

FY21 – HALF-YEAR RESULTS

Payright continues strong momentum across all key metrics

Australian-based buy now pay later (BNPL) provider specialising in higher-value purchases, Payright Limited, (ASX: PYP) ('Payright' or 'company'), is pleased to announce its financial results for the six-month period to 31 December 2020 (HY21).

1H FY21 Key highlights:

- Gross merchandise value (GMV) for the December 2020 quarter was \$A20.6 million, reflecting an increase of 28% against the September quarter, and further building on the strong GMV growth of 44% achieved in the September quarter.
- Overall, the December 2020 quarter GMV exceeded the June 2020 quarter equivalent by 84%
- Rapid growth continues in New Zealand with GMV up 521% in the December quarter vs. the September quarter
- GMV rose strongly across all Payright's chosen industry verticals following less restrictive COVID-related trading conditions, with Retail remaining the company's largest vertical at \$7.6m GMV for the December quarter
- Revenue of \$5.8 million, up 38% vs. the prior year period
- With revenue growth outpacing the increase in operating expenses, Net Loss has remained stable versus the prior year period despite significant IPO related costs and a ramp up in sales, marketing and tech headcount
- Gross receivables up 23% against the prior year to \$54.7 million
- Total Customers up 59%, to ~42,300 vs. the prior year
- Continued reduction in 30 days arrears down to 2.77% at 31 December 2020, a significant reduction compared to the 3.96% six months prior
- Underlying losses relating to 'business as usual' credit defaults well below wider industry average, reflective of robust underwriting and decisioning rules

Delivering on growth initiatives

Through 1H FY21, Payright continued to invest in its people, technology, and sales and marketing capability to accelerate growth by:

- attracting new merchants across its target industry sectors;
- complementing its merchant-first philosophy with customer acquisition strategies; and
- continued investment in tech-related projects and initiatives.

With the addition of more than 20 people across the sales, marketing and technology teams in Australia, and the expansion of Payright's New Zealand-based team to drive growth in that market, Payright is well positioned for ongoing future growth. In addition, the company entered into an agreement with global payments specialist, EML Payments, to launch Payright's 'Tap and Go' digital card offering for customers.

Payright co-CEO Myles Redward said: "The interim results show the company is delivering on its strategy to grow its reach and presence in its core markets of Australia and New Zealand, in an environment where demand among consumers for higher-value purchases continues to accelerate. The business is tracking strongly against its key financial and operational objectives and there is a consistent trajectory across all key measures of performance."

Payright co-CEO Piers Redward said: "The company will continue to invest in initiatives to position Payright as the BNPL provider of choice for higher-value, considered purchases. With a growing team of talented people across the business, we intend to expand further into additional sectors where our competitive advantage meets customer demand, while leveraging our growing brand awareness in current markets to grow our merchant base and drive repeat transactions."



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Payright recently announced a funding program to accelerate loan book growth, including Series 7 Loan Notes for the Australian business with an aggregate face value of up to A\$20m, and New Zealand Series 1 Loan Notes with an aggregate face value of up to NZ\$3m.

The company raised approximately \$25m via an IPO and pre-IPO convertible notes issue ahead of its listing on the ASX on 23 December 2020.

With operations across Australia and New Zealand, Payright specialises in higher-value, more considered purchases between \$1,000 and \$20,000, with an average transaction value of approximately \$3,000. This represents a key point-of-difference in a rapidly-growing BNPL sector.

The company's core merchant portfolio spans retail, home improvement, health & beauty, photography, education and automotive.

Authorised by the Board of Directors of Payright Limited

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