

19th April 2022

Earlypay Limited (ASX: EPY)

New \$30m securitised facility to support product expansion

Highlights:

- New \$30m facility will provide capital to support the expansion of Trade Finance, Earlypay's third secured SME loan product
- Provides Earlypay with an additional source of revenue that can attract large transactions
- Releases \$20m+ cash that can be used to fund future growth opportunities

Earlypay is pleased to announce it has settled a new securitised facility; the Earlypay Trade Receivables Trust (ETRT), a special purpose vehicle secured by Trade Receivables, will provide capital for continued growth of Earlypay Trade Finance, as well as releasing \$20m+ of cash to Earlypay that was tied up to fund the existing portfolio. The new facility provides Earlypay with an additional source of revenue and enables the company to compete for larger transactions while maintaining historical margins.

Trade Finance supports SMEs with the purchase of stock and inventory and is offered by Earlypay to qualifying Invoice Finance clients. When offered together, Trade and Invoice finance provides a complementary and compelling full supply chain finance solution to SMEs, which has resulted in strong demand for the product since initial launch in Q1 FY21.

Trade Finance is a natural product expansion as it integrates seamlessly with Earlypay's core Invoice Financing product. It provides Earlypay with a return on both the purchase and sale side of a client transaction. The Invoice Finance facility repays the Trade loan when stock is sold, which mitigates the risk of loan arrears.

Earlypay CEO Daniel Riley commented on the new facility: *"This new facility is a milestone for Earlypay. It represents the successful development of our third secured SME loan product. Trade Finance is closely aligned to our core Invoice Finance offering as well as our Equipment Finance product and will facilitate growth through increased demand with significant operational synergies. In addition, the new facility will release over \$20m of cash utilised to fund the existing Trade portfolio, which can further assist organic and non-organic growth opportunities."*

Income Asset Management (IAM) acted as lead arranger for the debt issue, further details are below;

Issuer: Earlypay Limited

Issue Date: April 2022

Amount: \$30m (A Notes \$22.5m, B Notes \$3.75m, C Notes \$3.75m)

Final Maturity: April 2026

Issuer Call: 101% 1 to 2yrs, 100% after 2yrs

Earlypay anticipates increasing the size of the facility through time, in-line with growth in Trade Finance and subject to performance of the receivables pool.

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 secured financing to SME businesses in the form of invoice, trade and equipment finance.

Through the Earlypay online platform, SMEs 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 SMEs with capital expenditure on items required to operate their business.