

21 December 2023

## Earlypay Limited (ASX: EPY)

### EPY Enters Into New \$220m Invoice and Trade Warehouse Facility

Earlypay Limited ("**Earlypay**", "**EPY**" or the "**Company**") is pleased to announce it has executed binding documentation for a new invoice and trade finance warehouse facility with an initial senior funding commitment limit of \$220m (the '**Facility**').

Financial settlement of the Facility is expected to occur in January 2024.

Additionally, Earlypay is seeking to implement a subordinated debt layer into the Facility and is well progressed with a mezzanine provider, which is expected to be finalised in Q3 FY24.

The Facility, used to fund both invoice and trade finance receivables, will deliver material financial and operational benefits, including:

- Reduction in overall cost of funds by c.1.0% compared to previous invoice and trade facilities;
- Ability to expand the \$220m senior commitment limit in-line with future growth; and
- Streamlined intra-month transactional flows and other operating efficiencies.

The Facility's senior funding is being provided by a major Australian bank and expands upon their long-term funding relationship with Earlypay's invoice financing activities.

The release of at least \$20m in cash will occur progressively over the course of Q3 FY24 in-line with settlement of the Facility and mezzanine debt layer. When combined with the \$8.4m of cash released following the resolution of RevRoof, the Company will have significant cash reserves available to deploy on value accretive initiatives, including paying down part of the corporate bond facility and undertaking the share buy-back.

The refinance of the Equipment Finance warehouse facility remains on-track to complete in Q3 FY24.

Earlypay Chief Executive Officer, James Beeson said, "*Over the past three months we have achieved several key milestones, notably the acquisition of Timelio, resolution of RevRoof and refinancing of the invoice and trade warehouse facility. Collectively, these milestones materially improve our operational efficiency and financial performance heading into the second half of FY24. Whilst we have incurred some setbacks over the past 12 months, we are now emerging from that period a far more resilient and streamlined business with the building blocks in place to take full advantage of growth opportunities ahead.*"

This release was authorised by the Board of Earlypay Limited.

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**ABOUT EARLYPAY**

Earlypay provides secured finance to SMEs in the form of invoice, equipment, and trade financing.

Earlypay's core product is invoice financing which can help SMEs overcome the cash flow pressure of waiting up to 60 days to receive payment of their customer invoices. Typically, Earlypay will provide SMEs with up to 80% of the invoice amount and funds can be used for any business purpose. Because invoice finance is supported by outstanding invoices, available funding increases in line with sales volume and is well suited to growing businesses.

Earlypay also provides SMEs with finance to invest in equipment and vehicles, and can also offer trade finance to clients to pay their suppliers.