

ASX Announcement

4 June 2020

\$33.77m institutional placement to further accelerate Openpay's growth

Key highlights

- Openpay receives strong inbound interest and binding commitments to raise approximately A\$33.77 million through an oversubscribed institutional placement, with support from new and existing Australian institutions
- Growth capital to be applied to further accelerate Openpay's Australian and UK businesses; further geographic expansion and extending the Company's platform capabilities
- Further validation of the growth strategy, following the announcement that Openpay had secured up to £25m in UK debt funding and reported its best month of growth during May 2020

MELBOURNE Australia, 4 June 2020: 'Buy now, pay smarter' company, Openpay Group Ltd (ASX: OPY) (**Openpay** or the **Company**) is pleased to announce that it has received inbound interest and binding commitments from new and existing institutional investors to subscribe for 14,069,742 shares, raising approximately A\$33.77 million at \$2.40 per share in a strongly oversubscribed placement (**Placement**). The issue price represents a 9.8% premium to the 5 day volume weighted average price (**VWAP**) of \$2.185, a 12.1% discount to the 1 day VWAP of \$2.730 and a 20.5% discount to the last closing price on 3 June 2020 of \$3.020, in the context of more than a 50% increase in the Company's share price on 3 June 2020.

Managing Director and CEO of Openpay, Michael Eidel said, "The buy now pay later sector has seen significant uptake from consumers and merchants since its introduction and has proven its value in the extraordinary times of COVID-19. The combination of the macro environment and the way we've been servicing our customers has enabled us to take the business to new heights."

"We have consistently delivered on our growth strategy and there was a strong response this week to the news that Openpay had both secured debt funding for our UK business and reported record growth. Our positive momentum has been further reinforced after several leading institutions reached out offering funding to accelerate our growth plans. We are pleased to have been offered this show of support and look forward to deploying the capital to further grow the business."

Use of Funds

Proceeds from the Placement will be used to further support Openpay's growth strategies, including further investment in:

- Growing Openpay's presence in its core markets of Australia and the United Kingdom
- Ongoing product development, continued enhancement of its technology platform and decisioning engine
- Facilitating strategic growth partnerships and alliances
- Growth of the Company's receivables book, and for general working capital purposes.

Placement

The fully paid ordinary shares offered under the Placement (**Placement Shares**) were offered at \$2.40 per Placement Share, representing a 9.8% premium to the 5 day VWAP of \$2.185, a 12.1% discount to the

1 day VWAP of \$2.730 and a 20.5% discount to the last closing price on 3 June 2020 of \$3.020, in the context of more than a 50% increase in the Company's share price on 3 June 2020. The Placement Shares represent 15% of Openpay's issued capital and will be issued under the Company's 15% placement capacity under ASX Listing Rule 7.1. As such, no shareholder approval is required.

The Placement Shares will rank pari passu with existing fully paid ordinary shares from allotment.

Shaw and Partners acted as Lead Manager to the Placement, with Investec acting as independent financial advisor, Clayton Utz as legal advisor and IR Department providing investor relations support.

The Placement is scheduled to settle on 10 June 2020 with allotment and trading to occur on 11 June 2020.

This announcement has been authorised for release to ASX by the Board of Directors of Openpay Group Ltd.

More information

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

For further information, please contact:

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About Openpay - see more at 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.