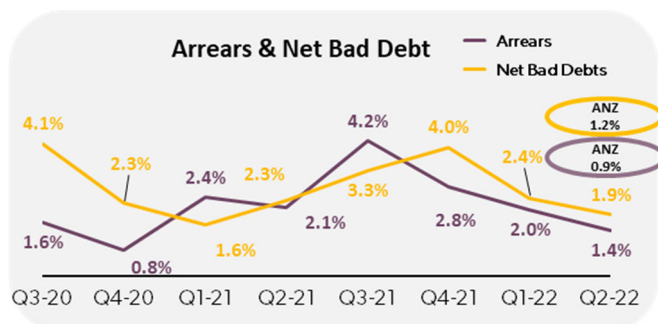
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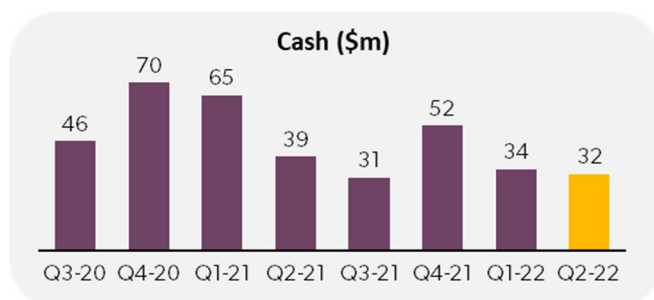
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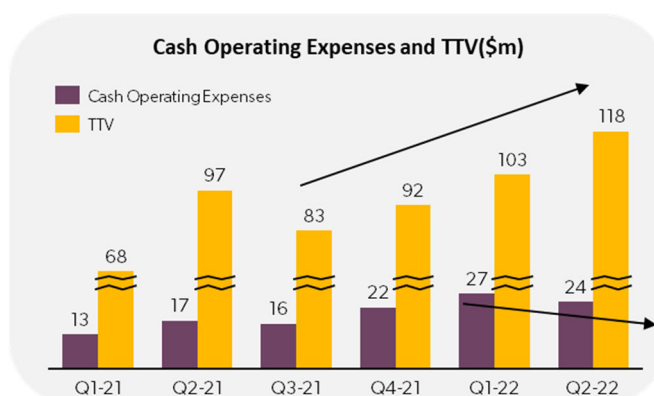
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Annexure

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

The quarter ended 31 December 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 December 2021 is outlined below:

Uses of Offer Proceeds	Per Prospectus AUD\$M	Period ended 31 December 2021 AUD\$M
UK staffing investment ¹	8.0	9.3
UK marketing and customer acquisition ²	2.3	8.1
Development and engineering ³	13.9	16.7
Funding Australian receivables growth ⁴	6.4	1.9
Funding UK receivables growth ⁵	10.0	2.0
Working capital and other ⁶	3.6	6.9
Costs of the offer from 16 December 2019	5.8	5.1
Total uses	50.0	50.0

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 Q2 FY22 totaled \$282,000.

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 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	114,127	220,571
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(2,278)	(4,659)
(c) advertising and marketing	(1,758)	(3,716)
(d) leased assets	401	344
(e) staff costs	(12,486)	(25,265)
(f) administration and corporate costs	(2,439)	(10,499)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	23	25
1.5 Interest and other costs of finance paid	(5,555)	(7,493)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (payments to merchants)	(122,366)	(229,371)
1.9 Net cash from / (used in) operating activities	(32,331)	(60,063)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(118)	(217)
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(f) other non-current assets	-	-
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	(118)	(217)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	31,401	41,450
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)	(324)	(710)
3.10	Net cash from / (used in) financing activities	31,077	40,740

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	34,025	52,078
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(32,331)	(60,063)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(118)	(217)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	31,077	40,740
4.5	Effect of movement in exchange rates on cash held	(529)	(414)
4.6	Cash and cash equivalents at end of period	32,124	32,124

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	27,927	30,510
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Cash Suspense)	4,197	3,515
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	32,124	34,025

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	(282)
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.</i> <i>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	590,642	90,042
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities	590,642	90,042
7.5	Unused financing facilities available at quarter end		500,600
7.6	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. Loan facilities in Australia consist of working capital facilities with A H Meydan Pty Ltd and OP Fiduciary Pty Ltd, and a commercial bill with GCI Commercial Finance Fund. Borrowings carry a fixed interest rate (working capital facilities), an interest rate based on the Bank Bill Swap Rate (GCI) plus a margin. The working capital facilities offer a committed borrowing base of \$35 million and a further \$5 million uncommitted. There was \$20 million outstanding on the working capital facilities as of 31 December 2021. The commercial bill offers an available borrowing base of \$65 million of which \$55 million is committed and \$10 million is uncommitted. Of the \$55 million committed, \$44 million is drawn as of 31 December 2021. 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, £14 million is drawn as of 31 December 2021. The Loan Facility in the US consists of a warehouse funding agreement with Goldman Sachs and Atalaya of US\$271.4 million of which US\$135.7 million is committed and US\$135.7 million is uncommitted. Borrowings carry a floating interest rate based on Libor plus a margin. As at 31 December 2021 no funds have been drawn under this facility.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(32,330)
8.2	Cash and cash equivalents at quarter end (item 4.6)	32,124
8.3	Unused finance facilities available at quarter end (item 7.5)	500,600
8.4	Total available funding (item 8.2 + item 8.3)	532,724
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	16.5
	<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: 25 January 2022

Authorised by: Board of Directors
(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.

Annexure

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

The quarter ended 31 December 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 December 2021 is outlined below:

Uses of Offer Proceeds	Per Prospectus AUD\$M	Period ended 31 December 2021 AUD\$M
UK staffing investment ¹	8.0	9.3
UK marketing and customer acquisition ²	2.3	8.1
Development and engineering ³	13.9	16.7
Funding Australian receivables growth ⁴	6.4	1.9
Funding UK receivables growth ⁵	10.0	2.0
Working capital and other ⁶	3.6	6.9
Costs of the offer from 16 December 2019	5.8	5.1
Total uses	50.0	50.0

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 Q2 FY22 totaled \$282,000.

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 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	114,127	220,571
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(2,278)	(4,659)
(c) advertising and marketing	(1,758)	(3,716)
(d) leased assets	401	344
(e) staff costs	(12,486)	(25,265)
(f) administration and corporate costs	(2,439)	(10,499)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	23	25
1.5 Interest and other costs of finance paid	(5,555)	(7,493)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (payments to merchants)	(122,366)	(229,371)
1.9 Net cash from / (used in) operating activities	(32,331)	(60,063)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(118)	(217)
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(f) other non-current assets	-	-
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	(118)	(217)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	31,401	41,450
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)	(324)	(710)
3.10	Net cash from / (used in) financing activities	31,077	40,740

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	34,025	52,078
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(32,331)	(60,063)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
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4.5	Effect of movement in exchange rates on cash held	(529)	(414)
4.6	Cash and cash equivalents at end of period	32,124	32,124

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	27,927	30,510
5.2	Call deposits	-	-
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5.4	Other (Cash Suspense)	4,197	3,515
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	32,124	34,025

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	(282)
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.</i> <i>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	590,642	90,042
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities	590,642	90,042
7.5	Unused financing facilities available at quarter end		500,600
7.6	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. Loan facilities in Australia consist of working capital facilities with A H Meydan Pty Ltd and OP Fiduciary Pty Ltd, and a commercial bill with GCI Commercial Finance Fund. Borrowings carry a fixed interest rate (working capital facilities), an interest rate based on the Bank Bill Swap Rate (GCI) plus a margin. The working capital facilities offer a committed borrowing base of \$35 million and a further \$5 million uncommitted. There was \$20 million outstanding on the working capital facilities as of 31 December 2021. The commercial bill offers an available borrowing base of \$65 million of which \$55 million is committed and \$10 million is uncommitted. Of the \$55 million committed, \$44 million is drawn as of 31 December 2021. 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, £14 million is drawn as of 31 December 2021. The Loan Facility in the US consists of a warehouse funding agreement with Goldman Sachs and Atalaya of US\$271.4 million of which US\$135.7 million is committed and US\$135.7 million is uncommitted. Borrowings carry a floating interest rate based on Libor plus a margin. As at 31 December 2021 no funds have been drawn under this facility.		

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8.2	Cash and cash equivalents at quarter end (item 4.6)	32,124
8.3	Unused finance facilities available at quarter end (item 7.5)	500,600
8.4	Total available funding (item 8.2 + item 8.3)	532,724
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	16.5
	<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>	

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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.
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Date: 25 January 2022

Authorised by: Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

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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.