

23rd November 2021

Earlypay Limited (ASX: EPY)

New Corporate Bond to support business growth

Earlypay Pty Ltd (ASX: EPY) is pleased to announce today it has launched a new senior unsecured medium-term note (EPY Notes).

The new EPY Notes will provide growth capital for Earlypay, including funding support for the Trade Finance product.

The new debt issue will in part refinance the existing 2018 CML 7.95% 30/05/2022 issued senior unsecured MTN (CML Notes), with current holders welcome to accept a priority rollover into the new floating rate notes. The new over the counter security will pay investors a quarterly coupon of 90d BBSW+6.50% until legal maturity 30/11/2025.

Existing CML Noteholders who wish to either redeem or convert Notes to the new EPY Notes, should contact the lead manager, Income Asset Management – Capital Markets Division, by telephone on 1300 784 132 or by email at earlypay@incomeam.com

The issue size of Tranche 1 will be between \$10m and \$30m, depending on demand from existing CML Noteholders to redeem or convert to the new EPY Notes. Earlypay anticipates a net increase in funds of \$10m.

Key terms:

Issuer	Earlypay Limited (ABN 88 098 952 277)
Ranking	Senior Unsecured MTN
Coupon Type	Floating Rate Note
Issue Margin	90dBBSW + 6.50%
Term	4 years

*Earlypay notes a classification error of the existing CML 7.95% 30/05/2022 issued senior unsecured MTN (CML Notes) in the FY21 Full Year Accounts. The Bond was classified as \$19.9m non-current liability in the Statement of Financial Position as at 30th June 2021. The correct classification should be current under paragraph 69 of AASB 101 *Presentation of Financial Statements* because the Bond matures in May 2022 and the Company does not have an unconditional right to defer settlement for at least twelve months after the year end. Note 16 in the FY21 Full Year Accounts contains information on the Bond. A correction note will be included in the upcoming 1H'FY22 Financial Accounts. Earlypay notes the reclassification has no impact on Net Assets, no impact on funding covenants and does not impact on profit.

This release was authorised by the Chief Executive Officer of Earlypay.

Sincerely,

A handwritten signature in purple ink, appearing to be "Daniel Riley".

Daniel Riley
CEO

ABOUT EARLYPAY

Earlypay provides finance to SME businesses in the form of secured invoice financing and equipment financing.

Through the Earlypay online platform, SME's receive an advance payment of up to 80% of a client's invoice to help their business overcome the cash pressure of delivering goods or services in advance of payment from their customers (often 30 to 60 days). This is a flexible line of credit that is utilised in line with sales volume. Earlypay will consider an additional advance to a client (above the usual 80%) on occasion, for an additional fee and when there is adequate security from the client to cover the position.

Other services include trade finance to assist clients finance purchases, as well as equipment finance to assist SME's with capital expenditure on items required to operate their business.