

Beforepay Group Limited

ASX ANNOUNCEMENT (ASX: B4P)

7 July 2023

Trading Update: Beforepay achieves \$1 billion of pay advances and 1 million user milestones, and named ethical lender of the year

Highlights

- Beforepay surpasses \$1 billion in cumulative pay advances since inception in 2019.
- Beforepay has now registered¹ over one million users for its digital pay advance service.
- Strong growth continues with cumulative pay advances of \$628 million in FY23, up 92% on FY22 (year-on-year or YoY; unaudited).
- Beforepay named Ethical Lender of the Year 2023 in the global Pan Finance Awards.

Beforepay Group Limited (Beforepay) (ASX: B4P) today released a business trading update for the quarter and financial year ended 30 June 2023 (FY23). The company's full Q4 FY23 Quarterly Activities and Appendix 4C Cash Flow Report will be released at market opening on 28 July 2023.

The information below demonstrates Beforepay's continued strong growth and path towards profitability which is driven by a combination of pay advance growth, user growth, and machine learning powered credit risk decisioning, while providing an award-winning ethical lending solution to working Australians.

Total Advances

Beforepay provided \$628m in pay advances during FY23, up 92% YoY. This lifts cumulative advances since inception to over \$1B, a significant milestone for the company.

Continued strong growth was achieved during Q4 FY23 with pay advances of \$162m, up 51% on Q4 FY22, driven by both new customer acquisition and continued usage by existing customers.

Despite the current difficult macroeconomic backdrop, due to earlier limit reduction efforts on defaults reported in Q3FY23, including selective reduction of some limits, decreasing limits for customers where creditworthiness had changed, and refinement of the credit model, we have seen a decline in delinquencies in Q4 FY23. Further details will be provided in the company's full Q4 FY23 Quarterly

¹Of the registered users, 234,034 are active users, being those users that have taken out an advance in the 12 months prior to 30 June 2023 and includes customers who have not yet repaid their most recent advance.



Activities and Appendix 4C Cash Flow Report to be released at market opening on 28 July 2023.

Active Users

Beforepay's active user base grew 35% YoY to 234K (FY23), up 5% on Q3 FY23.

In total, more than 1 million customers have now registered for Beforepay's pay advance service.

Beforepay's substantial growth is in line with its journey towards profitability, characterised by increases in user and advance numbers, sustainable unit economics, and tightly controlled costs.

Active users in Q4 FY23 (being 234K users) had an average loan size of \$341 and a 95% return rate.

Ethical Lender of the Year 2023

Beforepay is committed to supporting working Australians by providing a safe and affordable alternative to payday lending and revolving debt schemes. The company offers eligible customers advances of up to \$2,000 for a 5% fixed transaction fee without interest or late fees – ever.

By advancing small sums of money against its customers' future wages over short periods of time, Beforepay aims to help customers overcome short-term challenges whilst not living beyond their means.

Beforepay's growth and its high customer satisfaction rating of 4.8 out of 5 stars across Google Play Store and Apple App Store reflect the value of our service to its customers.

In a broader recognition of our customer first approach, and the integrity of our service offering, Beforepay was recently recognised as the 2023 Ethical Lender of the Year in the Global Pan Finance Awards.

This announcement has been authorised for release to the ASX by the Board.

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About Beforepay

Beforepay was founded in 2019 to support working Australians who have not been well-served by the traditional financial services industry.

Beforepay's flagship pay advance product is an ethical, customer-friendly way to help people manage temporary cash flow challenges in a safe and affordable way. The product provides customers with early access to a portion of their pay, on demand, for a 5% fixed fee, to tide them over while living within their means.



Beforepay uses artificial intelligence and machine learning in its risk model, calculating approximately 500 separate attributes for each customer in order to determine their eligibility and set their limit.

Alongside this, Beforepay also offers a bespoke budgeting tool and real-time spending insights in the mobile app to equip customers with additional resources for responsible money management.

For more information visit www.beforepay.com.au

Important notice

All figures contained in this announcement are unaudited. All dollar values are in Australian dollars (\$) or A\$) unless stated otherwise. Change percentages are calculated using unrounded figures and may differ slightly from a number calculated using rounded figures.

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