

19 November 2020

flexigroup announces strategic partnership with Mastercard and provides business update

- Strategic partnership with Mastercard to globally expand the application and distribution of **bundll**, the world first BNPL everywhere platform
- Mastercard will work with its partners to drive adoption and support development
- First strategic partnership for **hummm ventures** – an initiative to explore new and innovative ways to rapidly expand the global reach and distribution of **hummm**'s technology

FlexiGroup Limited (ASX: FXL) (“**flexigroup**”) is pleased to announce a partnership with Mastercard to expand the application and distribution of **bundll**, the world first buy now pay anywhere platform built by **hummm**. Already live in Australia, **bundll** allows customers to buy now pay later (“**BNPL**”) everywhere Mastercard is accepted and **bundll** their purchases into easy to manage instalments with inbuilt budgeting services.

Under the agreement, Mastercard will work with its partners to drive adoption and will support the development of the open-loop, work anywhere, pilot. The platform is able to support different integration and commercial models to achieve scale in different markets.

The agreement is for five years and is expected to deliver a sustainable growth path for **hummm**, at the same time as expanding the services that schemes can provide to customers.

Richard Wormald, Division President, Mastercard Australasia said:

*“While there are lots of BNPL platforms around the world, this latest development for **bundll** is differentiated in the way it is able to partner with existing banking systems and provide BNPL technology and products without needing to sign up local retailers, while still generating a sustainable revenue stream. With the growth of BNPL, Mastercard understands that many issuers around the world are looking to solve for this increasing consumer preference.”*

flexigroup CEO Rebecca James said:

*“The **bundll** platform is unique as it offers a turnkey but flexible solution to banks and other card issuers around the world. You don’t need to sign up merchants or integrate into legacy bank systems, and it will work in any regulatory environment.*

*“**bundll**’s proprietary affiliate programme also creates revenue sources globally, and creates a curated and unique shopping experience that is based on customer preference, not which retailer is paying for the click. Discussions are already well progressed with a number of banks under the strategic agreement.”*

First strategic partnership for hummm ventures

The partnership with Mastercard is the first announcement of **hummm ventures**, an initiative designed to spearhead innovation between the Company and new partners. **hummm ventures** will enable local

and global companies to partner with **flexigroup** to utilise its substantial product and technology offering within their own ecosystem.

hum CEO Rebecca James said: *“flexigroup has significant technology and data expertise within its market leading product suite, and through **hum ventures** we will collaborate and partner with the world’s best technology and payments companies to realise that potential. It will significantly increase the distribution potential for our technology stack so that our products can thrive in our partners’ ecosystems, without impacting our core business. We are excited about the opportunities that **hum ventures** will create to expand our market and the geographies in which we operate.”*

Business update and outlook

flexigroup’s portfolio continues to perform strongly with a downward trend in the 30+ days arrears performance for all segments as at September 2020 as a result of a prudent approach to credit risk and approvals. In 1Q21 we saw 30+ days arrears reduce in:

- Buy Now Pay Later by 60bps to 2.2%;
- Australian Cards by 120bps to 3.2%;
- New Zealand Cards by 50bps to 2.6%; and
- Commercial by 50bps to 1.6%.

In light of the improved credit performance and cost management, **flexigroup** expect 1H21 Cash NPAT to be ahead of the 1H20 performance of \$34.5m.

In FY21, **hum** has continued to onboard merchants across key verticals where the business has a leadership position or a strong competitive advantage. In renewables, an exclusive two-year arrangement has been signed with AGL Energy to provide long-term finance solutions for the purchase of combined solar and battery systems. **hum** has also signed 35 exclusive preferred partnerships with solar providers in FY21.

There has been a continued focus in FY21 on embedding **hum** into new platforms to drive growth. New partnerships with BigCommerce, Striven and Readysell POS will provide over 60,000 new merchants with access to the **hum** platform. In addition, an exclusive partnership with Centaur Software has been renewed for an additional three years, giving access to an additional 4,000 dental practices with **hum** financing options being built into the invoicing system.

Other key partnerships in FY21 include:

	Home & Home Improvement	Health & Wellbeing		Retail
AU	<ul style="list-style-type: none"> • Sunboost • OMF • Matt Blatt • Amart • Snooze • Stratco • Beds R Us 	<ul style="list-style-type: none"> • Laser Sight Australia • Priceline • Pharmacy Online • Chemist Direct • Mr Vitamin 	<ul style="list-style-type: none"> • Australian Skin Clinics • Smile Solutions • Core Dental • Perth Laser Vision 	<ul style="list-style-type: none"> • Kogan.com • Dick Smith • Cosette • Michael Hill (online) • Bevilles Jewellers (Online) • Goldmark (Online) • Angus & Coote (Online)

	Home & Home Improvement	Health & Wellbeing	Retail	Automotive
NZ	<ul style="list-style-type: none"> • Insulmax Installation 	<ul style="list-style-type: none"> • The Beauty Lounge • Bloom Hearing • Niagara Healthcare • Vivo • Irelax 	<ul style="list-style-type: none"> • JB HiFi (Big Things) • Farmers (Big Things) • PB Technologies • Cotton On • Hallensteins • Baby Factory • Toyco – Toy Store 	<ul style="list-style-type: none"> • Jaycar
IE	<ul style="list-style-type: none"> • TC Matthews Flooring 	<ul style="list-style-type: none"> • Carter Beauty 	<ul style="list-style-type: none"> • Pamela Scott • Crave Closet • Umbro 	<ul style="list-style-type: none"> • Nissan • Skoda

In addition, **hum** has integrated over 1,000 small to medium retailers during FY21.

Authorised for release by the Disclosure Committee.

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ABOUT FLEXIGROUP

flexigroup is a diversified full service payments company with leading offerings in buy now pay later, revolving credit and SME finance. Serving a broad footprint of millennial spenders, through to young families and small and medium businesses, it facilitates purchases for over 2.2 million customers. For more information visit: flexigroup.com.au