



AGM Presentation

18th November 2021



Greg Riley, Non-executive Chairman
BSc, Dip ED, G Dip Ed Studies

Member of the Audit Committee, Nomination and Remuneration Committee, and Risk Committee.

17,211,163 Ordinary Shares



Geoffrey Sam OAM, Non-Executive Director

BCom (UNSW), MHA (UNSW), MA (Econ & Soc Studies) (Manchester UK), FAICD

Chairperson of the Audit Committee and Member of the Nomination and Remuneration Committee

2,014,490 Ordinary Shares



Sue Healy, Non-Executive Director
Fellow RCSA, MAICD

Chairperson of the Nomination and Remuneration Committee and Member of the Risk Committee.

770,980 Ordinary Shares



Daniel Riley, Managing Director & CEO
BCom, CPA

2,150,181 Ordinary Shares
10,000,000 Unlisted Options



Ilkka Tales, Non-Executive Director
BBus

Chairperson of the Risk Committee and Member of the Audit Committee

200,000 Ordinary Shares



Stephen White, Non-Executive Director
M.Mngt, GAICD

Member of the Risk Committee



James Beeson, Executive Director & COO
Global Executive MBA (TRIUM - NYU Stern, LSE, HEC Paris), Master of Applied Finance, BCom, CPA

13,134,712 Ordinary Shares



Steve Shin, Company Secretary & CFO
B Com, Chartered Accountant ANZ

How to vote

Voting using the Online Platform during the Meeting

Due to the virtual nature of the event, Computershare will facilitate voting during the meeting by an application downloadable on your desktop or any other mobile device.

Online voting guide can be found at www.computershare.com.au/onlinevotingguide

If you wish to cast your vote during the meeting, please follow the steps below.

- Step 1** Visit web.lumiagm.com/322520352 on your desktop or mobile device
- Step 2** Enter username (SRN or HIN) and Password (Postcode or Country Code)
- Step 3** When the poll is open, the vote icon will be accessible by selecting the voting icon at the top of your screen.
- Step 4** Select your voting option (For/Against/Abstain) for each resolution.

A message will appear at the top of the screen indicating the number of resolutions that you have voted on.

Vision Statement

Business Finance made simple.

At Earlypay, our mission is to provide Australian businesses with the cash flow they need to grow.

About Earlypay

Employing ~90 people in Brisbane, Sydney and Melbourne, Earlypay provides secured finance to SME businesses

- ✓ Earlypay commenced SME lending in 2011, with the launch of Invoice Finance. Warehouse funding for this product commenced in 2016
- ✓ Earlypay commenced an Equipment Finance product in 2016 and gained scale and warehouse funding for this product in 2019 with the acquisition of Classic Funding Group
- ✓ Earlypay commenced a Trade Finance product in 2020, offered to SME clients in conjunction with Invoice Finance

Invoice Finance

Line of credit, secured by client's invoices. It is an ongoing, flexible working capital solution that is utilised in line with sales volume. Online platform facilitates fast onboarding and automation to profitably service a large range of clients. Funding is available from \$20,000, with the scale, experience and warehouse funding structure to increase facility size up to \$15,000,000.

In conjunction with Invoice Finance, Earlypay provides:

Trade Finance enabling Australian SMEs that import and purchase product within Australia the ability to pay suppliers upfront without having to utilise their own working capital.

Foreign Exchange (to support Trade Finance clients) through a partnership with Ebury to manage FX payments in over 130 currencies on one simple to use platform.

Equipment Finance

Loans range from \$20,000 to \$1,500,000 focused primarily on funding transport and yellow goods with a strong resale market. All equipment is independently valued and Earlypay lends against the price expected if the equipment was to be sold via auction.

FY21 Highlights

\$21.0m

(up 11% on pcp)

Adjusted EBITDA¹

\$8.7m

(up 13% on pcp)

Underlying NPATA¹

3.84c

(up 0.1% on pcp)

Underlying EPS¹

2.3c

(up 31% on pcp)

DPS (Fully Franked)

Exceeded FY21 guidance

Avg. Cost of Debt 4.24%
down from 5.24% in FY20
and 6.38% in FY19

Despite Covid - Default rate
<0.1%

New technology platform
driving growth – 80% of new
clients in FY21

Servicing 3,000+ SMEs
(0.1%+ of total SMEs)

\$6bn+ invoices funded
since 2015 (\$1.8bn+ in
FY21)

1. After adjusting for non-cash amortization



earlypay^e

Q1 FY22 Update

Group Trading & Outlook

Upgrade to Guidance

Earlypay is pleased to confirm a strong start to FY22, driven by growth in the core Invoice Finance product;

Invoice Finance

- ✓ Q1 Total Transaction Volume (TTV) of \$569m, up 40% on pcip
- ✓ Q1 Margin improvement on TTV to 1.64% (pcip: 1.51%)
- ✓ Q1 Revenue up 52% on pcip
- ✓ No material losses (less than \$100k)
- ✓ Growth has continued in October, with record monthly TTV of \$211m

Equipment Finance

- ✓ Q1 Loan book steady at \$94.3m through lockdown period
- ✓ No material losses (less than \$100k) and ageing less than 1%
- ✓ Growth resumed in October as lockdown restrictions eased, origination volume of \$10.4m and loan book increasing to \$99.6m

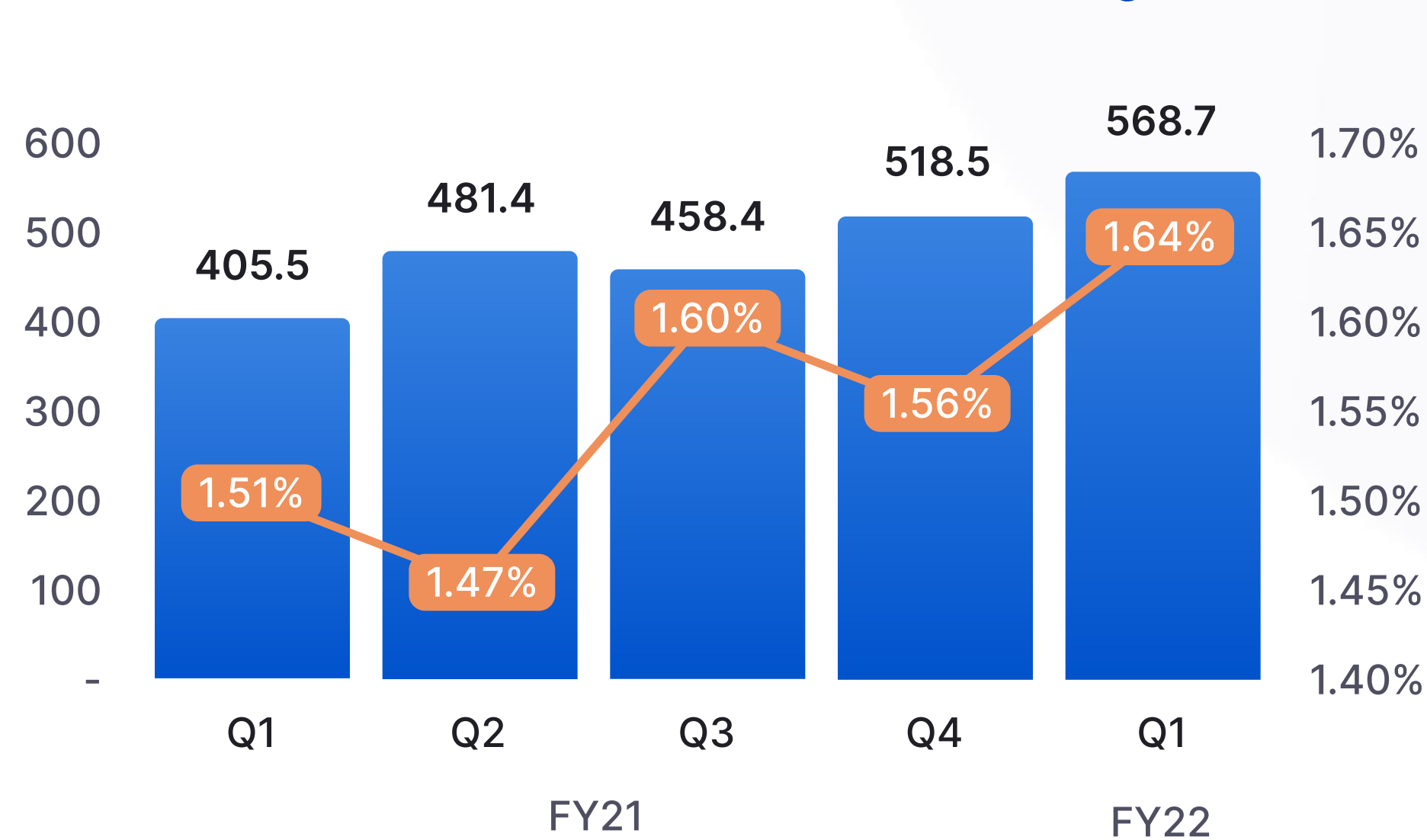
Following the strong start to the year, Earlypay is pleased to advise it is upgrading FY22 guidance from 40%+ to 50%+ NPATA growth on FY21

Invoice and Trade Finance - Q1 FY22 Highlights

Material uplift across all key metrics

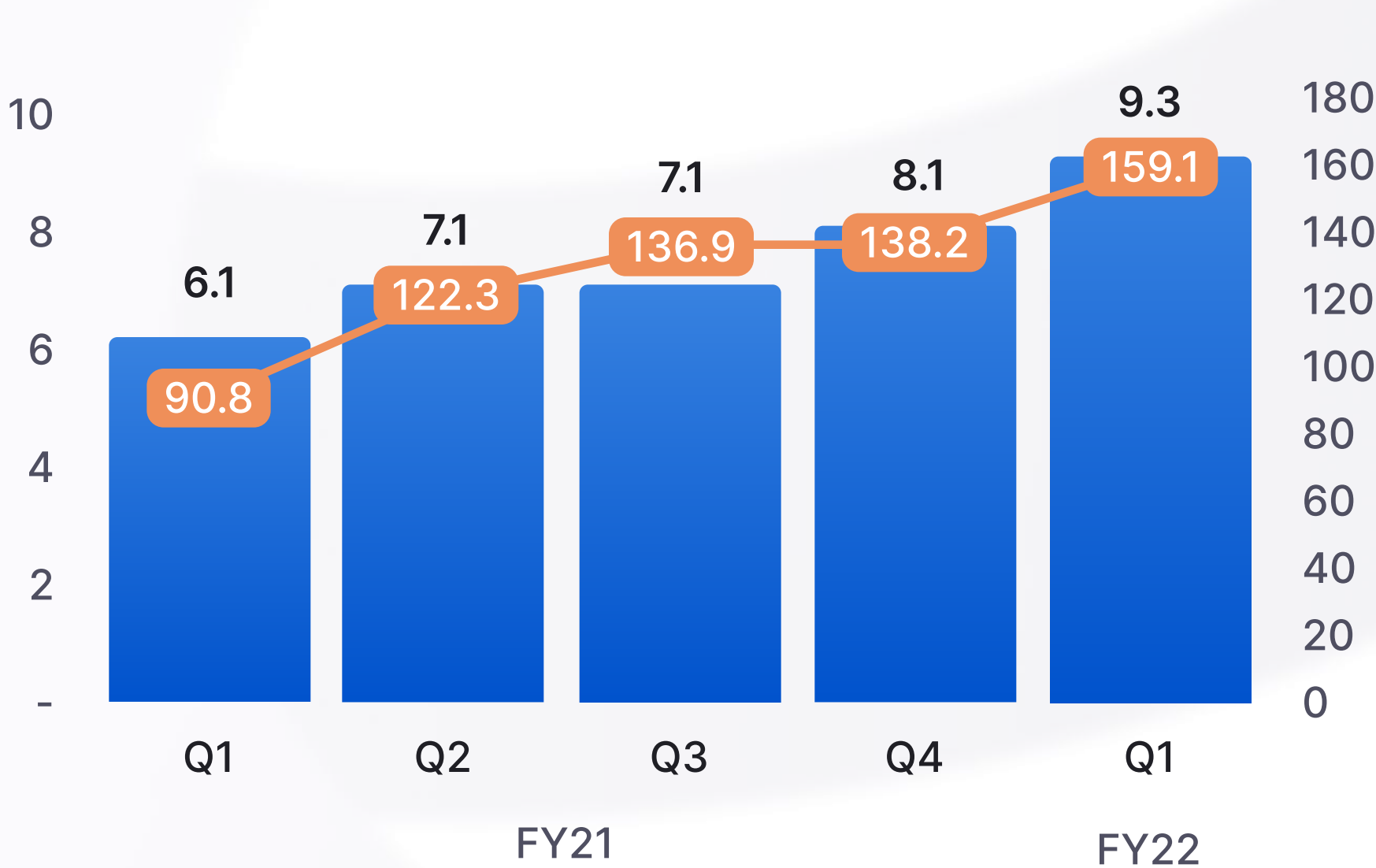
TTV x Margin = Revenue

Total Transaction Volume (\$m) vs. Margin %



- ✓ Core Invoice Finance product continues to grow, up 40% on pcp and 10% on Q4
- ✓ Growth momentum continues, with TTV of \$211m in Oct'21, a new record for Earlypay
- ✓ Margin improvement on increased utilisation of facilities in lieu of Gov stimulus for SMEs

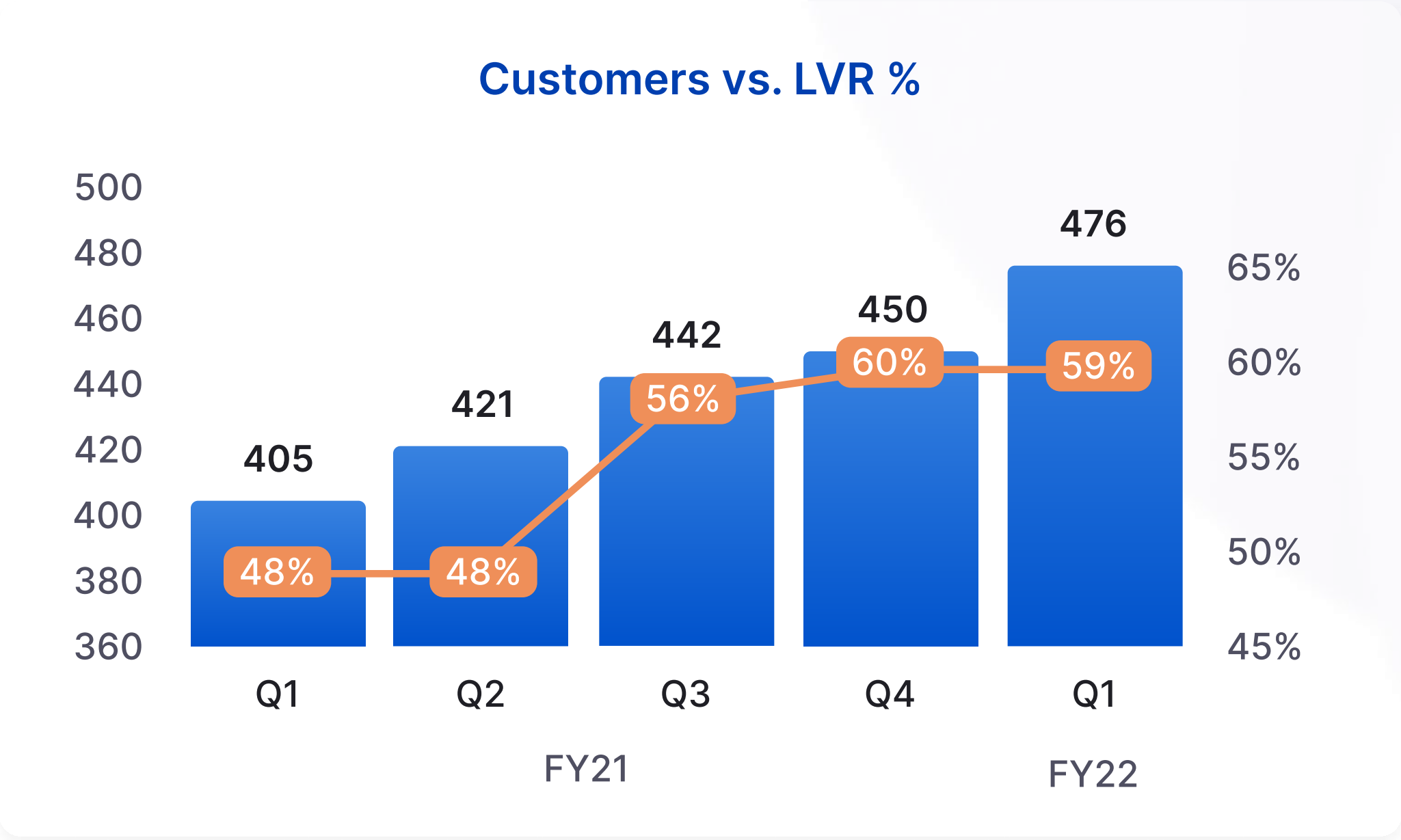
Revenue vs. Peak Funds in Use (\$m)



- ✓ Revenue is up 52% on pcp, demonstrating leverage of margin and TTV growth

Invoice and Trade Finance - Q1 FY22 Highlights

Material uplift across all key metrics



- ✓ Growth in TTV driven by new clients, up 18% on pcp
- ✓ Significant new business pipeline and expecting continued growth through FY22
- ✓ The Earlypay platform continues to drive efficiencies in on-boarding and servicing SME clients
- ✓ Utilisation (LVR) of client facilities has returned to historical levels in lieu of Gov stimulus for SMEs

Equipment Finance - Q1 FY22 Highlights

Equipment Finance is poised for growth as SMEs make investment decisions post lockdown

- ✓ Equipment Finance loan book steady, with planned growth for FY'22 delayed due to extended lockdown restrictions in NSW/VIC
 - ✓ Q1 originations were up 40% on pcip
 - ✓ Revenue and earnings steady on pcip
- ✓ With lockdown restrictions easing, growth resumed in October with origination volumes of \$10.4m and the Loan Book increasing to \$99.6m
- ✓ Earlypay has continued to develop its sales and credit team and product features with an expectation of sustainable growth through the balance of FY22 as SMEs make Investment decisions post lock-down

Equipment Finance Loan Book & Originations (\$m)



Funding and Partnerships

Warehouse Facilities and new partnership positions Earlypay for solid growth

Partnership for SME lending with an ASX Listed Financial Institution

- ✓ The partnership will support Earlypay's growth in all products and includes;
 - ✓ A new warehouse for Equipment Finance, to support transactions generated through channel partnership. Commencement date scheduled for late Nov'21
 - ✓ Development of a solution to provide Earlypay with funding support to service large transactions across all product types, to enhance Earlypay's competitiveness for large clients against banks and large non-bank lenders

Warehouse Facility 1, limit increase from \$100m to \$125m

- ✓ EPY has received an increase in facility limit in its primary Invoice Finance warehouse, to support Earlypay's growth momentum

Warehouse Facility 3, mezzanine funding cost reduction

- ✓ AOFG replaced with FIIG Bond Nov'21, interest cost reduction of ~125bps

	Facility Size	Cost	Comments
Invoice Finance			
Warehouse Facility 1	\$125m	Sub-3%	Increase from \$100m to \$125m Nov'21
Warehouse Facility 2	\$35m	Sub-3%	Small AOFG mezzanine structure removed Aug'21 to reduce admin and interest costs
Equipment Finance			
Warehouse Facility 3	\$120m	Sub-3%	Limit increase from \$100m to \$120m in May'21
Mezzanine - New FIIG Bond	\$15m	Sub-7%	AOFG replaced with FIIG Bond Nov'21, interest cost reduction of ~125bps
Corporate			
Bond	\$20m	7.95%	Matures May'22
Equity	\$40m	n/a	n/a
Total Facilities	\$355m	Avg. Sub 4%	
Headroom	~\$90m		

Resolution Details

Resolution	Resolution Type
1: Remuneration Report	Ordinary
2: Re-election of Director – Mr Geoffrey Sam	Ordinary
3: Re-election of Director – Mr Ilkka Tales	Ordinary
4: Election of Director – Mr Stephen White	Ordinary
5: Election of Director – Mr James Beeson	Ordinary
6: Placement Capacity Refresh	Ordinary
7: Approval of 10% Placement Facility	Special
8A: Approval for issue of performance rights under rights plan – Daniel Riley	Ordinary
8B: Approval for issue of performance rights under rights plan – James Beeson	Ordinary
9: Approval for variation of terms of options	Ordinary

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