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Payright Q3 FY22 Trading Update

Continued receivables growth to $97.2 million, and major funding package announced

Payright Limited (ASX: PYR) ('Payright' or 'the Company'), an embedded point-of-sale consumer finance business, is pleased to provide the following trading update for the quarter ending 31 March 2022 (Q3 FY22).

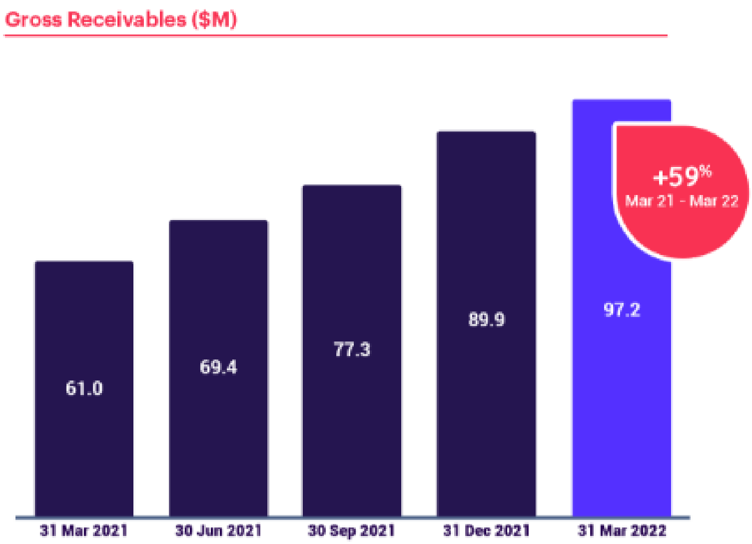
Key highlights for the period:

- **Gross receivables increased to $97.2 million as at 31 March 2022, up 59% up on prior corresponding period (pcp)**
- **Unaudited Fee Income of $3.9 million, up 36% on pcp; future contracted revenue increased to $17.3 million, up $0.5 million from the prior quarter**
- **Gross Merchandise Value (GMV) of $29.5 million, up 33% on pcp with average loan amount of $4,155 and term of 2.4 years**
- **Total Customers of 71.3k, up 50% on pcp; while Total Merchant stores increased to 3,778 up 21% on pcp**
- **In April 2022, secured funding to accelerate growth and reduce funding costs by way of;**
    - **$125 million warehouse facility with senior lender Goldman Sachs and mezzanine arranger iPartners. It is anticipated the warehouse facility will be expanded to meet further growth (subject to lender consent); and**
    - **$9.5 million capital raising via placement & convertible notes, subject to approval by shareholders at an Extraordinary General Meeting scheduled for 5 May 2022**
- **With a strengthened balance sheet, reduced cost of funding, prospects for future facility expansion, and all key lead indicators growing strongly, Payright is well positioned to accelerate its growth strategy and fast track its path to profitability**

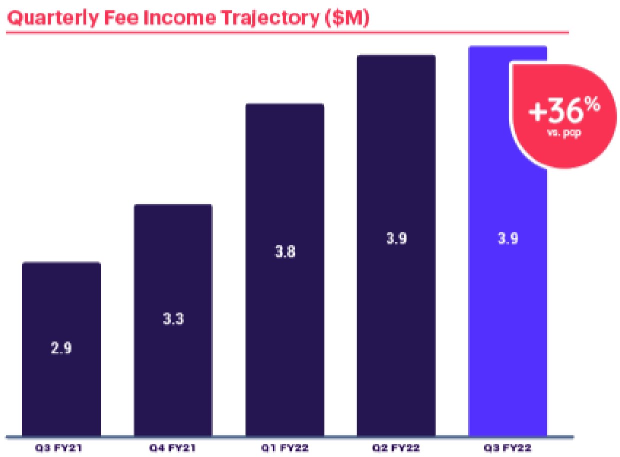
Commenting on the Q3 FY22 performance, Co-CEO's Myles Redward and Piers Redward said: "This was another strong quarter for Payright across our key metrics, as we continue to build scale in our large-ticket point-of-sale consumer finance offering. We are pleased with the growth in our loan book to now be just shy of $100 million. The recent signing of a transformational new funding package will reduce future financing costs by about 50%. With this additional funding capacity, we are focused on continuing to grow our merchant and customer base, lending activities and loan book balance, as we continue our path towards profitability."

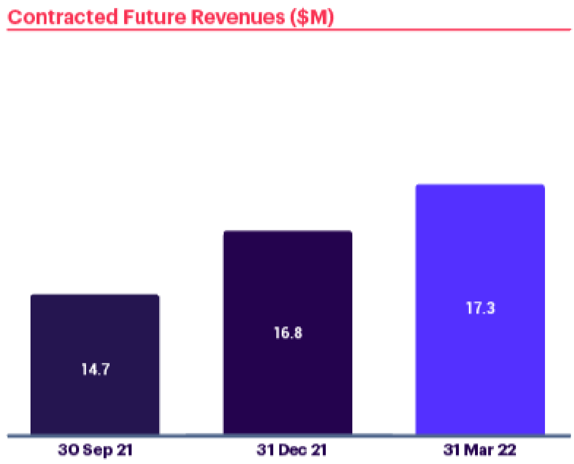
Financial Update

In Q3 FY22, Payright increased gross receivables to $97.2 million. This is up 59% on pcp, and up 8% from the prior quarter.



Payright generated unaudited fee income of $3.9M in Q3, up 36% on pcp. The Company recognises revenue in accordance with accounting standard AASB9 which requires revenue (both merchant and customer fees) to be deferred and recognised over the life of the loan. As Payright has an average loan term of approximately 2.4 years (~26 months), only part of the revenue from a loan is reported in the period in which it is written. As a result, as of 31 March 2021, Payright had contracted future revenues of $17.3 million relating to loans already written.





Credit losses remained relatively stable over the period, ending the quarter at 1.84% of GMV, up just 0.05% compared to the prior quarter. 30-day arrears increased to 4.40% as at 31 March, up from 3.63% in the prior quarter due largely to seasonality over the holiday period. Both losses and arrears remain well within our provisioning – which is closer to 6% of gross receivables and we have a targeted resourcing and collections plan in place to improve the arrears position.

Capital Raising

On 5 April 2022, Payright announced a milestone funding package consisting of a $125 million warehouse facility and a $9.5 million capital raise.

The $125 million warehouse facility was signed with senior lender Goldman Sachs and mezzanine arranger iPartners and will lower the average cost of funds by approximately 50% whilst improving cash flow by an estimated $4.4 million annually (based on current receivables balance at 31 March 2022 and existing funding programme).

Supporting the implementation of the warehouse facility, Payright confirmed capital commitments of $9.5 million undertaken via a $1.5 million Equity Placement and an $8.0 million Convertible Note issue. The Equity Placement was undertaken at $0.18 representing a 20% premium to the last close price on 31 March 2022 of $0.15.

Settlement of the Placement and convertible note issue is subject to shareholder approval at an Extraordinary General Meeting (EGM) scheduled for 5 May 2022.

-ENDS-

Authorised by:
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