

Beforepay Group Limited

ASX ANNOUNCEMENT (ASX: B4P)

18 October 2023

Beforepay secures a new A\$55 million, 3-year debt facility

Beforepay Group Limited (ACN 633 925 505) (**Beforepay**) (ASX: B4P), the ethical-lending fintech, is pleased to announce that it has secured a new debt facility for A\$55 million. Beforepay Finance, a subsidiary of Beforepay, has entered into the debt facility agreement with Balmain Group and Longreach Credit Investors as lenders (full entity names below).

The new debt facility will be used to refinance the existing debt facility with Longreach and to support continued growth in Beforepay's loan book.

The terms of the new facility agreement include:

- A\$55 million facility (A\$35 million from Longreach Credit Investors and A\$20 million from Balmain Group) with the potential to extend the total facility size in a future period.
- 3-year term.
- Borrowing base equal to 80% of the value of eligible receivables.
- Interest rate - 12.25% to 13.25%, depending on the company's financial performance.
- Upfront fees and costs of c. 1.7% on the A\$55 million balance.

Further details of the material terms of the facility agreement are set out in the table below.

With A\$21.8 million of cash on its balance sheet and a A\$26.8 million equity position as at 30 June 2023, Beforepay remains well-capitalised for the future. The increased capacity in the new debt facility will support significant top-line growth.

Beforepay CEO, Jamie Twiss, said: "We're excited to extend our partnership with Longreach and to be working with Balmain. This new debt facility supports our continued growth in the years ahead, as we continue to execute our strategy, helping more Australians access safe and affordable financial products."

Key terms of the new facility agreement (**Facility Agreement**) are set out below.

Parties	<p>The key parties to the Facility Agreement are:</p> <ul style="list-style-type: none"> • Beforepay Finance Pty Ltd (Beforepay Finance) as the borrower; • Australian Commercial Mortgage Corporation Pty Ltd as trustee for the Australian AB Finance Trust (Balmain Group); and • AMAL Trustees Pty Ltd (ACN 609 737 064) as trustee for the Longreach Direct Lending Fund (Longreach Credit Investors), (Balmain Group and Longreach Credit Investors are together referred to as the Lenders).
Term	The facility expires 15 October 2026.
Facility Limit	<p>The facility limit is the lower of (1) the maximum commitment at the relevant time, and (2) the Borrowing Base (defined below).</p> <p>The maximum commitment increases over time to A\$55 million by 14 June 2025, with the potential to extend the total facility size in a future period.</p>
Borrowing Base	<p>The Borrowing Base is relevant to the Facility Limit. The Borrowing Base is broadly 80% of the value of the Eligible Receivables outstanding at the relevant date plus the amount of funds in a bank account secured in favour of the security trustee for the Lenders.</p> <p>For the purpose of the Borrowing Base calculation, Eligible Receivables means the aggregate amount owing for all loans advanced by Beforepay Finance to its customers which are less than 30 days overdue.</p>
Security	Consistent with the existing facility with Longreach, each of Beforepay Finance, Beforepay Ops Pty Ltd and Beforepay IP Pty Ltd have granted first ranking security to the Lenders over all of their present and after acquired assets. Beforepay has granted security under a specific security deed over its shares in each of these subsidiaries.
Interest Rates	The interest payable lies between 12.25% and 13.25% per annum depending on a performance ratio linked to EBITDA.
Mandatory Prepayment	If the amounts drawn under the facility exceed the amount of the Borrowing Base (defined above) at any time, Beforepay must either repay that amount or transfer that amount into the agreed bank account.
Covenants and Events of Default	<p>The Facility Agreement contains financial covenants and other undertakings customary for facilities of this nature. The financial covenants are largely the same as those applying to the existing facility.</p> <p>An event of default will occur under the Facility Agreement if (among other things) Beforepay Finance breaches the covenants (subject to applicable grace periods). The agreement contains other events of</p>

	default customary for a facility of this nature, including a circumstance or event which would have a material adverse effect.
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This announcement has been authorised for release to the ASX by the Board.

For more information, please contact:

Investors	Media
Danny Younis	Noeleene Yap
Investor Relations, Beforepay	Marketing & Communications Manager
Ph: 0420 293 042	Ph: +61 489 995 082
investorrelations@beforepay.com.au	mediaenquiries@beforepay.com.au

About Beforepay

Beforepay is an ethical-lending fintech that 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 a safe and affordable way for customers to access a portion of their pay, on demand, for a single fixed fee to help them through short-term cash-flow challenges.
