earlypay

Corrected - FY23 Results

24 August 2023

Re-lodged with ASX on 21 September 2023 (refer ASX release for further information)


CEO James Beeson


CFO - COO Paul Murray

FY23 Summary – Executive Summary

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Reported Results significantly impacted by “one offs”. Underlying business remains profitable and cash generative with a strong balance sheet

FY23 Results

Financial

- Reported Net Revenue of $41.8m, down 5% (FY22 of $44.1m)
- Reported Profit (Loss) After Tax of ($7.7m) compared to a profit of $13.2m in FY22
- FY23 reported loss includes:
  - Credit related expenses of $22.5m, compared to $0.8m in FY22
    - $14.3m relates to one single large credit loss ($10.4m credit loss and $3.9m in recovery costs) and considered a **“one off”** given the outsized exposure
    - $8.2m in other credit related expenses made up of increases of $2.2m in general provisions, $4.8m in specific provisions and $1.2m in other recovery costs
  - Non-cash impairment of trademark intangibles of $2.1m considered **“one off”**
- Underlying Proforma[1] (excluding “one offs” above) NPAT of $4.8m, down 65% on FY22 of $13.6m
- NTA of $38.7m, equating to NTA per share of 13.3cps

Note: For a summary of FY23 Reported results along with a reconciliation of Reported results vs Proforma results, please refer to the Appendix

1. Underlying Proforma is Reported earnings after adding back “one off” costs including RevRoof credit loss and recovery costs, and the Trademark impairment

FY23 Summary – Executive Summary

Reported Results significantly impacted by “one offs”. Underlying business remains profitable and cash generative with a strong balance sheet

FY23 Results

Operational

- Significant progress on RevRoof recovery. Expected loss provision and estimated recovery costs remain appropriate
- Comprehensive changes to risk and operational framework and procedures to mitigate against material future credit losses
  - Strong progress, but there is no finish line
- Ongoing investment in Earlypay platform for invoice and trade finance, allowing for platform consolidation
- More structured and robust approach to lead and referrer management, new business submission and documentation using Salesforce
- Simpler organisational structure with clearer roles and accountability
  - Centralised documentation and settlements, credit underwriting
  - Dedicated client service pools to improve client service while better managing risk
- More targeted sales and distribution verticals
- Warehouse refinancing well advanced. Primary warehouse mandate signed and documentation in progress. Financial close expected by 30 September 2023

FY23 Proforma Financials

FY23 Summary - Proforma (excluding RevRoof)

NOTE: The remaining presentation is based on proforma unaudited financials that exclude the impact of RevRoof, providing investors with a Proforma profile of the Earlypay business on a continuing basis

Profit and Loss ($m)	FY22 Proforma	FY23 Proforma		*Δ pcp*
Year End Funds in Use	*296.4*	*294.3*	1	*-1%*
Average Funds in Use	*255.0*	*306.0*		*20%*
Interest Income	25.6	33.8		32%
Interest Expense	(9.4)	(18.2)		94%
Net Interest Revenue	**16.3**	**15.5**	2	**-5%**
Mgmt / Admin Fees	26.1	25.5		-2%
Net Revenue	**42.4**	**41.0**		**-3.3%**
Opex	(24.5)	(26.1)	3	*6%*
Direct Costs	(3.7)	(3.7)		*0%*
Credit Impairment Expense (CIE)	(0.6)	(7.0)	4	*1148%*
Recovery Costs	-	(1.2)		*na*
PBT	**13.6**	**3.0**		**-78%**
Amortisation	1.5	0.5		*-67%*
Intangible write-offs	-	2.1	5	*na*
One-offs (tax affected)	-	0.5		*na*
Underlying PBT	**15.1**	**6.1**		**-59%**
Underlying NPAT	**13.6**	**4.8**	6	**-65%**
EPS (cents per share)	4.8	1.7		-65%
DPS (cents per share)	3.2	-		na
Net interest margin	*6.4%*	*5.1%*		*-20%*
Net revenue margin	*16.6%*	*13.4%*		*-19%*
Underlying Cost to Income [1]	*63.0%*	*65.0%*		*3%*
Underlying ROE[2]	*15.9%*	*6.5%*		*-59%*

1. Flat FIU growth reflective of a more cautious risk appetite given tightening credit environment and strategic reduction in EF originations
2. Decrease in net interest revenue as a result of:
   - 1H'23 onboarding larger IF/TF clients at tighter margins
   - Delayed IF/TF pricing increases in Q1 FY23
   - No interest costs incurred on Trade finance loans for 9 months of FY22 – funded by cash on balance sheet
   - EF fixed loans against variable funding costs (partial)
3. Opex increase overstated by amortisation, intangible write-off and "one offs": Underlying decrease of 2% on pcp
4. Increase in Credit Impairment Expense includes:
   - General provision increased by $2.2m
   - Specific provision increased by $4.8m
5. Non-cash impairment of Trademark Intangibles
6. Underlying FY23 NPAT of $4.8m

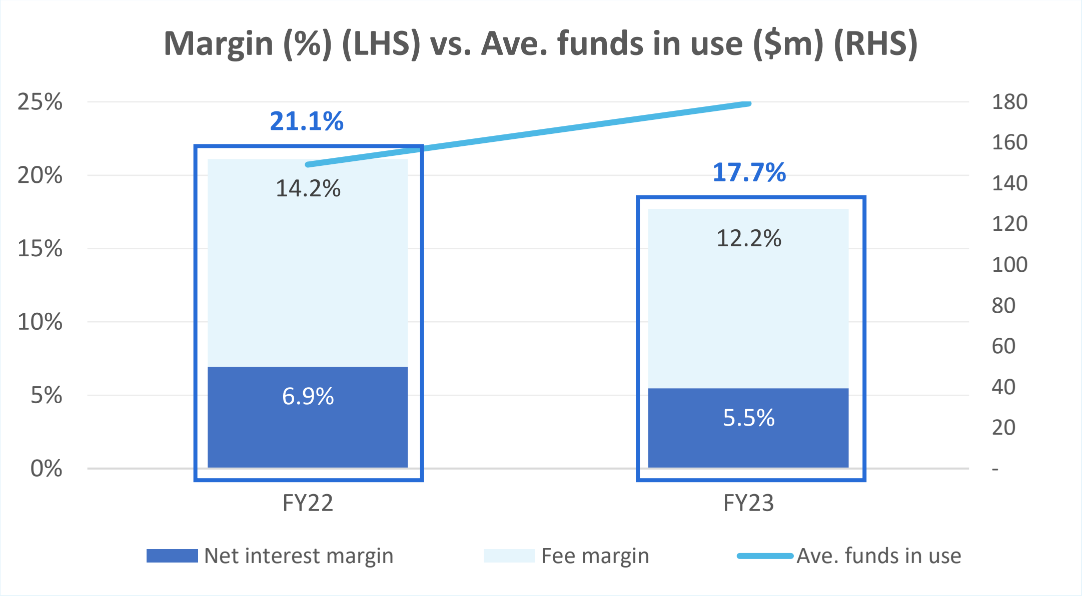
1. Underlying Cost to Income calculated as (Opex + Direct Costs – Amort – Intangible write-offs – One Offs) / Net Revenue
2. Underlying Return on Equity calculated as Underlying NPAT divided by Net Assets

Product Segment: Invoice & Trade Finance

Cautious FIU growth given economic backdrop

IF & Trade Reporting ($m)	Proforma FY22	Proforma FY23	Proforma Δ pcp
Key Metrics			
Year End Funds in Use	167.3	182.8	*9%*
Ave. funds in use[1]	149.3	179.2 ①	*20%*
Invoices purchased (TTV)	2351.2	2620.4	*11%*
Interest income	14.5	20.1	*39%*
Interest expense	(4.1)	(10.3)	*149%*
Net Interest Revenue	**10.3**	**9.8** ②	***-5%***
Mgmt / Admin Fees	21.2	21.9	*4%*
Net Revenue	**31.5**	**31.7**	***1%***
Opex	(16.0)	(17.0)	*6%*
Direct Costs	(2.1)	(1.9)	*-8%*
Credit Impairment Expense (CIE)	(0.1)	(6.0) ③	*8761%*
Recovery Costs	-	(1.2)	*na*
PBT	**13.4**	**5.6**	***-58%***
Net interest margin	*6.9%*	*5.5%*	*-21%*
Net revenue margin	*21.1%*	*17.7%*	*-16%*
Cost to income	*57.2%*	*59.5%*	*4%*

1. Increase in FIU: strong SME demand for finance, offset by more disciplined / cautious underwriting given uncertain economic environment
2. Decrease in NIM due to prior 'equity' funding of Trade receivables (i.e. no interest cost relative to the current trade warehouse)
3. CIE increase in general and specific provisioning to better reflect current and expected future credit conditions



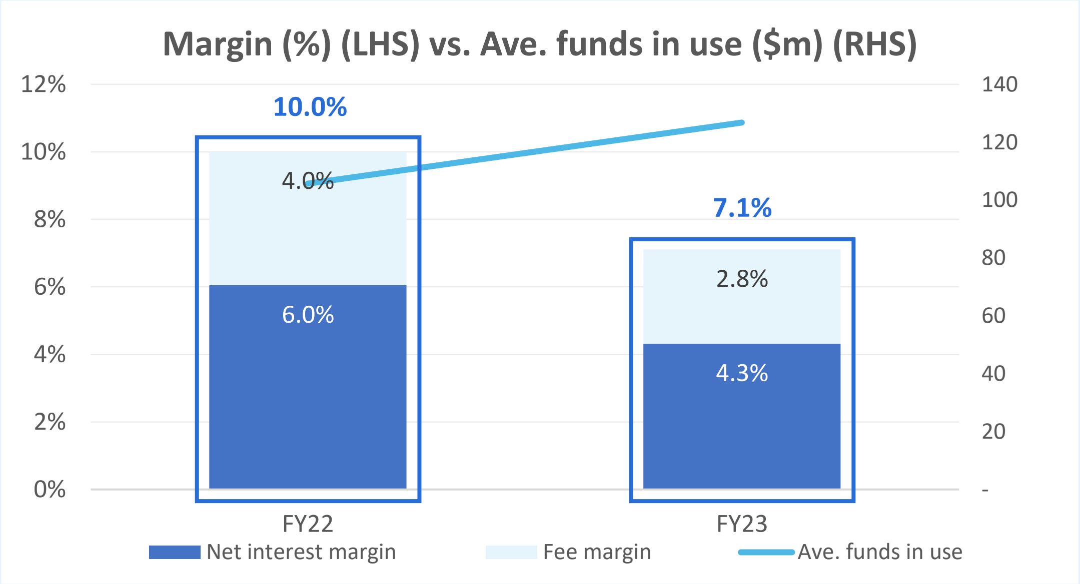
1. EPY calculations of Average Funds In Use

Product Segment: Equipment Finance (EF)

FIU growth to resume in FY24 with new warehouse and operationally efficient segment
EF supports IF awareness building and distribution

	Proforma		
EF Reporting ($m)	**FY22**	**FY23**	***Δ pcp***
Key Metrics			
Year End Funds in Use	129.1	111.5	*-14%*
Ave. funds in use[1]	105.7	126.7	20%
Loan Originations	95.2	39.1 (1)	*-59%*
Interest income	11.1	13.1	*18%*
Interest expense	(4.7)	(7.6)	*61%*
Net Interest Revenue	**6.4**	**5.5**	***-14%***
Client Admin Fee	4.2	3.5 (2)	*-16%*
Net Revenue	**10.6**	**9.0**	***-15%***
Opex	(5.4)	(3.2)	*-40%*
Direct Costs	(1.7)	(1.9)	*11%*
Credit Impairment Expense (CIE)	(0.5)	(0.9)	*90%*
Recovery Costs	-	-	*na*
PBT	**3.1**	**3.0**	***-1%***
Net interest margin	*6.0%*	*4.3%* (3)	*-29%*
Net revenue margin	*10.0%*	*7.1%*	*-29%*
Cost to income	*66.5%*	*56.1%*	*-16%*

1. Materially lower originations in FY23 due to funding constraints, cautious approach to credit and competitive market. Originations recommenced late in FY23 due to improved market opportunity and expected funding changes
2. Admin fees decreased due to decreased loan originations
3. Lower interest margins due to most of the floating rate corporate bond interest expense being allocated to EF



1. EPY calculations of Average Funds In Use

Consolidated Balance Sheet

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Balance Sheet remains strong despite credit write-offs and higher ECL provisions
Net Tangible Asset (NTA) position of $38.7m / 13.3 cps at 30 June 2023

Balance Sheet ($m)	FY22	FY23		Δ pcp
Cash and cash equivalents	52.7	53.0	1	*1%*
Receivables - Invoice Finance[1]	164.3	162.4		*-1%*
Allowance for exp. credit losses - IF	(2.7)	(7.6)	2	*180%*
Receivables - Equipment Finance[2]	132.4	111.4		*-16%*
Allowance for exp. Credit losses - EF	(1.4)	(1.9)		*31%*
Intangible Assets	31.1	28.8	3	*-7%*
Income tax receivable	-	3.0		*na*
Other	8.2	11.2		*36%*
Assets	**384.5**	**360.3**		***-6%***
Borrowings[3]	293.1	279.0		*-5%*
Other	6.4	7.8		*23%*
Liabilities	**299.4**	**286.8**		***-4%***
Net Assets	**85.1**	**73.5**		***-14%***
Total Equity	**85.1**	**73.5**		***-14%***
Key Metrics				
NTA	**50.6**	**38.7**	4	***-24%***
NTA per share	17.6	13.3	4	*-24%*
Net Borrowings to Receivables	*72.4%*	*72.7%*		*1%*
Average Funds in Use	269.8	315.1		*17%*
TTV (Invoice Finance)	1198.2	1478.2		*23%*

1. EOFY cash position of $53.0m; $7.7m restricted cash held in trust for warehouse facilities
   - → Cash position reflects a specific point in time and intra-month cash movement is significant under existing funding structure
2. Material increase in ECL provisioning that better reflects economic environment
3. Decrease in intangibles
   - → Trademarks for Skippr & Cash Flow Finance fully written off ($2.1m)
4. NTA of $38.7m equating to NTA per share of 13.3cps

1. Receivables – Invoice Finance figure combines both the gross Receivables and Payables balances
2. Receivables - Finance Leases figure combines both the Current and Non-Current balances
3. Borrowings combines both the Current and Non-Current balances

Warehouse refinancing expected to complete in Q1 FY24, bringing substantial benefits

Target Structure

	Facility Size	Cost of Funds
(I) Invoice Finance and Trade Warehouse 1		
Warehouse Facility – Senior	$200m	Sub-2% + BBSY
Warehouse Facility - Mezzanine	$10m	~7% + BBSY
(II) Equipment Finance Warehouse 2		
Warehouse Facility - Senior	$110m	Sub-3% + Swap
Warehouse Facility - Mezzanine	$20m	~7% + Swap
Total Warehouse Facilities	**~$340m**	**Ave. Sub-2.5% margin**

Corporate*		
Bond (Floating Rate Notes)	$20m	Sub-7% + BBSW

**Corporate bond strategy subject to capital management plan*

- Two warehouse structure
  - Senior funding provided by two of Australia's largest banks
  - Single mezzanine provider across both warehouses

1. New invoice and trade warehouse
   - Mandate signed, in documentation, expected to achieve financial close by 30 September 2023
   - Significantly simplified funding model (cash and operational requirements), lower cost of funding, increased scalability
   - Introduction of mezzanine layer
   - Approx. $20m of equity/cash released
2. Equipment finance warehouse
   - Modest pricing enhancements from existing structure
   - Main benefit will be scalability. Additional pricing benefits will come through increased scale

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Outlook

FY24 Outlook & Capital Management

FY24 NPAT is expected to exceed FY23's underlying proforma[1] earnings

FY24 Outlook

- FY24 earnings are expected to exceed FY23's underlying proforma[1] earnings supported by:
    - Lower credit related expenses (proforma $8.2m in FY23)
    - Steady growth in Invoice Finance Funds in Use (FIU) within new single borrower exposure limits and more disciplined credit underwriting
    - Cautious and targeted resumption of growth in Equipment Finance as funding constraints ease with new warehouse structure
    - Lower interest expense with the refinancing of warehouse facilities
    - An efficient cost base as a result of business simplification and striving for operational excellence
- Economic environment and outlook presents opportunities and challenges
    - higher financing demand from SMEs vs heightened risks of insolvency and poor client conduct

1. Underlying Proforma is Reported earnings after adding back "one off" costs including RevRoof credit loss and recovery costs, and the Trademark impairment

FY24 Outlook & Capital Management

Refinancing and capital management initiatives to drive EPS growth

Capital Management

- Refinancing of the primary warehouse in Q1'24 will lower funding costs and release approx. $20m of cash for deployment
- Board currently considering mix of one or more EPS accretive capital management options:
  1. **On Market Buy Back:** we have lodged forms with ASIC and ASX to undertake an on-market buy-back under the '10/12 limit' rule for up to 28m Shares
  2. **Bolt-on acquisitions:** potential acquisitions to augment our organic growth aspirations, although unlikely to be material
  3. **Repayment or refinance of corporate debt:** refinancing or using excess cash to repay corporate bond to reduce interest expense
  4. **Dividends:** the Board intends to reinstate the Company's Ordinary Dividend in FY24 as retained earnings are rebuilt

Appendix

Earlypay Overview

Employing ~80 people in Sydney, Brisbane and Melbourne, Earlypay provides secured finance to SME businesses

- Since 2012, Earlypay has become a leading provider of leading provider of business funding solutions to Australian SME businesses
- Invoice Finance is Earlypay's 'core product', with supporting Equipment & Trade Finance providing a compelling value proposition to clients in the SME market
  - Invoice Finance (72% of FY23 revenue): business line of credit supported by unpaid invoices;
  - Equipment Finance (21% of FY23 revenue): vehicle, business equipment and machinery financing; and
  - Trade Finance (7% of FY23 revenue): offered in conjunction with invoice finance facilities to allow businesses to purchase goods from suppliers
- Earlypay targets the estimated 35% of SMEs in Australia that operate in the B2B marketplace and services a diverse portfolio of over 3,000 clients across all of our products, with loan sizes typically ranging from $50k up to $10m
- Invoice & Trade Finance clients on variable rate contracts with Earlypay having the ability to amend customer rates in response to market conditions and competition
- Earlypay's current loan portfolio totals to c.$307m as at 30 June 2023
- Client sectors include:

Share Price	**$0.15**
Shares on Issue	289.9m
Market Capitalisation	**$43.5m**
Cash & equivalents (30 June 2023)	*$53m*
FY23 Underlying NPAT	*$5.2m*
FY23 Underlying P/E	*8.4x*
NTA	*$0.13*

Share Price Movement – Past 12 months

Manufacturing | Infrastructure | Professional, Scientific & Technical Services | Consumer / Retail Trade | Transport / Postal / Warehousing | Labour Hire | Mining | Wholesale Trade

Earlypay is addressing a massive SME market[1]

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The SME market is still nascent in its awareness of invoice financing as a funding alternative

- SMEs mainly use banks for funding
- At Jun 23 borrowings were $588bn
- ~50% of Small Business lending is secured by residential property [5]

2.6m SMEs in Australia [2]

~ 1.0m B2B SMEs [3]

Addressable Market [4]
100k SMEs
- Cashflow requirement, Eligible B2B ledger

SME Debtor Finance Market [4]
5k SMEs
$2.5bn FIU

Earlypay
500 SMEs
~$160m FIU

Grow the category

Grow our market share

Approx. 6.5% of estimated addressable market by FIU

Our Opportunity

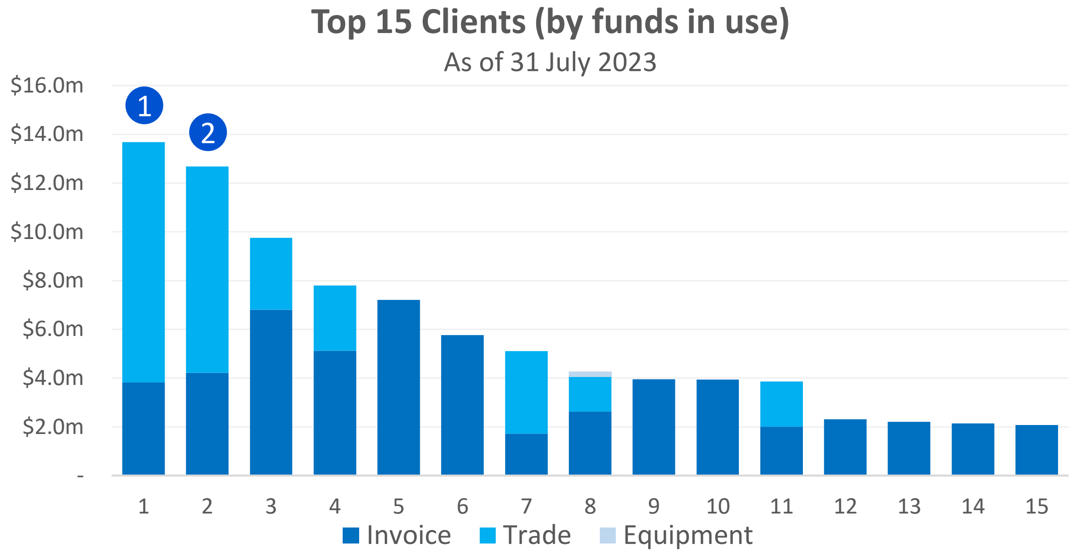
- Substantial proportion of lending to SME's is backed by residential property;
- SME's without substantial assets find it difficult to borrow;
- SME debtor ledger is a substantial asset that can be lent against;
- Invoice Finance has low penetration in Aust. (compared to offshore); thus awareness is a major impediment to growth;
- Given high reliance on commercial brokers, critical to increase awareness to help grow category (scholarship program etc).
    - Productivity commission called this out too;
- Renewed focus by the banks (e.g. CBA) likely to be net positive in increasing awareness and growing the category;
- We believe banks will struggle to play at small/mid end of market; and
- Evidence of some smaller competitors leaving the market and some lenders retreating from Invoice Finance

1. Excludes larger corporate (traditional bank) segment
2. ABS Counts of Australian Businesses, Table 12a
3. B2B estimate, ABA Lending Report 2021
4. Earlypay estimate
5. RBA, D14 – Lending to Business

Underwriting and Operational Changes

Current economic environment brings challenges and opportunities; although RevRoof was an outlier in terms of client size. Earlypay has updated policies and procedures to ensure future asset performance remains robust

- Following RevRoof administration process, EPY undertook a detailed review of its risk governance; underwriting and operational policies & procedures; and loan book exposures
- Based on this review, EPY has introduced the following changes:
  - Updated risk management framework, risk appetite statement and risk register processes;
  - An initial maximum single counterparty (debtor) exposure limit of $10m. This limit is to be further reviewed (taking into account the current loan book size, corporate liquidity and profitability) and approved by the Board;
  - A substantial reduction and increased selectivity in offering trade finance. Trade finance facilities to be conservatively sized relative to the client's invoice finance funding limit;
  - Expediting the development and roll-out of EPY's in-house invoice management system across all invoice-financing clients;
  - Enhancements to EPY's invoice verification processes; and
  - Organisational structure changes across its operations teams to ensure greater specialisation, effectiveness and consistency.
- As a result, EPY remains well positioned to:
  - Navigate higher SME demand for finance despite rising insolvency rates; and
  - Take greater market share as competitors fall away.



1. Trade FIU secured by real property and stock. Trade is in the process of being refinanced.
2. Residual RevRoof exposure excludes the yet to be disbursed proceeds from the Design Group sale. This also does not include the remaining specific provision held against this exposure.

FY23 Summary - Reported

Reported results significantly impacted by RevRoof loss and recovery process. Underlying business is robust

Profit and Loss ($m)	FY22 Reported	FY23 Reported		Δ pcp
Year End Funds in Use	*317.9*	*306.9*	1	*-3%*
Average Funds in Use	*269.8*	*331.6*		*23%*
Interest Income	27.2	35.4		30%
Interest Expense	(9.7)	(19.3)		98%
Net interest revenue	**17.5**	**16.1**		**-8%**
Mgmt / Admin Fees	26.6	25.7		-3%
Net revenue	**44.1**	**41.8**	2	**-5%**
Opex	(24.5)	(26.1)		*6%*
Direct Costs	(3.7)	(3.7)		0%
Credit Impairment Expense (CIE)	(0.6)	(17.3)	3	3011%
Recovery Costs	-	(5.1)		na
PBT	**15.3**	**(10.4)**	4	**na**
NPAT	**13.2**	**(7.7)**		**-159%**
Amortisation	1.5	0.5		-67%
Intangible write-offs	-	2.1		na
One-offs (tax affected)	-	0.5		na
Underlying NPAT	**14.7**	**(4.6)**	5	**-131%**
EPS (cents per share)	4.7	(2.7)		*-128%*
DPS (cents per share)	3.2	-		na
Net interest margin	*6.5%*	*4.9%*		*-25%*
Net revenue margin	*16.3%*	*12.6%*		*-23%*

1. Average Funds in Use (FIU) up 23% on prior corresponding period (pcp) to $331.6m
2. Net revenue down on pcp due to:
   - → Material increase in interest expense due to BBSY rate rises; and
   - → No revenue generated for RevRoof in 2H'23, despite incurring interest expenses on FIU of $0.4m
3. Significant increase in Credit Impairment Expense (CIE) of $17.3m reflecting:
   - → $10.4m RevRoof[1] provision across IF/Trade
   - → $4.8m increase in other specific provisions
   - → $2.2m increase in general provisions
4. Profit (loss) before tax (PBT) loss of ($10.4m)
5. Underlying NPAT loss of ($4.6m)
   - → "One offs" include restructuring costs and intangibles write-off

→ No dividend for FY23; Board expect dividend to return in FY24

→ Management Changes: Paul Murray appointed CFO-COO, following resignation of prior CFO, Steve Shin

Reconciliation: Consolidated Profit & Loss

	Reported			RevRoof Adjustment		Proforma		
Profit and Loss ($m)	**FY22**	**FY23**	***Δ pcp***	**FY22**	**FY23**	**FY22**	**FY23**	***Δ pcp***
Year End Funds in Use	***317.9***	***306.9***	***-3%***	***(21.5)***	***(12.7)***	***296.4***	***294.3***	***-1%***
Average Funds in Use	***269.8***	***331.6***	***23%***	***(14.9)***	***(25.6)***	***255.0***	***306.0***	***20%***
Interest Income	27.2	35.4	*30%*	(1.6)	(1.6)	25.6	33.8	*32%*
Interest Expense	(9.7)	(19.3)	*98%*	0.4	1.0	(9.4)	(18.2)	*94%*
Net Interest Revenue	**17.5**	**16.1**	***-8%***	**(1.2)**	**(0.6)**	**16.3**	**15.5**	***-5%***
Mgmt / Admin Fees	25.8	25.7	*0%*	(0.4)	(0.2)	25.4	25.5	*0%*
Other Revenue	0.8	-	*-100%*	-	-	0.8	-	*-100%*
Net Revenue	**44.1**	**41.8**	***-5%***	**(1.7)**	**(0.8)**	**42.4**	**41.0**	***-3%***
OpEx	(24.5)	(26.1)	*6%*	-	-	(24.5)	(26.1)	*6%*
Direct Costs	(3.7)	(3.7)	*0%*	-	-	(3.7)	(3.7)	*0%*
Credit Impairment Expense (CIE)	(0.6)	(17.3)	*na*	-	10.4	(0.6)	(7.0)	*na*
Recovery Costs	-	(5.1)	*na*		3.9	-	(1.2)	*na*
PBT	**15.3**	**(10.4)**	***na***	**(1.7)**	**13.5**	**13.6**	**3.0**	***-78%***
Amortisation	1.5	0.5	*-67%*	-	-	1.5	0.5	*-67%*
Intangible write-offs	-	2.1	*na*	-	-	-	2.1	*na*
One-offs (tax affected)	-	0.5	*na*	-	-	-	0.5	*na*
Underlying PBT	**16.8**	**(7.3)**	***-144%***	**(1.7)**	**13.5**	**15.1**	**6.1**	***-59%***
Tax	(2.1)	2.7	*-231%*	0.5	(4.0)	(1.6)	(1.3)	*-15%*
NPAT	**13.2**	**(7.7)**	***-159%***	**(1.2)**	**9.4**	**12.1**	**1.7**	***-86%***
Underlying NPAT	**14.7**	**(4.6)**	***-131%***	**(1.2)**	**9.4**	**13.6**	**4.8**	***-65%***
EPS (cents)	4.7	(2.7)	*-157%*			4.8	1.7	*-66%*
DPS (cents)	3.2	-	*na*			3.2	-	*na*

→ Tax rate on adjusted profit assumed at 30%

EPY calculations of Average Funds in Use

Reconciliation: IF and Trade Segment

	Reported			RevRoof Adjustment		Proforma		
IF & Trade Reporting ($m)	**FY22**	**FY23**	***Δ pcp***	**FY22**	**FY23**	**FY22**	**FY23**	***Δ pcp***
Key Metrics								
Year End Funds in Use	185.4	195.4	*5%*	(18.1)	(12.7)	167.3	182.8	*9%*
Ave. funds in use[1]	161.5	202.0	*25%*	(12.2)	(22.8)	149.3	179.2	*20%*
Invoices purchased (TTV)	2415.2	2691.2	*11%*	(64.0)	(70.8)	2351.2	2620.4	*11%*
Interest income	15.8	21.5	*36%*	(1.3)	(1.4)	14.5	20.1	*39%*
Interest expense	(4.3)	(11.1)	*156%*	0.2	0.8	(4.1)	(10.3)	*149%*
Net Interest Revenue	**11.4**	**10.4**	***-9%***	**(1.1)**	**(0.6)**	**10.3**	**9.8**	***-5%***
Mgmt / Admin Fees	21.6	22.2	*3%*	(0.4)	(0.2)	21.2	21.9	*4%*
Net Revenue	**33.0**	**32.6**	***-1%***	**(1.5)**	**(0.9)**	**31.5**	**31.7**	***1%***
Opex	(16.0)	(17.0)	*6%*	-	-	(16.0)	(17.0)	*6%*
Direct Costs	(2.1)	(1.9)	*-8%*	-	-	(2.1)	(1.9)	*-8%*
Credit Impairment Expense (CIE)	(0.1)	(16.4)	*na*	-	10.4	(0.1)	(6.0)	*na*
Recovery Costs	-	(5.1)	*na*	-	3.9	-	(1.2)	*na*
PBT	**14.9**	**(7.8)**	***-152%***	**(1.5)**	**13.4**	**13.4**	**5.6**	***-58%***
Net interest margin	*7.1%*	*5.2%*	*-27%*			*6.9%*	*5.5%*	*-21%*
Net revenue margin	*20.4%*	*16.1%*	*-21%*			*21.1%*	*17.7%*	*-16%*
Cost to income	*54.6%*	*58.0%*	*6%*			*57.2%*	*59.5%*	*4%*

1. *EPY calculations of Average Funds in Use*

Reconciliation: EF Segment

	Reported			RevRoof Adjustment		Proforma		
EF Reporting ($m)	**FY22**	**FY23**	***Δ pcp***	**FY22**	**FY23**	**FY22**	**FY23**	***Δ pcp***
Key Metrics								
Year End Funds in Use	132.5	111.5	*-16%*	(3.4)	-	129.1	111.5	*-14%*
Ave. funds in use[1]	108.3	129.6	*20%*	(2.6)	(2.8)	105.7	126.7	20%
Loan Originations	98.9	39.1	*-60%*	(3.7)	-	95.2	39.1	*-59%*
Interest income	11.4	13.3	*16%*	(0.3)	(0.2)	11.1	13.1	*18%*
Interest expense	(4.9)	(7.9)	*61%*	0.2	0.2	(4.7)	(7.6)	*61%*
Net Interest Revenue	**6.5**	**5.4**	***-17%***	**(0.1)**	**0.0**	**6.4**	**5.5**	***-14%***
Client Admin Fee	4.2	3.5	*-16%*	-	-	4.2	3.5	*-16%*
Net Revenue	**10.7**	**9.0**	***-16%***	**(0.1)**	**0.0**	**10.6**	**9.0**	***-15%***
Opex	(5.4)	(3.2)	*-40%*	-	-	(5.4)	(3.2)	*-40%*
Direct Costs	(1.7)	(1.9)	*11%*	-	-	(1.7)	(1.9)	*11%*
Credit Impairment Expense (CIE)	(0.5)	(0.9)	*90%*	-	-	(0.5)	(0.9)	*90%*
Recovery Costs		-	*na*	-	-	-	-	*na*
PBT	**3.2**	**3.0**	***-6%***	**(0.1)**	**0.0**	**3.1**	**3.0**	***-1%***
Net interest margin	*6.0%*	*4.2%*	*-30%*			*6.0%*	*4.3%*	*-29%*
Net revenue margin	*9.9%*	*6.9%*	*-30%*			*10.0%*	*7.1%*	*-29%*
Cost to income	*65.7%*	*56.4%*	*-14%*			*66.5%*	*56.1%*	*-16%*

1. *EPY calculations of Average Funds in Use*

Consolidated Cash Flow

Generated positive net operating cash flow of $9.2m for FY23

Cash Flow ($m)	FY22	FY23	*Δ pcp*
Receipts	28.8	28.7	*0%*
Interest received from customer	27.2	34.3	*26%*
Payments	(30.2)	(30.8)	*2%*
Interest received	0.0	0.6	*na*
Finance Costs	(9.6)	(19.3)	*100%*
Income taxes paid	(3.6)	(4.3)	*19%*
Net cash flows from Operating	**12.7**	**9.2**	***-27%***
Payments for acquisition / PPE /	(3.2)	(0.9)	*-71%*
(Payments)/Proceeds from client	(42.9)	(8.9)	*-79%*
Payments to equipment lease	(38.1)	21.5	*-157%*
Net cash flows (used in) Investing	**(84.2)**	**11.7**	***-114%***
Net proceeds from borrowings	86.7	(16.2)	*-119%*
Proceeds from issue of shares	(0.0)	1.2	*-3180%*
Repayment of lease liabilities	(0.6)	(0.5)	*-10%*
Dividends paid, net of reinvestment	(6.6)	(5.2)	*-21%*
Net cash flows (used in) Financing	**79.5**	**(20.7)**	***-126%***
Net Change in cash	7.9	0.3	*na*
Cash at beginning of year	44.8	52.7	*18%*
Cash at end of Year	**52.7**	**53.0**	***1%***

- Generated positive cash flow from operating activities despite significant increase in finance costs

Board of Directors & Senior Management

Geoffrey Sam OAM, Non-Executive Chairperson

Qualifications: BCom (UNSW), MHA (UNSW), MA (Econ & Soc Studies) (Manchester UK), FAICD

Responsibilities: Member of the Audit Committee and Member of the Nomination and Remuneration Committee

Shares: 2,077,064 Ordinary Shares

James Beeson, Managing Director & CEO

Qualifications: Global Executive MBA, Master of Applied Finance, BCom, CPA, GAICD

Shares: 15,952,453 Ordinary Shares and 709,614 Perf Rights

Ilkka Tales, Non-Executive Director

Qualifications: BBus

Responsibilities: Chairperson of the Risk Committee and Member of the Audit Committee.

Shares: 300,000 Ordinary Shares

Stephen White, Non-Executive Director

Qualifications: M.Mngt, GAICD

Responsibilities: Member of the Risk Committee

Shares: Nil

Sue Healy, Non-Executive Director

Qualifications: Fellow RCSA, MAICD

Responsibilities: Chairperson of the Nomination and Remuneration Committee, Acting Chairperson of the Audit Committee and Member of the Risk Committee.

Shares: 770,980 Ordinary Shares

Paul Murray, CFO, COO & Company Secretary

Qualifications: Global Executive MBA, MCom (Hons), Chartered Accountant ANZ

Shares: Nil

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