

## Payright Q4 FY22 Trading Update

Milestone achievement of \$100+ million in gross receivables as revenue growth accelerates

Payright Limited (ASX: PYR) ('Payright' or 'the Company'), is pleased to provide the following trading update for the quarter ending 30 June 2022 (Q4 FY22).

### Key highlights for the period:

- **Unaudited Gross Receivables increased to \$101.3 million as at 30 June 2022, up 46% on prior corresponding period (pcp)**
- **Unaudited Fee Income of \$4.3 million, up 31% on pcp**
- **FY22 Unaudited Total Income of \$16.3 million, up 34% on pcp**
- **Unaudited contracted future revenues of \$17.4 million**
- **Total Customers of 77k, up 44% on pcp; total Merchant stores increased to 3,899, up 14% on pcp**
- **In May, settled a \$125 million warehouse facility with senior lender and mezzanine investors, significantly reducing funding costs whilst providing headroom to accelerate growth**

**Commenting on Q4 FY22 performance, Co-CEO Myles Redward said:** "This quarter was a milestone quarter for Payright, settling on our warehouse facility as well as increasing our loan book (gross receivables) to over \$100 million. Furthermore, since inception, we have now achieved cumulative GMV of well over \$300 million. Collectively, these significant milestones help validate our market position."

### Financial Update

In Q4 FY22, Payright increased gross receivables to \$101.3 million – a significant growth milestone. This is up 46% on pcp, and up 4.3% from the prior quarter.

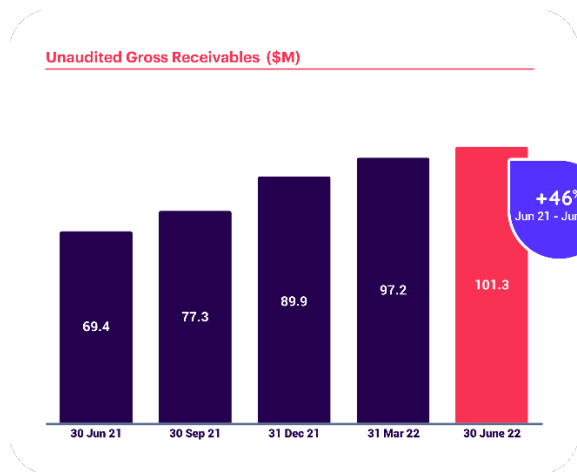
Gross Merchandise Value (GMV) for the quarter was \$28.2 million, up 8% on pcp. GMV was marginally down on the prior quarter due to loan book funding constraints as the Company transitioned to the new warehouse facility. Additionally, the Company took a conservative approach to new lending throughout the quarter given the uncertain macroeconomic environment.

While Payright is expecting its increased capacity to enable Q1 FY23 lending activity to exceed the previous two quarters, a cautious approach will continue to be adopted when assessing loan applications in recognition of the current market uncertainties.

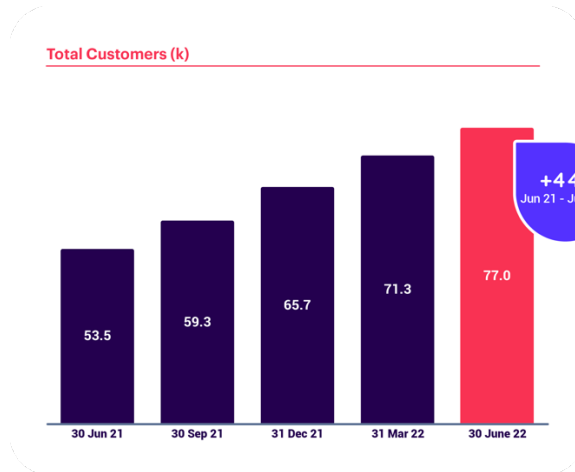
Payright generated unaudited fee income of \$4.3 million in Q4, up 31% on pcp, reflective of the growth in lending activities. FY22 unaudited total income was \$16.3 million, representing a 34% increase from the \$12.2 million in FY21.

Payright recognises revenue in accordance with accounting standard AASB9 which requires revenue (both merchant and customer fees) to be recognised over the life of the loan. As Payright's average loan term is approximately 29 months, only part of the revenue is reported in the period in which the loan is written. Accordingly, as of 30 June 2022, the Company has unaudited contracted and deferred future revenues of \$17.4 million relating to loans already written to be recognised in future periods (assuming the ongoing performance of loans to their prescribed terms).

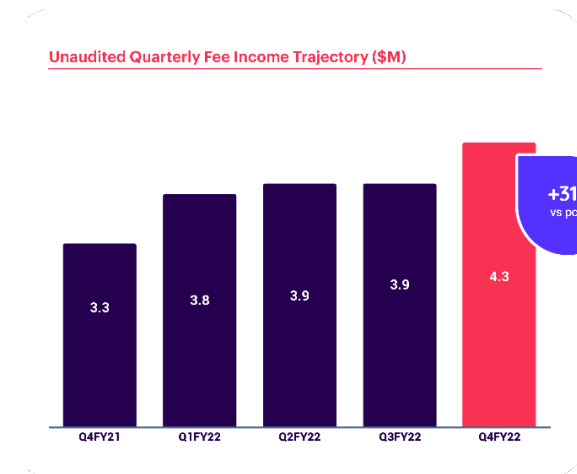
### Unaudited Gross Receivables (\$MM)



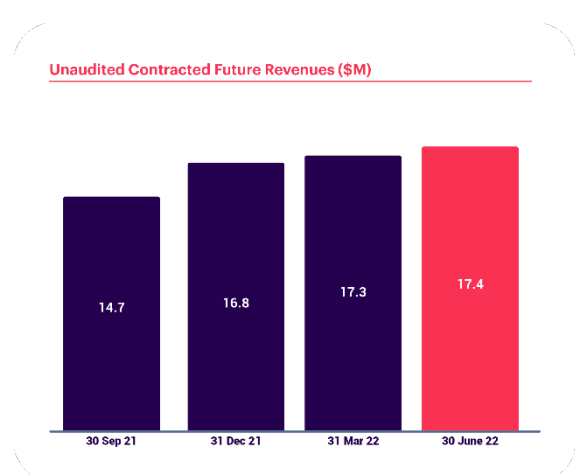
### Total Customers (k)



### Unaudited Revenue (\$MM)



### Unaudited Contracted Future Revenues (\$MM)



### Operational Update

Total Merchant stores increased to 3,899, up 14% on pcp, led by merchant wins within the Home Improvement, Retail and Automotive sectors, including Swimart, Dutton One, Presidian and Jim’s Energy in Australia and Auto Super Shoppe in New Zealand. As a result, total customers have continued to increase reaching approximately 77k, up 44% on pcp. Downloads of the consumer app surpassed 70,000 in June, with pleasing customer and volume growth emanating from that channel.

### Credit Performance

Payright continues to closely monitor and manage its arrears position. This quarter saw an increase in arrears to 4.5% at quarter end, compared with 4.4% at end of Q3 FY22. Cumulative losses over GMV remained relatively stable at 1.98%, up 0.14% from the prior quarter despite challenging market conditions. Payright has a robust underwriting approach and sophisticated credit decisioning processes to assess affordability, capacity to pay and ensuring lending decisions are not only right for our customers, but also protecting and maintaining quality and performance of the loan book.

## Regulatory Environment

Payright continues to monitor the regulatory environment for changes that may affect our products and services. Payright supports proportionate, scalable and targeted regulation that allows responsible payment providers to support customers with flexible and easier ways to pay. We take a responsible approach to lending, ensuring information on fee structures and repayment terms are clear, concise and readily available at various touchpoints throughout the customer dashboard and application process. Additionally, we conduct credit checks, affordability assessments (including serviceability and capacity to pay), and review bank statement data where appropriate. Since Payright primarily focuses on larger, more considered point-of-sale finance transactions, and given our existing robust credit assessments, we do not anticipate any material operational impacts from any forthcoming changes in regulation.

## Warehouse facility

In May 2022, Payright completed the settlement of a milestone funding package consisting of a \$125 million warehouse facility and a \$9.5 million capital raising, comprising \$8 million of 4-year convertible notes and the balance via a placement of ordinary shares. The raising was corner-stoned by strategic investor Metrics Credit Holdings. The \$125 million warehouse facility was signed with senior and mezzanine investors and has significantly reduced Payright's average cost of funds.

## Board

During the quarter, following the investment by Metrics Credit into Payright, Andrew Lockhart Managing Partner of Metrics Credit joined the board as a Non-Executive Director.

-ENDS-

### Authorised by:

Myles Redward, Joint-CEO and Piers Redward, Joint-CEO

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### About Payright

Payright provides interest free payment options at the point of sale in sectors and merchant verticals that are underserved by other providers and is intended for bigger ticket items that are more considered purchases rather than smaller impulse-driven buys.