



Morgans tech conference

CEO Daniel Riley
COO James Beeson

24th November 2021

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's core product is Invoice Finance, which is a line of credit, secured by client's invoices. It is an ongoing, flexible working capital solution that is utilised in line with sales volume.

- ✓ Earlypay commenced Invoice Finance in 2011
- ✓ Total Transaction Volume (TTV) of \$1.8 Billion in FY21
- ✓ Strong organic growth profile
- ✓ Q1'22 TTV is up 40% on pcp
- ✓ FY22 earnings guidance is NPATA of \$13m+, which is 50% higher than FY21

Earlypay also supports SME's with;

- ✓ Trade Finance, to support purchase of stock/inventory
- ✓ Equipment finance, focusing on primary assets such as commercial vehicles and yellow goods

Earlypay has a strong organic growth profile and a long history of expanding profit and dividends. Earnings guidance for FY22 is NPATA of \$13m+, which is 50% higher than FY21



- ✓ Market cap of ~\$130m
- ✓ Dividend policy is 60% of NPATA, providing a 6% fully franked dividend yield on current share price
- ✓ NTA of 19c per share

About Earlypay

The online platform positions Earlypay as a market leading SME lender with a unique offering and significant competitive edge

Invoice Finance

- ✓ Loans ranging from \$20k to \$15m+
- ✓ Servicing small borrowers profitably with online platform
- ✓ Supporting borrowers as they grow to be big businesses
- ✓ Scale, funding and experience to service large borrowers
- ✓ Robust lending model: <0.1% defaults based on TTV
- ✓ Wide range of services: Small facilities for start- ups to funding lines for large national businesses
- ✓ Flexible offering: Borrowers don't need long trading history - invoice strength is the focus
- ✓ Offering is agnostic to accounting software used by borrower
- ✓ Market-leading online lending platform

Earlypay online platform

- ✓ Streamlined application and onboarding within 24 to 48hrs is making invoice finance more accessible and moving the product into the mainstream
- ✓ Integration with client's accounting software to access invoice information facilitates light-touch service delivery and superior client experience
- ✓ Earlypay's market-leading client experience is disrupting traditional providers
- ✓ Efficient and profitable client management is facilitating growth on a stable cost base
- ✓ Improved risk oversight by leveraging client data
- ✓ Fast and flexible finance with a large addressable market of 2.4m SMEs
- ✓ Online Partner Portal to boost origination via referrer channel

Strong organic growth profile

Strong organic growth has resumed following disruption from Covid-19

- ✓ Earlypay has a strong organic growth profile and a long history of expanding profit, interrupted across H2'20 & H1'21 by the introduction of government stimulus to SMEs as a result of COVID
- ✓ Growth resumed in H2'21, as government stimulus reduced and trading restrictions eased

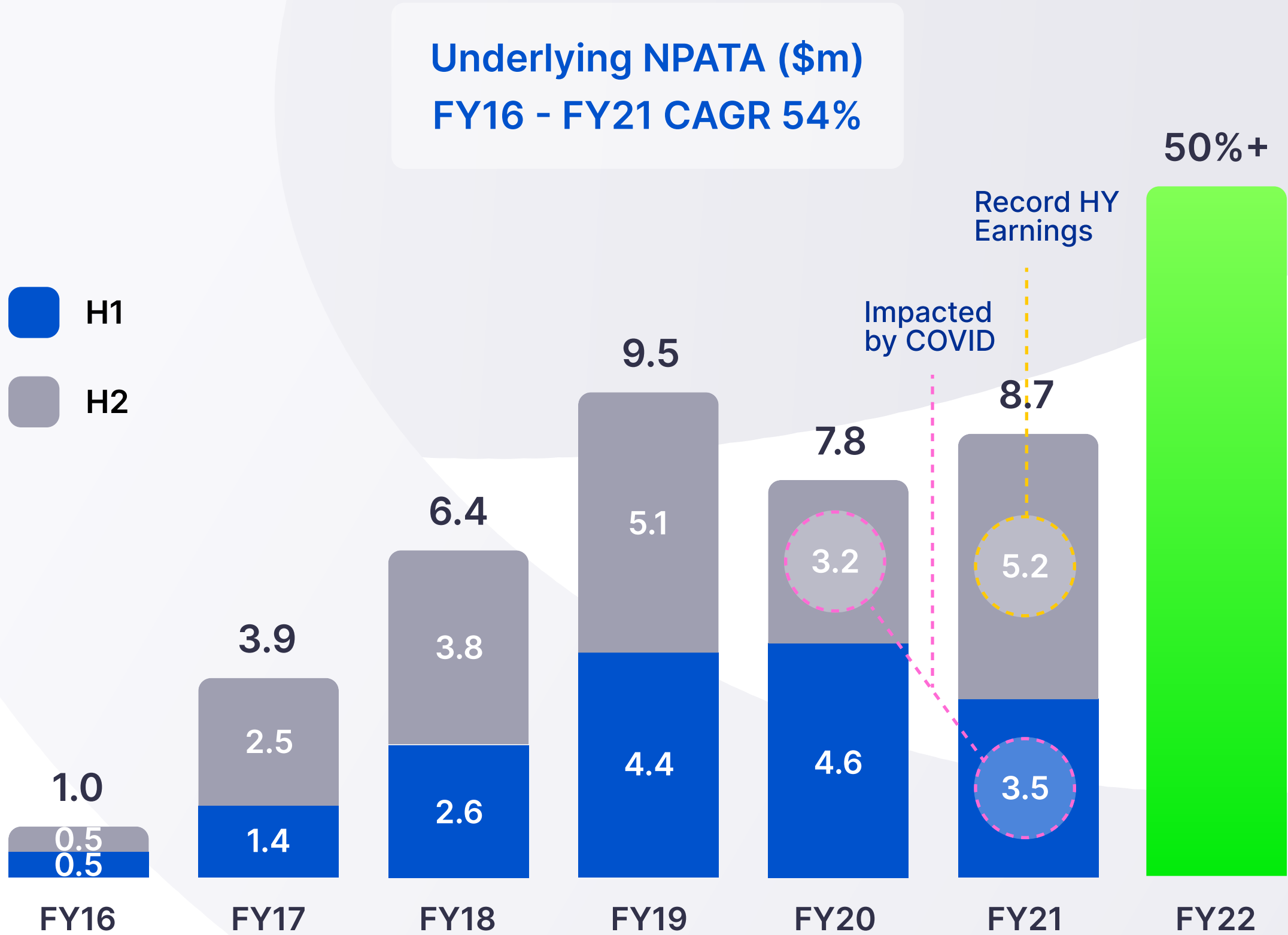
Q1'22 Update

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

- ✓ Q1 Total Transaction Volume (TTV) of \$569m, up 40% on pcp
- ✓ Q1 Margin improvement on TTV to 1.64% (pcp: 1.51%)
- ✓ Q1 Revenue up 52% on pcp
- ✓ Growth has continued in October, with record monthly TTV of \$211m
- ✓ By leveraging access to data and process automation, Earlypay is achieving growth on a stable cost base

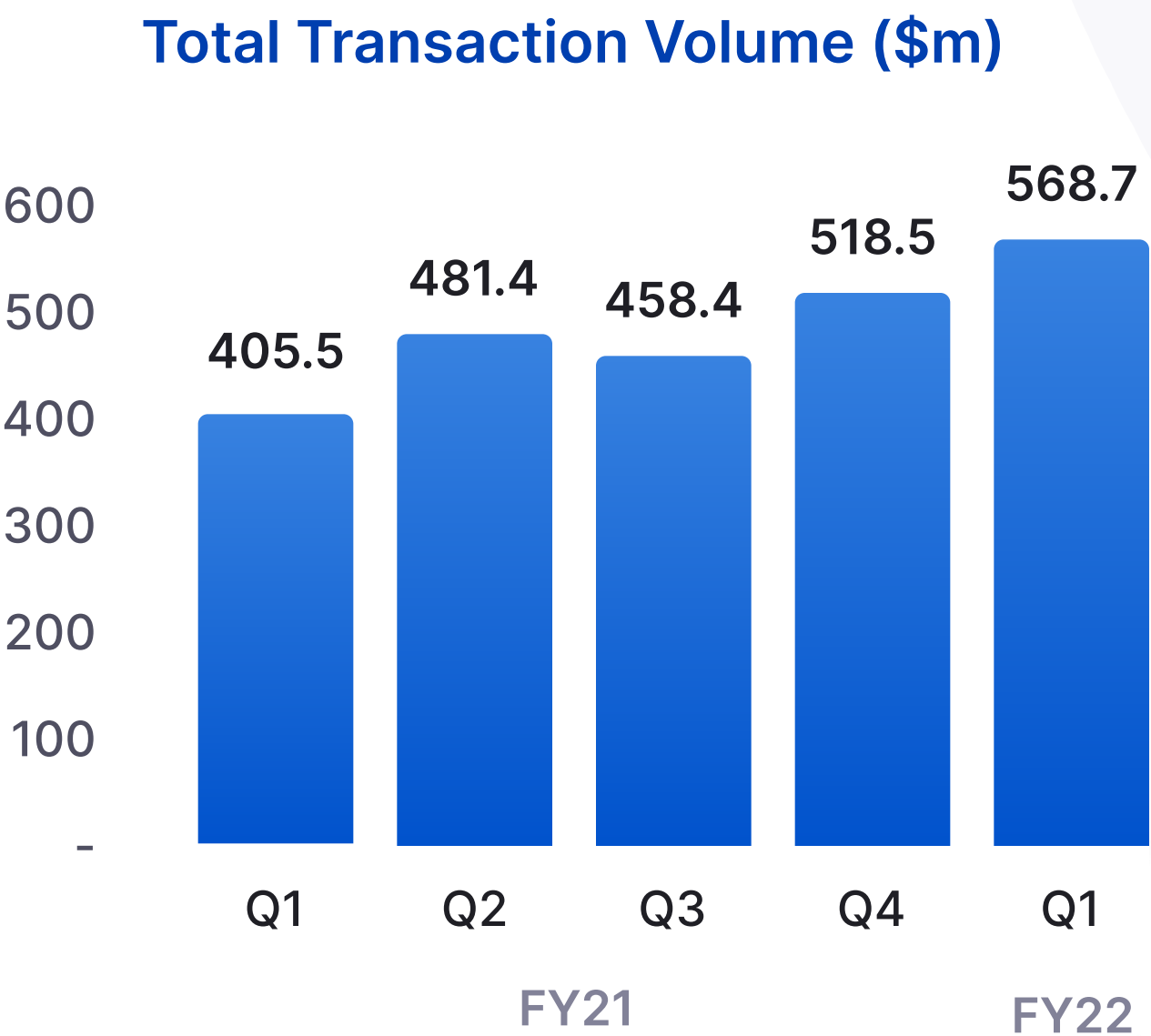
FY22 Outlook

Following the strong start to the year, Earlypay is pleased to provide FY22 earnings guidance of 50%+ NPATA growth on FY21



Invoice and Trade Finance - Q1 FY22 Highlights

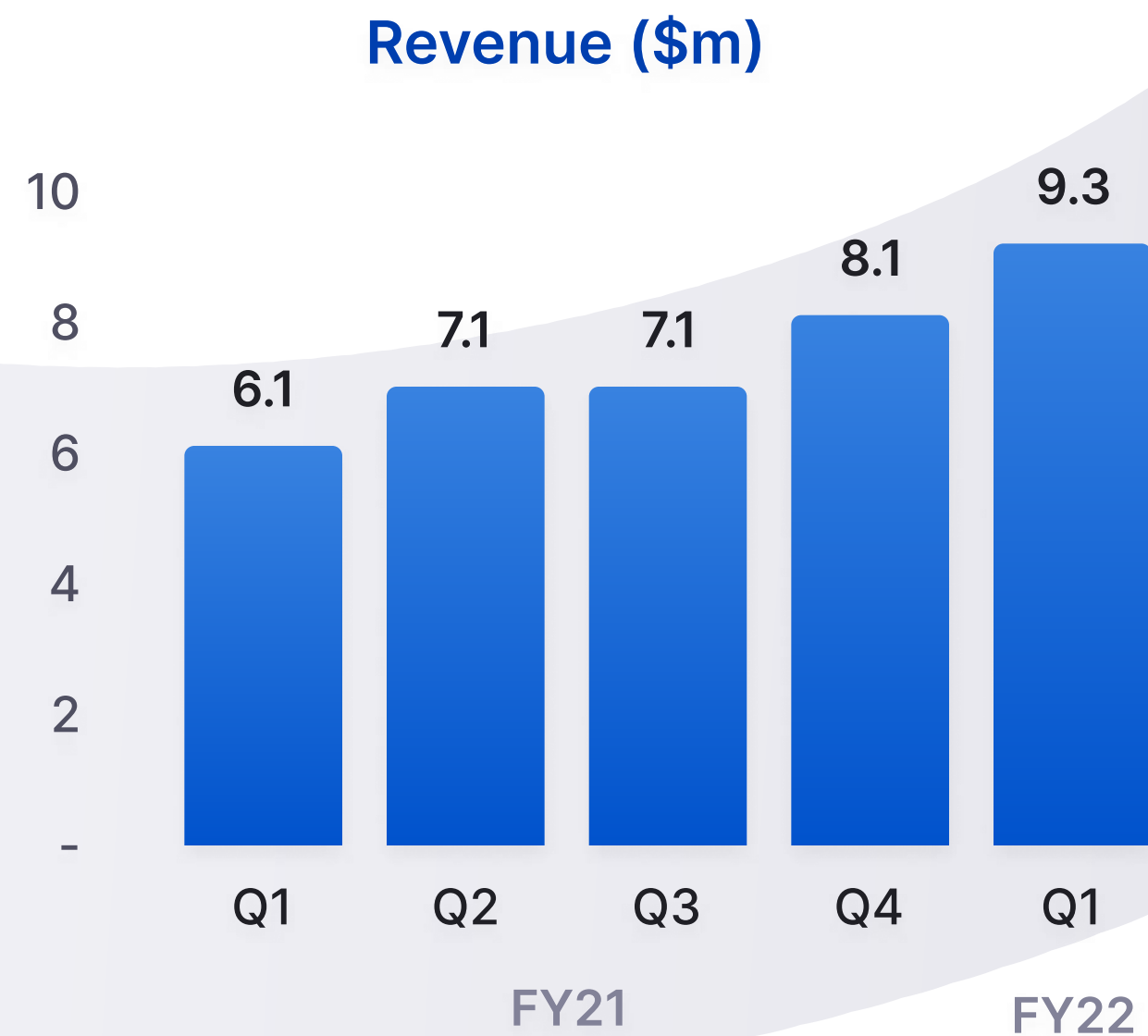
Material uplift across all key metrics



- ✓ 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 SME's



- ✓ 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 SME's



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

Equipment Finance - Q1 FY22 Highlights

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

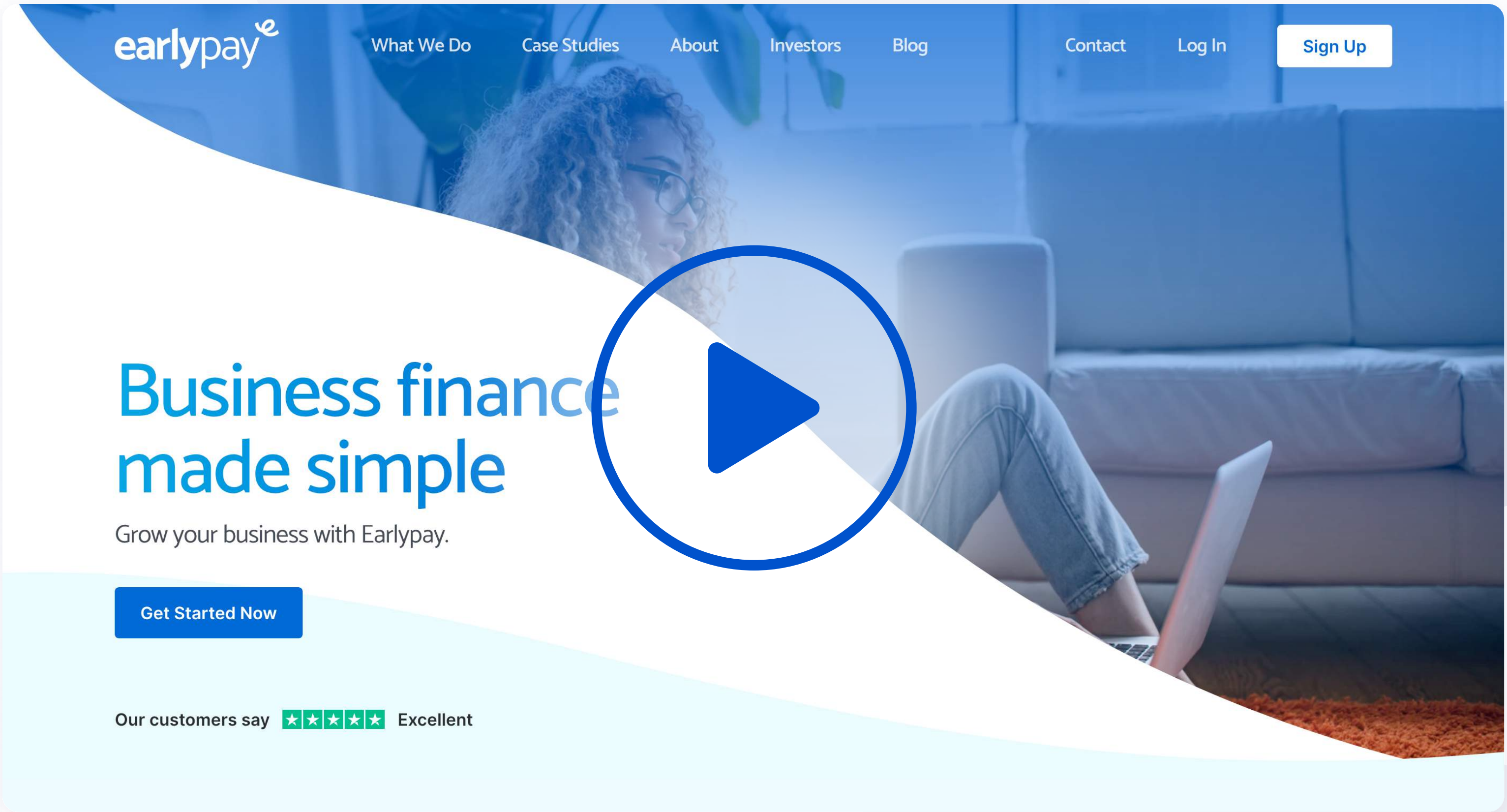
- ✓ Equipment Finance loan book steady, with planned growth for FY22 delayed due to extended lockdown restrictions in NSW/VIC
 - ✓ Q1 originations were up 40% on pcip
 - ✓ Revenue and earnings steady on pcip
- ✓ With lockdown restrictions easing, growth resumed in October with origination volumes of \$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)



Technology

By embracing innovation and new technologies, Earlypay has streamlined its operations and created a market leading ‘customer first’ approach



Trade Finance

Trade Finance supports SME’s purchase of stock and is offered in conjunction with Invoice Finance, providing a full supply chain funding solution.

- ✓ Trade Finance provides Australian SMEs that import and purchase product within Australia the ability to pay suppliers upfront without having to utilise their own working capital
- ✓ Earlypay commenced a Trade Finance product in 2020, offered to SME clients in conjunction with Invoice Finance
- ✓ At the end of October, there were 34 Invoice Finance clients utilising a Trade Finance facility, generating interest income at a run rate of approximately \$200k per month
- ✓ The Earlypay platform leverages data and automation to provide a seamless, full supply chain funding solution to SMEs

Morgans Tech Pty Ltd

ProfileActivitiesTo-doTrade LoanRiskInvoicesCustomersCreditorsCredit NotesFinancialsDrawdown & RepaymentsAccount

SUM OF TOTAL OUTSTANDING FOR ALL OPEN LOANS

\$263,110.46

TRADE FINANCE CREDIT LIMIT

\$284,504

TRADE FINANCE AVAILABILITY

\$21,393.54

Requested Loans

Approved Loans

Rejected Loans

LOAN ID #	SUPPLIER NAME	TOTAL INVOICES	TOTAL CURRENCY AMOUNT	TOTAL AMOUNT TO ADVANCE	REQUEST DRAWDOWN DATE	ACTION
#00004	Newegg Commerce, Inc.	4	GBP £10,000.00	\$12,329.00	02 September 2021	...
#00004	ASUSTek Computer Inc.	6	USD \$41,484.00	\$12,329.00	02 September 2021	...
#00004	Newegg Commerce, Inc.	1	NZD \$21,074.00	\$12,329.00	02 September 2021	...

Loan Application Details

REQUEST TERM OF LOAN (DAYS)	REQUEST DRAWDOWN DATE	DATE OF SHIPPING
90 days	29 October 2021	—
SHIPPED FROM (COUNTRY)	SHIPPED TO (COUNTRY)	
China	Australia	
BRIEF DESCRIPTION OF GOODS		
250pcs of RTX 3090, 300pcs of Ryzen 7 5800x, 300pcs of B550M motherboards, 275pcs of X570 motherboards, 400pcs G.skill 16gb (8x2) 3000mhz Ryzen Compatible.		

Main Details

LOAN ID #	#00004
SUPPLIER 1	Newegg Commerce, Inc.
SUPPLIER 2	Micro-Star International Co., Ltd
TOTAL INVOICES	4
TOTAL AMOUNT TO ADVANCE	\$12,000.00

Technology to expand distribution

Broker portal facilitates client referrals, with transparency on transaction progress and commissions earned

Email Address

Invite

Referral Link

http://app.earlypay.com.au/register?referrer=123abc

Copy Link

Refer clients to Earlypay using the link above

earlypay

Dashboard

Clients

Commissions

Files

Settings

Floyd Miles

Commissions

Last commission payment

\$1,721.58

Paid on 2 February 2021

View Commission History

Next commission payment

\$1,821.09

To be paid on 1 March 2021

LIST OF TRANSACTIONS

Drawdown Fee Commission

Drawdown for \$18,001.00 with fee of \$461 recorded on 15 Nov 2021.

+ \$3600.20

Interest Commission

Interest for \$18,001.00 with fee of \$461 recorded on 11 Nov 2021.

+ \$3600.20

Drawdown Fee Commission

Drawdown for \$18,001.00 with fee of \$461 recorded on 14 Oct 2021.

+ \$3600.20

Interest Commission

Interest for \$18,001.00 with fee of \$461 recorded on 11 Oct 2021.

+ \$3600.20

Drawdown Fee Commission

Drawdown for \$18,001.00 with fee of \$461 recorded on 13 Sept 2021.

+ \$3600.20

Interest Commission

Interest for \$18,001.00 with fee of \$461 recorded on 08 Sept 2021.

+ \$3600.20

MONTHLY COMMISSIONS

\$1,821.09

Jun Jul Aug Sept Oct Nov

TOTAL NUMBER OF SETTLED CLIENTS

Jun Jul Aug Sept Oct Nov

Showing 10 out of 48

Add Client +

Referral Link

http://app.earlypay.com.au/register...

Refer clients to Earlypay using the link above

Your Earlypay Contact

Louise Smith

Client Relations Manager

(02) 9393 3838

louise@earlypay.com.au

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TOTAL NUMBER OF SETTLED CLIENTS

Jun Jul Aug Sept Oct Nov

Add Client

First Name

Last Name

Email Address

Invite

Testimonials

They are a trusted part of our team!

"Since partnering with Earlypay 4 months ago on Invoice Financing & Trade Finance, they have grown into a trusted member of our team.

Through their collaboration and support we have shortened our cashflow cycle, supporting our growth objectives. The Earlypay team have also shown considerable business awareness and real-world knowledge which has ensured a strong & beneficial working relationship. We look forward to continuing our partnership and embracing the other support financial products they have developed."

Ciaran
Owner – Import & Wholesale Business

Outstanding Service!

"The service we have received from Earlypay has been second to none. Outstanding customer service and the speed they got us setup during Christmas period was excellent. We thank you for your efforts and customer support and look forward to doing business with you into the future."

Brett
Owner – Labour Hire Business

Excellent Back up Support!

"Joining the Earlypay family has given the group the peace of mind and ability to know that funds will always be available to achieve the agreed terms and favourable rates. The move towards a seamless integration between our systems and theirs has seen reduction's in manual handling, the reduction in time allocated to processing and uploading documents, allowing us to focus on what we do best. They are a finance partner, willing to look at your needs & customise a plan to achieve your future growth goals."

Anthony
Owner – Transport Business

Excellent



Based on 179 reviews



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