

14th September 2022

Earlypay Limited (ASX: EPY)

CEO retirement and transition plan

Earlypay (“EPY” or “the Company”) announces that after 20 years with the Company, including 12 years as CEO and Managing Director, Daniel Riley will retire from his executive role following the AGM in November 2022. Beyond November, Daniel will continue as a Non-Executive Director and Greg Riley will be retiring from the Board of Directors at the November AGM.

In the interim period, James Beeson, currently Chief Operating Officer (“COO”) and Executive Director at Earlypay, will transition from COO to CEO and Managing Director. Earlypay has also commenced the hiring process to fill the COO role with an experienced finance executive.

James joined the Company in August 2020 upon Earlypay’s acquisition of the invoice finance technology platform, Skippr, where he was CEO and majority shareholder. Prior to Skippr, James was Head of EMEA Rates & Foreign Exchange in JP Morgan’s Chief Investment Office in London. Throughout his career, he has managed a wide range of structured credit, global fixed income and currency portfolios for JP Morgan, Brevan Howard Asset Management and Citigroup in London, Hong Kong and Sydney.

James holds a Global Executive MBA (TRIUM - NYU Stern, LSE, HEC Paris), Master of Applied Finance (Macquarie University), Bachelor of Commerce (Deakin University), and is a member of CPA Australia and graduate of the Australian Institute of Company Directors.

James jointly holds 15,652,453 EPY shares (4,318,989 as consideration for Skippr and 11,333,464 purchased on-market) which represents 5.45% of Earlypay Limited’s issued capital.

Earlypay CEO Daniel Riley commented: *“Earlypay commenced Invoice Finance in 2012 and through organic growth and acquisitions, this quickly became the core service offering, establishing Earlypay as a leading non-bank SME lender.*

Over the last 2 years, facilitated by the acquisition of Skippr and investment in tech, product development and sales, Earlypay has transitioned from a traditional invoice financier to an innovative and market-leading business lender. This transition is the driver of Earlypay’s accelerated profit growth, with the Company reporting record earnings at all levels for FY22 and an enhanced run rate commencing FY23.

The contribution that James has already made to Earlypay’s growth and strategy is significant and I am personally delighted that he has accepted the additional responsibilities of CEO.

Of course, growing a business is a group effort and the Company is fortunate to have an experienced and motivated team, with fresh ideas for Earlypay to retain its competitive edge and continue to drive earnings growth."

James Beeson said he was delighted about the opportunity to become CEO of Earlypay and added *"Daniel and Greg have built Earlypay from a standing-start to be a market-leading secured lender to SMEs and I'm honoured to be taking on the role of CEO for the next phase of growth.*

We will continue to focus on innovation and investment in technology and data to always be improving how we service our SME clients and their referrers, while maximising operating leverage in the business.

I look forward to working with our talented and experienced team to further strengthen the foundations on which Earlypay can continue its strong growth trajectory."

Earlypay Chairman Geoff Sam commented: *"Daniel leaves his executive role with the business in a very strong position. We have reported record earnings for FY22 and an enhanced run rate commencing FY23, with significant growth momentum resulting from increased investment in the business over the last 2 years.*

The board thanks Daniel for his pivotal role in transitioning Earlypay from its legacy business to become a leading non-bank SME lender, delivering significant shareholder returns throughout his tenure."

In welcoming James Beeson as incoming CEO, Mr Sam said: *"James's contribution to Earlypay as COO over the past two years has been transformational and the Board and I look forward to supporting him during this next exciting phase for Earlypay."*

This release was authorised by the board of Earlypay.

ABOUT EARLYPAY

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

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.

Key Terms of James Beeson's Employment

Position Title	Chief Executive Officer and Managing Director
Commencement Date	10 October 2022
Total Fixed Remuneration	Total remuneration will be \$550,000 per annum including statutory superannuation contribution.
Termination	Termination of employment by either party with 6 months' written notice.
Incentive Scheme (STI's & LTI's)	<p>In addition to total annual remuneration and subject to any approval required by the shareholders or regulatory approvals pursuant to the Company's constitution, access to the Company's incentive program.</p> <p>Short Term Incentives (STI), up to a maximum of 25% of the Salary, which will be assessed against established and agreed Key Performance Indicators (KPI's) to be determined by the Board at a later date.</p> <p>Further entitlement to participate in the Long-Term Incentive (LTI) Plan that may be offered from time to time at the discretion of the Board. Details of the LTI plan are provided below (the Board has yet to agree specific terms of the structure of the LTI to be granted and thus will determine at a later date and seek regulatory approvals at the appropriate time)</p>

LTI Summary

Features	Description
Instrument	Performance rights being a right to receive a share subject to performance and vesting conditions. These securities will be subject to regulatory approvals.
Opportunity	25% of fixed remuneration.
Dividends or share issues	No dividends are paid or accrued on unvested awards.
Performance criteria	The plan uses earnings per share growth, Absolute TSR and Return on Equity performance hurdles.
Performance period	3 years
Assessment, approval and payment	At the end of each performance period, the Remuneration & Nomination Committee assesses the relevant performance measures and determines the extent to which the awards should vest. Payment is made by the issuing or transfer of shares.
Change of control	<p>Unless otherwise determined by the Board, in the event of a Change of Control including a takeover, the Vesting Conditions attached to the Tranche at the time of the Application will cease to apply and:</p> <ul style="list-style-type: none"> a) unvested Performance Rights granted in the financial year of the Change of Control will be assessed by the Board for vesting, b) all remaining unvested Performance Rights will vest if the Change of Control Share Price is greater than the price at the commencement of the measurement period and the Change of Control Share Price leading up to the Change of Control has a 20% premium to the price at the beginning of the Measurement Period, c) any unvested Performance Rights that do not vest pursuant to (a) and (b) will lapse, disposal restrictions applied to Restricted Shares by the Company will be lifted, including the removal of any Company initiated CHES holding lock, if applicable. However, Shares may not be sold if the holder is in possession of "inside information".