

FY22 openpay

30 August 2022

Dion Appel, Chief Executive Officer
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Business simplification
in FY22 solidifies our
path to profitability.



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FY22 Highlights



Simplified business:
Exited the UK
market in Jan-22
Exited the US
market in Jul-22



Record B2C TTV of
\$344 million and
Revenue of \$26.3
million



Focus on
profitability in ANZ
(FY22 NTM 2.9%
and 2H22 NTM
3.1%)



Successfully
completed Private
Placement
(\$18.25m) and
Share Purchase
Plan (\$5.86m)¹



Awarded third in
AFR Best Places to
Work (Banking,
Superannuation
and Financial
Services)

1. Private Placement and Share Purchase Plan announced in May 2022 and approved by shareholders in August 2022.

Delivery on continued simplification.

Laser beam focus on the ANZ market.

openpay

opypro

1

Convert and retain approved customers to drive increased value from existing customers

2

Grow the customer base through our verticalised strategy, while focusing on high quality customers and profitable segments

3

Continue to deliver merchant value to increase acquisition and advocacy

4

Scale OpyPro (B2B) trade account management platform across target verticals

5

Drive cost efficiencies and productivity improvements without restricting growth

6

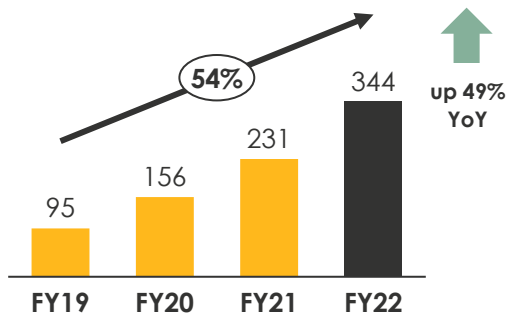
Retain and attract talent while maintaining flexible ways of working

Record ANZ performance.

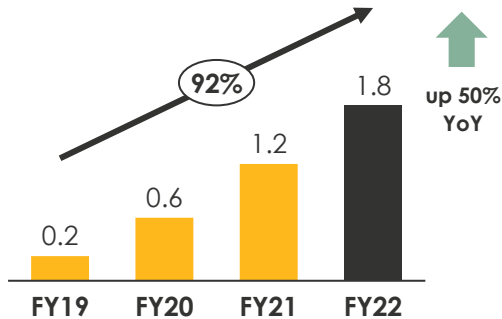
Continued strong growth across all key B2C metrics.



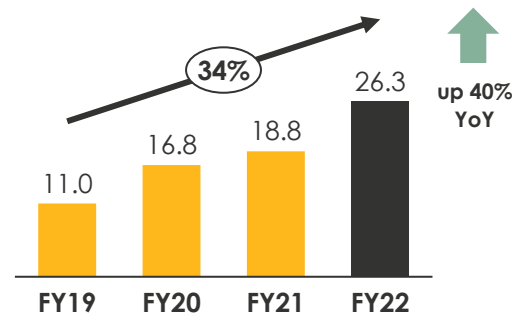
Total Transaction Value (\$m)



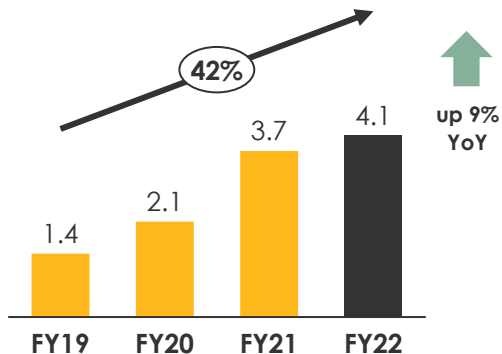
Active Plans (m)



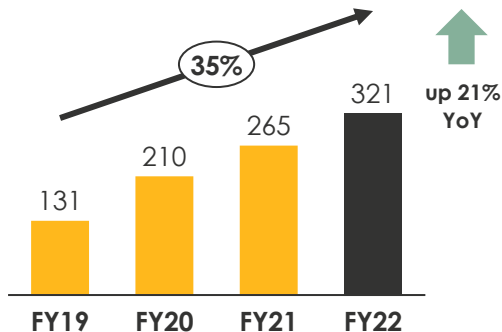
Revenue (\$m)



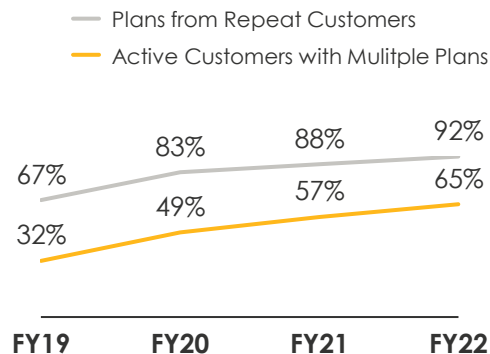
Active Merchants ('000)



Active Customers ('000)



Repeat and Multiple Plans

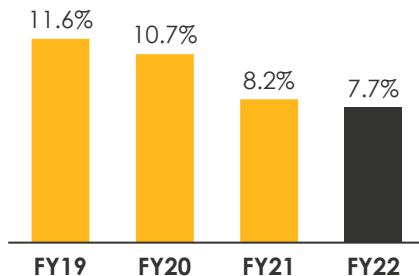


Market-leading margins in ANZ.

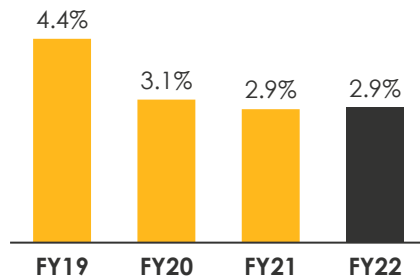


Profitable growth driven by high revenue margins and low bad debts.

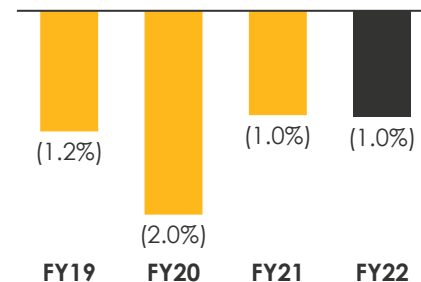
Revenue Margin¹



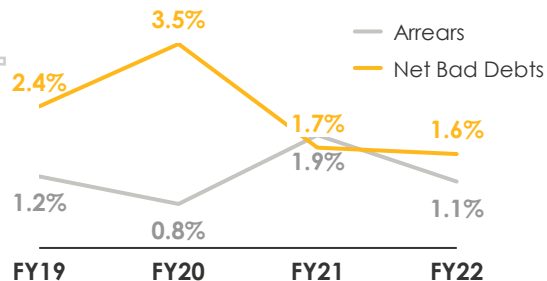
Net Transaction Margin (NTM)²



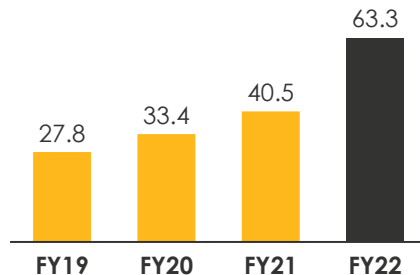
Net Transaction Loss (NTL)³



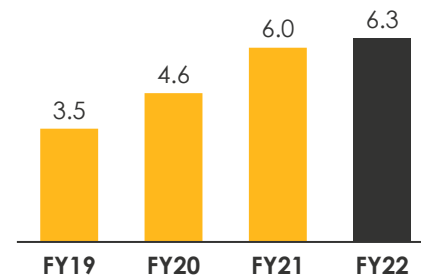
Arrears and Net Bad Debts (%)⁴



Net Receivables (\$m)



Average Receivables Turns (per annum)



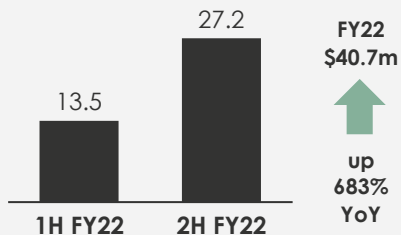
1. Calculated as revenue as a percentage of total transaction value. 2. Calculated as net transaction margin as a percentage of total transaction value. 3. Calculated as net transaction loss as a percentage of total transaction value. 4. Arrears calculated as a percentage of receivables, net bad debts calculated as a percentage of total transaction value.

OpyPro: B2B Hidden Gem.

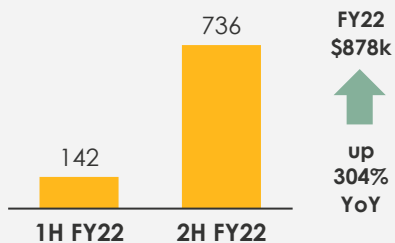
B2B trade finance (SaaS), with no balance sheet risk to Openpay.



Total Transaction Value (\$m)



Revenue (\$k)



Over 215K transactions
~750% increase YoY



11.2k Active Accounts
114% increase YoY

OpyPro Customers



kogan.com

OpyPro Partners



INCRAM MICRO

Group Profit & Loss.

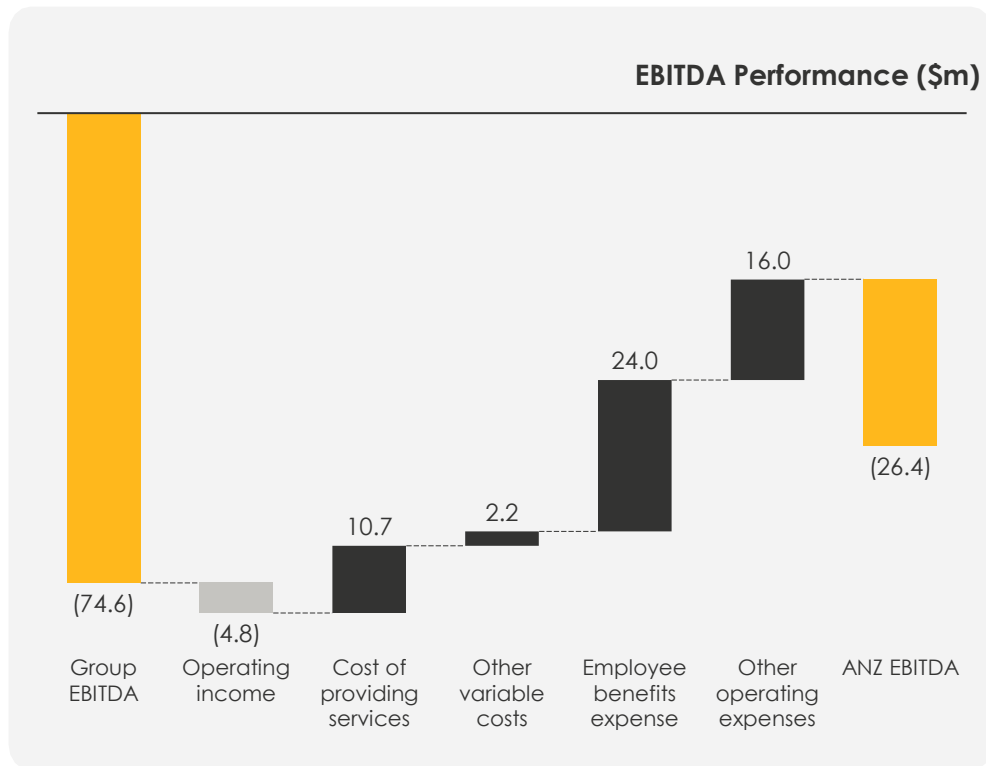
Consolidated financial statements include discontinued operations as of FY23.

Financial Performance	30 June 22 \$m	30 June 21 \$m	Change %
Operating income	32.0	26.0	23%
Cost of providing services	(27.0)	(23.7)	14%
Net transaction margin (NTM)	5.0	2.3	115%
Other variable costs	(6.4)	(6.4)	-
Employee benefits expense	(44.1)	(27.7)	59%
Other operating expenses	(29.1)	(29.2)	-
EBITDA	(74.6)	(60.9)	22%
Depreciation and amortisation expense	(3.3)	(2.3)	41%
Corporate finance costs	(4.6)	0.2	(2495%)
Loss before income tax	(82.5)	(63.1)	31%

- Operating income grew to \$32m, up 23% compared to FY21, driven by strong ANZ TTV uplift and revenue margins
- Cost of providing services increased by 14% year-on-year to \$27m, slower than operating income growth
- Employee benefits expense grew by 59% to \$44m as a result of investment in the global structure and US operations
- Corporate finance costs increased as a result of utilising working capital facilities to fund the global structure and US operations
- EBITDA loss of \$74.6m was an increase of 22% on prior year

EBITDA Waterfall.

Expenditure related to international operations will cease during FY23.



- Group EBITDA loss for the year ended 30 June 2022 was \$74.6m, of which \$26.4m was attributable to the ANZ region
- Income from UK and US regions only accounted for \$4.8m of revenue
- Cost of providing services and other variable costs (\$12.9m) exceeded income mainly due to accelerated amortisation of funding costs for the US and write offs following the decision to cease operations in UK and US
- Large upfront investment in employees and technology were required to maintain the UK and enter US markets, accounting for the majority of operating costs (\$40m)
- The swift response of the Company to exit the UK and pause US operations will enable clear focus and leveraging of the simplified structure to drive cash EBITDA profitability in ANZ by the end of FY23.

Pro-forma ANZ Profit & Loss.

Simplified business targeting cash EBITDA profitability by June 2023.

Financial Performance	30 June 22 \$m	30 June 21 \$m	Change %
Operating income	27.2	19.0	43%
Costs of providing services	(16.3)	(12.2)	33%
Net transaction margin (NTM)	10.9	6.8	60%
Other variable costs	(4.1)	(3.9)	6%
Employee benefits expense	(20.0)	(15.0)	34%
Other operating expenses	(13.2)	(13.9)	(5%)
EBITDA	(26.4)	(25.9)	2%

Income and associated costs

- Total income for FY22 of \$27m, grew by a strong 43% year-on-year
- Cost of providing services increased with revenue but at a slower rate, 33%, due to cost efficiencies and high-margin OpyPro revenue
- As a result, NTM grew 60% year-on-year to \$10.9M

Expenses

- Employee benefits expense increased to \$20m, an increase of 34%, as a result of investment to support growth and path to cash EBITDA profitability in ANZ by the end of FY23

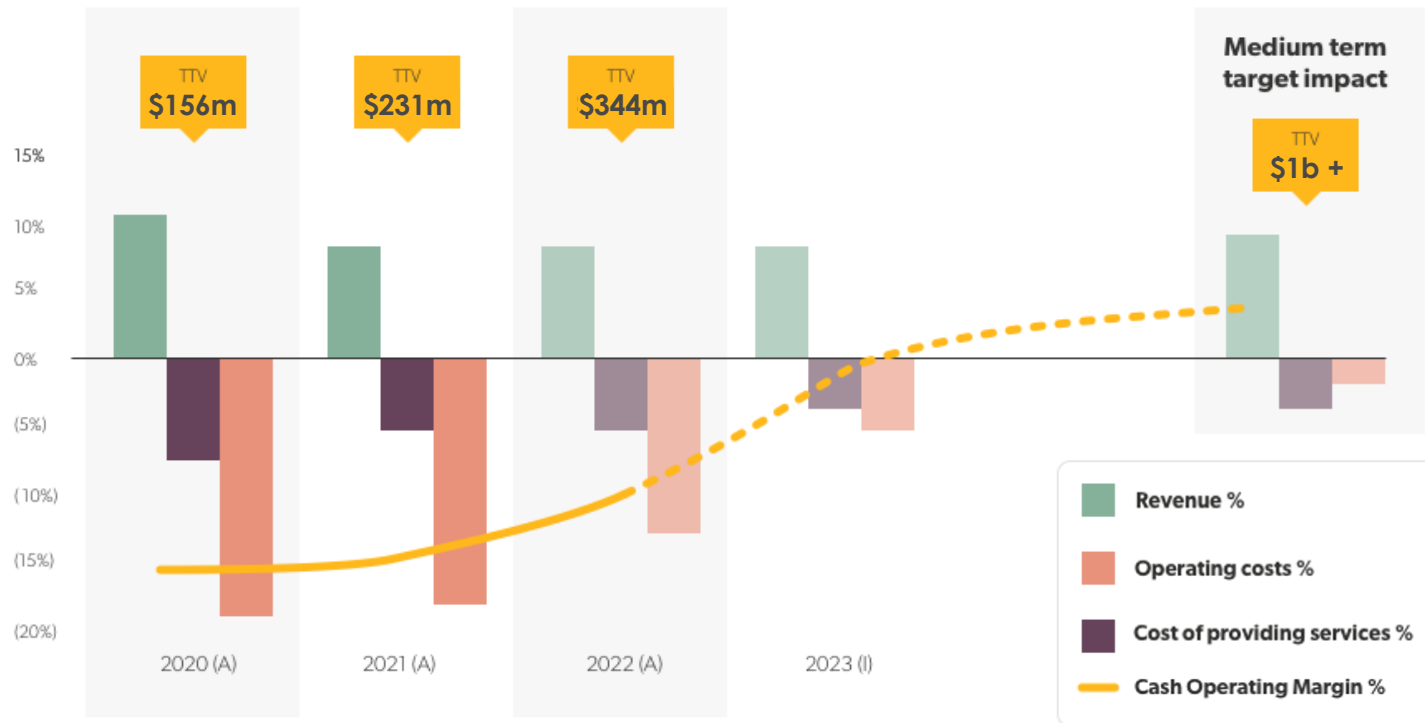
EBITDA

- EBITDA loss was \$26.4m, an increase of 2% on prior year

Clear path to profitability in ANZ.

Proven growth in TTV, portfolio quality, market-leading margins, and economies of scale are expected to provide positive operating cash flow by June 2023.

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Group balance sheet.

Cash position bolstered in early FY23.

Financial Position	30 June 22 \$m	30 June 21 \$m	Change %
Assets			
Cash and cash equivalents	10.3	52.1	(80%)
Receivables	66.0	58.5	13%
Intangible assets	2.5	4.3	(43%)
Right-of-use assets	1.4	2.4	(42%)
Other assets	3.8	6.3	(39%)
Total Assets	84.0	123.5	(32%)
Liabilities			
Payables and accruals	14.2	14.4	(1%)
Lease liabilities	1.8	2.8	(37%)
Borrowings	82.9	47.0	76%
Total Liabilities	98.9	64.2	54%
Net Assets	(14.9)	59.3	(125%)
Equity			
Accumulated losses	(209.7)	(127.2)	65%
Shareholders equity	194.8	186.6	4%
Total Equity	(14.9)	59.3	(125%)

Cash and cash equivalents

- \$10.3m of cash and cash equivalents at year end
- \$17.5m net of fees to be received post-year-end from Private Placement and Share Purchase Plan
- Further equity invested in receivables amounting to approximately \$5m is expected to be released in early FY23

Receivables

- Strong growth in receivables in FY22 up to \$66m, representing a 13% increase on FY21

Intangible assets

- Intangible assets relating to software developed in-house continued to amortise over FY22 as expected

Borrowings

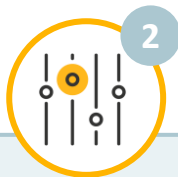
- FY22 net borrowings of \$82.9m represent drawn receivables funding and working capital facilities

Outlook.

Committed to deliver cash EBITDA profitability in ANZ by June 2023.



Continuing our strong TTV growth trajectory across key verticals in our B2C and B2B businesses.



Enhancing our product suite to deliver continued strong unit economics.



Leveraging our simplified business structure to deliver cash EBITDA profitability in ANZ by June 2023.

A large orange circle with a white border containing the text "FY22 openpay". The background of the slide features several grey paper airplanes arranged in a circular pattern around the logo, and one yellow paper airplane flying towards the top right with a white motion line behind it.

FY22
openpay

Thank you!

Aline van Deventer

Head of Investor Relations and Communications

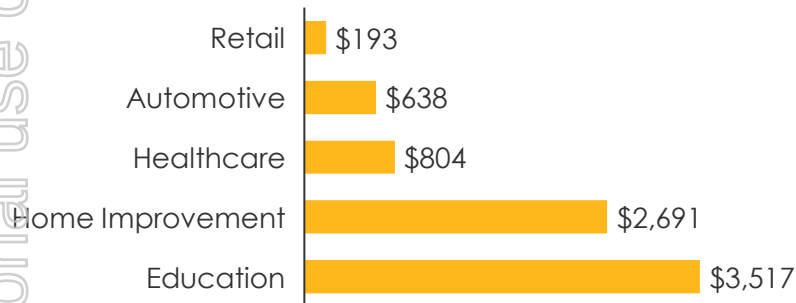
investors@openpay.com.au

Appendix

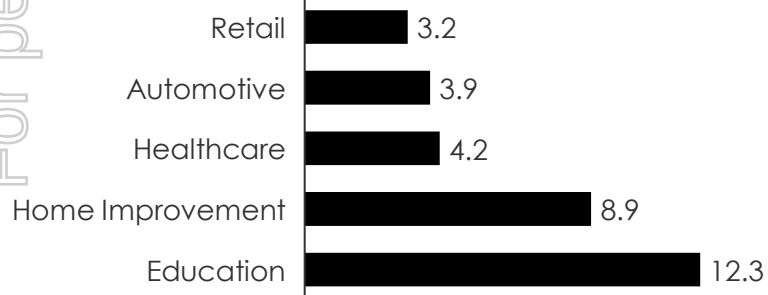
A smarter way to pay.

Openpay's target market is financially responsible consumers in non-discretionary verticals – requiring longer tenures and higher transaction values.

Average Transaction Value – FY22



Average Plan Length (months) – FY22



Example merchants by vertical

Retail



Automotive



Healthcare



Home Improvement



Education



Financial Position – Group Cash flow Statement.

Significant TTV growth in ANZ.

Cash flows	30 Jun 22 \$m	30 Jun 21 \$m	Change %
Receipts from customers	434.9	359.9	21%
Payments to merchants	(418.6)	(357.0)	17%
Payments to suppliers and employees	(82.4)	(63.9)	29%
Net Interest	(15.1)	(5.3)	183%
Net operating cash flows	(81.2)	(66.4)	22%
Payments for property, plant and equipment	0.1	(0.3)	(124%)
Payments for internally developed technology	-	(3.7)	(100%)
Net investing cash flows	0.1	(4.0)	(102%)
Proceedings from borrowings	34.7	9.0	285%
Net proceeds from capital raising	6.3	44.5	(86%)
Principal elements of lease payments	(1.0)	(1.4)	(25%)
Net financing cash flows	39.9	52.1	(23%)
Net increase in cash and cash equivalents held	(41.2)	(18.3)	125%
Cash and cash equivalents at beginning of year	52.1	70.1	(26%)
Effects of exchange rate changes on cash and cash equivalents	(0.5)	0.3	(260%)
Cash and cash equivalents at end of year	10.3	52.1	(80%)

Cash flows from operating activities

- Cash receipts from customers in FY22 amounted to \$434.9m, a 21% increase year-on-year
- Payments to merchants up 17% driven by the significant growth in TTV during the period, despite having exited the UK market
- Increase in payments to suppliers and employees driven by higher operational activity and investment in people to support US operations

Cash flows from investing activities

- In FY21, Openpay incurred capital expenditure to develop technology capability and platforms that was not present in FY22

Cash flows from financing activities

- Driven by drawing down \$34.7m from funding facilities, as well as net proceeds of \$6.3m from first tranche of the capital raise during the year