

ASX Announcement

23 May 2022

Openpay successfully completes \$18.25 million Placement and announces \$2.0 million Share Purchase Plan

- **Openpay Group successfully completed a \$18.25 million two-tranche Placement at \$0.24 per share from sophisticated and institutional investors**
- **Openpay received cornerstone support from existing and new shareholders to invest \$16.0 million under the Placement, a portion of which will be subject to shareholder approval**
- **The capital raised will be used for Openpay ANZ's accelerated pathway to profitability, which is expected by June 2023**
- **The Company also announces a non-underwritten Share Purchase Plan (SPP) to existing eligible shareholders to raise approximately \$2.0 million**

MELBOURNE Australia, 23 May 2022: Openpay Group Ltd (ASX: OPY) (Openpay / the Company) is pleased to announce the completion of a \$18.25 million two-tranche Placement to accelerate its pathway to profitability in the ANZ business.

Commenting on the Placement, ANZ CEO, Dion Appel said, *"Openpay ANZ is accelerating its pathway to profitability through sustainable growth, market-leading margins and business simplification. Australia is currently the engine room of the Company and we remain focused on delivering this plan. We appreciate the strong and continued support shown by existing shareholders, and new investors for the Placement and are pleased to welcome eligible shareholders to participate in the SPP on the same terms as the Placement to further accelerate our strategy."*

Proceeds from the capital raise will be used to support Openpay's ANZ strategy, including:

- Acquisition of new merchants at scale in ANZ
- Acquisition of new customers at scale and increasing customer retention in ANZ
- Platform and technology enhancements
- Contribution to rapidly growing receivables book in ANZ
- Working capital in a rapid growth business, and facility repayment

Shaw and Partners Limited acted as Lead Manager to the Placement with Ad Astra Corporate Advisory acting as Financial Advisor and Clayton Utz acting as legal advisor.

Placement Details

The Company is pleased to confirm it has received firm commitments from new and existing sophisticated institutional shareholders to raise approximately \$18.25 million (before costs) via a two-tranche Placement.

Approximately 76.0 million new fully paid ordinary shares in the Company (New Shares) will be issued under the Placement, which represent 57.9% of Openpay's existing issued capital. New Shares will be issued at an issue price of \$0.24 per share, which represents a:

- 18.6% discount to the last close (\$0.2950) on Thursday, 19 May 2022; and
- 21.9% discount to the 7 Day VWAP (\$0.3074) up to and including Thursday, 19 May 2022

The Placement will occur in two tranches as follows:

- Unconditional Placement of 26.8 million New Shares to raise approximately \$6.4 million under the Company's existing ASX Listing Rule 7.1 and 7.1A Placement capacity, with settlement expected to occur on or about Friday, 27 May 2022 (Tranche 1); and
- Conditional Placement of 49.2 million New Shares to raise \$11.8 million subject to and conditional upon shareholder approval to be sought at an Extraordinary General Meeting (EGM) expected to take place on or around Tuesday, 12 July 2022 (Tranche 2).

The Company has received cornerstone commitments from existing and new institutional shareholders to invest \$16.0 million under the Placement.

As part of the Placement, and subject to shareholder approval, the Company has received cornerstone commitments from existing substantial shareholder and Director Mr Yaniv Meydan (or his associated entities) to invest \$10.0 million under Tranche 2 of the Placement.

Post the Placement, Mr Yaniv Meydan (or his associated entities) will hold approximately 65.8 million shares representing 31.7% of the shares on issue.

The also Company acknowledges the investment by the Chairman, Patrick Tuttle of \$100,000 (subject to and conditional upon shareholder approval).

New Shares to be issued under the Placement will rank pari passu with existing shares in the Company.

Share Purchase Plan (SPP) Details

Openpay intends to offer a non-underwritten SPP to existing eligible shareholders to raise approximately \$2.0 million. The issue of New Shares under the SPP is subject to shareholder approval, proposed to be sought at the EGM in July 2022.

The SPP allows eligible shareholders, being those shareholders that are residents of Australia or New Zealand that held Openpay shares at 7:00pm on Friday, 20 May 2022 (Record Date), to subscribe for up to \$30,000 worth of New Shares without incurring any brokerage or transaction costs.

New Shares will be offered under the SPP at \$0.24 cents per share, being the same issue price as the Placement.

As the SPP is not underwritten, the SPP may raise more or less than this amount. In the event that the subscriptions for more than \$2.0 million are received for the SPP, the Company may decide in its absolute discretion to conduct a scale back of applications. The scale back may be applied to the extent and in the manner Openpay sees fit, which may include taking into account a number of factors, such as the size of an applicant's shareholding at the Record Date, the extent to which the applicant has sold or purchased shares since the Record Date, whether the applicant has multiple registered holdings, the date on which the application was made and the total applications received from eligible shareholders.

The terms and conditions of the SPP will be contained in an offer booklet, which is expected to be lodged on the ASX on or about 26 May 2022 and sent to eligible shareholders shortly thereafter.

Under ASX listing rules, Directors may participate in the SPP if they are eligible shareholders. New Shares to be issued under the SPP will rank pari passu with existing shares in the Company.

Indicative Timetable

Below is an indicative timetable of key dates for the Placement and the SPP:

Event	Time (AEST) / Date
Record Date for Eligibility to participate in the SPP	7:00pm, Friday, 20 May 2022
Trading halt lifted and announcement of Placement and SPP	Monday, 23 May 2022
Dispatch SPP Offer Booklet and SPP Offer Period Opens	Thursday, 26 May 2022
Settlement of New Shares issued under the Tranche 1 Placement	Friday, 27 May 2022
Allotment and commencement of trading of New Shares issued under the Tranche 1 Placement	Monday, 30 May 2022
SPP Offer Period Closes	Monday, 11 July 2022
EGM for the approval of the issue of New Shares under the Tranche 2 Placement	Tuesday, 12 July 2022
Settlement of New Shares issued under the Tranche 2 Placement	Thursday, 14 July 2022
Allotment and commencement of trading of New Shares issued under the Tranche 2 Placement	Friday, 15 July 2022
Allotment and commencement of trading of New Shares issued under SPP	Friday, 15 July 2022

* This assumes that shareholder approval for the issue of New Shares under the Tranche 2 Placement is obtained, and all New Shares are issued under each of the Tranche 1 Placement and the Tranche 2 Placement.

The timetable above is indicative only and remains subject to change at Openpay's discretion, subject to compliance with applicable laws and the ASX Listing Rules. Openpay reserves the right to change the timetable or cancel or withdraw the Placement or the SPP at any time before relevant New Shares are issued, subject to regulatory requirements. Openpay reserves the right to close the SPP early or to accept late applications, in its sole and absolute discretion, should it be considered necessary to do so, by making an announcement to ASX. The commencement and quotation of shares offered under the Placement or the SPP is subject to confirmation from ASX.

Authorised by

The Board of Directors
Openpay Group Ltd

For further information, please contact:

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About Openpay

Openpay Group Ltd (ASX: OPY) is a global, fast-growing, and highly differentiated provider of 'Buy now pay smarter' (BNPS) payment solutions. Through its platform, Openpay delivers the most flexible BNPS plans in the market, with longer terms - up to 24 months, and with higher limits - of up to \$20,000. Openpay brings fairness, transparency, and flexibility to merchants and consumers alike, and focuses on industries where it can truly make a difference: Automotive, Healthcare, Home Improvement, Memberships, and Education. The company focuses on providing a greater range of payment solutions and has created a powerful next generation BNPS solution for those who need it the most, the responsible adult consumer looking to Buy Now, Pay Smarter. Openpay's B2B offering, OpyPro, is a SaaS-based platform that enables companies to manage trade accounts end-to-end, including applications, credit checks, approvals, and account management all in one system. Openpay provides services to, payment processors, merchants, and their customers in Australia, New Zealand, United Kingdom, and the United States, where it operates under the brand name Opy. The company was recently ranked number 318 on the Deloitte Technology Fast 500™ Asia Pacific 2020 and is ranked 41 on the Deloitte Technology Fast 50 Australia. For more information, visit www.opy.com.