

Beforepay Group Limited

ASX Announcement (ASX: B4P)

29 January 2024

Beforepay Q2 FY24 Quarterly Activities and Appendix 4C Cash Flow Report (Unaudited)

Beforepay posts second consecutive quarterly profit of \$0.57m on record quarterly revenues of \$9.1m

Beforepay Group Limited (Beforepay or the Company) (ASX: B4P) has released its Appendix 4C for the quarter ended 31 December 2023 (Q2 FY24).

Key Q2 FY24 Highlights:

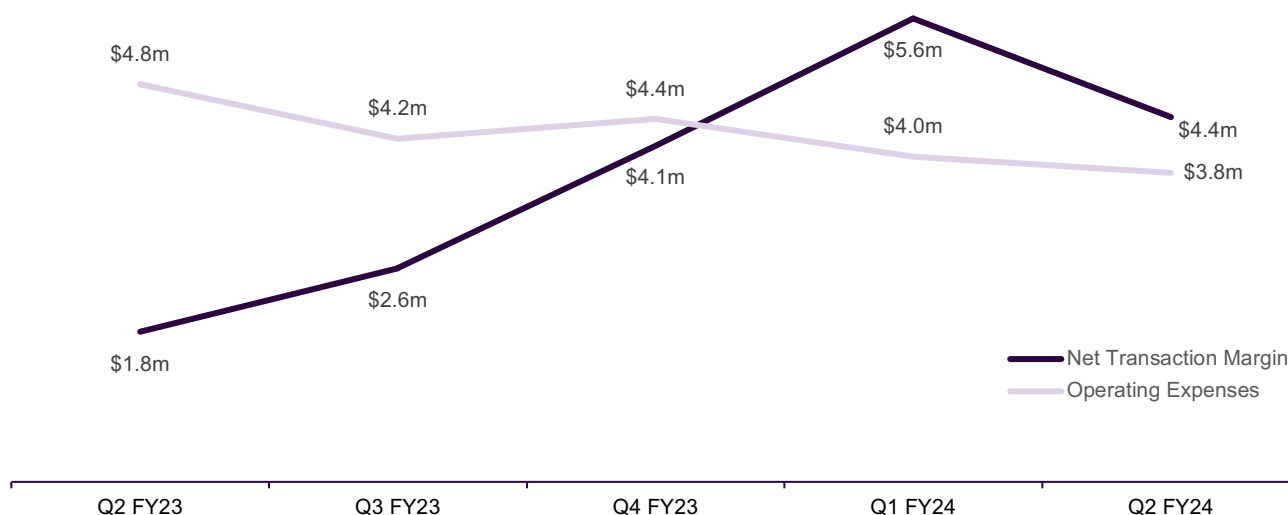
- Beforepay achieved a net profit before tax of \$0.57m and an EBITDA of \$1.63m. This is the company's second consecutive quarterly net profit and results in an unaudited H1 FY24 net profit of \$2.21m and EBITDA of \$4.24m.
- Advances of \$181.3m, up 10% on Q2 FY23 (year-on-year or YoY).
- Net defaults improved to 1.8%, down from 2.9% in Q2 FY23 despite the increase in advances.
- Net transaction margin (NTM) of \$4.43m, up 143% YoY from \$1.82m in Q2 FY23. This result was driven by growth in advance volume and the lower level of defaults.
- Customer acquisition cost (CAC) of new users declined 25% YoY to \$34 while operating expenses declined 22% YoY and 5% on Q1 FY24 (quarter-on-quarter or QoQ), to \$3.75m.
- Strong balance sheet with cash on hand of \$18.9m and an equity position of \$29.7m. Beforepay continues to carry no debt at the operating-company level, only debt that finances receivables.
- As previously announced, Beforepay has signed a new 3-year debt facility agreement for \$55.0m with Balmain Group and Longreach Credit Investors as lenders to refinance the existing debt facility with Longreach and to support continued growth in our loan book.
- Beforepay was awarded the Best App-Based Lending Company 2023 - Australia in the APAC Business Awards 2023.

Beforepay CEO Jamie Twiss said, "I'm pleased to be announcing our second consecutive quarterly profit, driven by continued top-line growth, tightly controlled costs, and strong default outcomes. We continue to support more customers than ever with a safe, affordable alternative to revolving debt. With another quarter of profitability and our strong balance sheet, we continue to be well-positioned for the future, and are exploring additional growth opportunities."

Overview

| | Q2 FY24 | Q2 FY23 | Q1 FY24 | YoY Change % | QoQ Change % |
|-----------------------------------------------------|----------|-----------|----------|--------------|--------------|
| Platform metrics | | | | | |
| Advances | \$181.3m | \$164.7m | \$177.3m | 10% | 2% |
| Average advance | \$389 | \$394 | \$386 | (1%) | 1% |
| Active users (no. users) ¹ | 235,644 | 203,937 | 234,848 | 16% | -% |
| Financial metrics | | | | | |
| Beforepay income | \$9.10m | \$8.12m | \$8.53m | 12% | 7% |
| Net defaults % (of advances plus fees) ² | 1.8% | 2.9% | 0.9% | (38%) | 100% |
| Net transaction margin | \$4.43m | \$1.82m | \$5.63m | Large | (21%) |
| Net transaction margin % (of advances) | 2.4% | 1.1% | 3.2% | Large | (25%) |
| EBITDA (excluding one-off and significant items) | \$1.63m | (\$0.89m) | \$2.61m | Large | (37%) |
| NPBT (excluding one-off and significant items) | \$0.57m | (\$1.77m) | \$1.64m | Large | (65%) |

Net Transaction Margin and Operating Expenses (\$m) By Quarter



| | Q2 FY24 | Q1 FY24 | Change (\$) |
|----------------------|---------------------------|--------------|-------------|
| Balance sheet | | | |
| Cash position | \$18,869,923 ³ | \$17,192,546 | \$1,677,377 |
| Equity position | \$29,676,182 ⁴ | \$28,654,404 | \$1,021,778 |

¹ Customers of Beforepay who have taken out an advance in the previous 12 months from the relevant date. This includes customers who have not yet repaid their most recent cash out and are not eligible to re-borrow until they have done so.

² Net defaults were referred to as net transaction loss in previous releases.

³ Cash position as at 31 December 2023 represents statutory cash and cash equivalents (excluding cash held by third parties).

⁴ Equity position as at 31 December 2023 comprises issued capital, reserves and accumulated losses.

Financial Performance – Q2 FY24

- Total advances grew by 10% YoY to \$181.3m driven by both new customer acquisition and continued usage by existing customers. This growth was supported by a 10% YoY increase in the number of advances written of 466k in Q2 FY24, partly offset by a 1% YoY decrease in the average advance size to \$389.
- Active users grew by 16% YoY to 235,644 and flat QoQ (234,848) with new user growth offsetting attrition during the quarter. In recent months, the business has been managing marketing spend tightly, and focusing customer-acquisition efforts on higher-value prospective customers, reducing headline user-number growth.
- Beforepay income increased 12% YoY to \$9.10m in Q2 FY24, up 7% on Q1 FY24 of \$8.53m. The QoQ increase reflects both an increase in advance volume as well as the timing of revenue recognition, as Beforepay generates its revenue through charging users a fixed fee of 5% per advance, which is recognised over the period in which the customer advance is repaid.
- Net defaults % was 1.8% down 38% YoY⁵ following continued improvements to limit management and continuing upgrades to the credit model. Net defaults were higher than in the prior quarter (0.9%) as higher expected loss provisions were taken in Q2 FY24 due to seasonality. This was partly offset by net recoveries of \$1.8m in the quarter.
- Direct service costs as a percentage of advances remained flat QoQ at 0.2% (0.3% in Q2 FY23). Our direct service costs generally do not vary with the size of the advance.
- Net transaction margin % was 2.4%, up 118% YoY compared to Q2 FY23 at 1.1%, driven primarily by lower net defaults. NTM % was down 25% from the Q1 FY24 figure of 3.2%, reflecting higher expected loss provisions taken in Q2 FY24. Net transaction margin in dollar terms increased to \$4.43m, up 143% YoY from Q2 FY23 at \$1.82m.
- Total operating expenses (excluding one-off and/or significant items) were \$3.75m in Q2 FY24, down 5% from \$3.95m in Q1 FY24 and down 22% from \$4.83m in Q2 FY23, reflecting continued tight cost control despite the rapid overall growth.
- Within these operating expense numbers, advertising and marketing expenses attributable to customer acquisition were \$0.84m in Q2 FY24, 43% higher than \$0.59m in Q1 FY24. This was primarily driven by various near-term initiatives undertaken to boost new user growth over future periods and resulted in an increase in the customer acquisition cost (CAC) of 25% to \$34 in the quarter. Employee, general and administration, and other costs were \$2.91m in Q2 FY24, 13% lower than Q1 FY24 (\$3.36m), including the effect of a one-time release of staff incentive accruals.
- EBITDA was \$1.63m, down from \$2.61m in Q1 FY24, primarily driven by the decrease in net transaction margin QoQ due to higher seasonal net defaults in the quarter.
- The business achieved NPBT of \$0.57m during the quarter compared to \$1.64m in Q1 FY24.

Outlook

- Beforepay's business is seasonal and consistent with previous years, management expects Q3 FY24 may show higher net defaults than Q2 FY24, as advances issued during the holiday season mature. Quarter-to-date trading has been consistent with this outcome.

⁵ In determining the gross default provision rate for each month's vintage of advances, it is based on the realised gross default rate of advances maturing in that month less loan loss recoveries recognised in the month received to derive the net default rate, adjusted where appropriate to reflect expected seasonality.

- Recent CAC and operating expense levels have been consistent with Q2 FY24 (excluding the one-off release of accruals in Q2 FY24).
- The Company may see some increases in its cost base as it starts more actively exploring additional growth opportunities. It may also restore some of the recent reductions to marketing expenditure. Neither of these costs are likely to be very significant in Q3 FY24.

Balance sheet

- Our underlying reported cash on hand⁶ as at Q2 FY24 was \$18.9m, compared to \$17.2m at Q1 FY24. Cash increased by \$1.7m during the quarter, comprising \$3.3m cash from operating activities, \$Nil cash from investing activities and (\$1.6m) cash from financing activities. The increase primarily reflected timing differences in customer repayments, drawdown of receivables financing, and external settlement accounts.
- On 18 October 2023, Beforepay secured a new 3-year debt facility agreement for \$55.0m with Balmain Group and Longreach Credit Investors as lenders. The new debt facility was used to refinance the existing debt facility with Longreach and to support continued business growth in our loan book.
- As at the end of Q2 FY24, Beforepay had drawn \$32.9m under its third-party debt facility (\$22.1m undrawn).
- The total equity position was \$29.7m at the end of Q2 FY24. This compares to \$28.7m in Q1 FY24, primarily reflecting the profitable quarter.
- Beforepay retains a highly capital efficient model with an average advance duration⁷ of approximately 26 days. As a result, the third-party funding cost of the average advance⁸ is c.0.87% of the amount advanced, based on a 26-day loan duration and an 80% advance ratio.

Growth strategy

- Beforepay continues to look to grow its existing Australian wage-advance business, acquiring additional wage-advance customers in Australia through a mixture of organic growth and paid marketing, with a marginal acquisition cost below customer value.
- The Company is also exploring other growth opportunities, including possible product extensions in Australia, as well as potential partnerships to leverage Beforepay's technology and risk-management tools and for offerings in new jurisdictions.
- The Company is focused on maintaining a lean cost base, while also selectively investing in growth initiatives where appropriate.

Our business

- Beforepay remains committed to providing an ethical, transparent, customer-friendly product to help working Australians manage temporary and short-term cash-flow challenges.
- In Q2 FY24 Beforepay was awarded the Best App-Based Lending Company 2023 - Australia in the APAC Business Awards 2023. The award recognises Beforepay's commitment to providing Australians with an innovative customer-friendly financial solution for navigating temporary cash-flow challenges.
- Our product advances customers small sums of money (Q2 FY24 average of \$389) against their

⁶ The cash-on-hand figure of \$18.9m (excludes \$5.2m in cash held by third parties to fund customer advances). This compares to \$17.2m cash-on-hand as at Q1 FY24 (which excluded \$4.7m of cash held by third parties).

⁷ The weighted average time required across all advances in a period to fully repay the advance. Advances which default and remain unsettled are removed.

⁸ The total dollar value of advances in a period divided by the number of advances in that period.

future wages over short periods of time, which helps them get through short-term challenges whilst not living beyond their means. Beforepay makes ongoing enhancements to customers' eligibility criteria and risk assessments.

- Our fee model is simple, transparent, and affordable, and gives our customers total control, charging only a small 5% transaction fee, zero interest, and never any late fees (or any other fees).
- If a customer does not pay back within the required time, the only penalty is that the service is suspended.
- Beforepay's service remains well regarded by customers, with an average 4.7 star rating (out of 5) across the Google Play Store and Apple App Store.

Our customers

- Between October 2023 and December 2023, 70% of our customers were in full-time employment, 15% were part-time, 12% were in casual employment, and 3% were other⁹.
- The average annual individual customer gross income was \$64,092 during December 2023 (counting only the main source of income)¹⁰. This is compared to the ABS's national median income of \$67,782 (as of August 2023)¹¹.
- The four main employment industries for our customers were construction at 13%, healthcare and social services at 11%, retail trade at 11%, and hospitality and restaurant services at 11%.

⁹ Employment type is derived from customer disclosures only and based on customers who took out an advance in December 2023.

¹⁰ The average annual individual customer gross income has been derived from all customers who borrowed in December 2023. The average annual individual customer gross income is derived using the annualised net income identified by Beforepay's pay cycle detection tool, which is then grossed up using the ATO tax tables. Therefore, Beforepay's average annual individual customer gross income figure may be understated due to ignoring any secondary sources of income.

¹¹ <https://www.abs.gov.au/statistics/labour/earnings-and-working-conditions/average-weekly-earnings-australia/latest-release>

Appendix 1: Use of Funds

Pursuant to Listing Rule 4.7C.2, the Company confirms that since listing on the ASX it has incurred expenditure as detailed below, with the Use of Proceeds set out in column 2 of the table. The Company is well funded to achieve its strategic objectives and planned activities. As previously announced, the expenditure incurred reflects the company's shift in focus to a path to profitability and delivering growth in Australia rather than overseas expansion.

| Intended Use of Funds \$m | Replacement Prospectus dated 29 Nov 2021 | Actual Spend Since IPO (Jan 2022 - Dec 2023) | Commentary |
|--------------------------------------|------------------------------------------|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Funding increase in loan book | \$5.9m | \$9.3m | Funding the growth in our 20% equity funded portion of the gross loan book since January 2022 has driven this increase in actual spend |
| Marketing and customer acquisition | \$16.9m | \$12.8m | Direct digital customer acquisition and above the line marketing spend has been lower than allocated as a result of the Company's shift to digital marketing and move away from higher cost advertising (such as above the line advertising) |
| Overseas expansion focused on the US | \$7.6m | \$0.3m | Costs in exploring opportunities for future growth expansion in the US have been lower than allocated as a result of the company's shift in focus to a path to profitability and delivering on growth in its current geographies rather than overseas expansion |
| Costs related to the IPO offer | \$4.6m | \$4.6m | Advisor fees (legal, compliance, tax and accounting advisors) under the Underwriting Agreement, ASX listing costs and Prospectus insurance |
| Total | \$35.0m | \$27.0m | |

In accordance with Listing Rule 4.7C, payments made to related parties and their associates included in item 6.1 of the Appendix 4C was A\$214,903 that comprised of payments made to Non-Executive Directors relating to salary and wages (inclusive of superannuation and applicable taxes withheld) and Director fees on standard terms.

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

For more information, please contact:

| Investors | Media |
|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
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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. The product is an ethical, customer-friendly way to help people manage temporary cash-flow challenges. We provide our customers with early access to a portion of their pay, on-demand, in exchange for a single fixed fee, which helps them to get through short-term challenges whilst not living beyond their means. For more information visit www.beforepay.com.au.

Important notice

This announcement contains selected summary information only and is provided for general information purposes only. It should be read in conjunction with Beforepay Group's continuous disclosure announcements available at www.beforepay.com.au/investor-hub/asx-announcements. Nothing in this announcement constitutes financial product, investment, legal, tax, accounting or other advice and it is not to be relied upon in substitution for the recipient's own exercise of independent judgment regarding the operations, financial condition and prospects of the Beforepay Group. Before making an investment decision, the recipient should consider its own financial situation, objectives and needs, and conduct its own independent investigation and assessment of the contents of this announcement, including obtaining investment, legal, tax, accounting and such other advice as it considers necessary or appropriate.

This announcement has been prepared without taking account of any person's individual investment objectives, financial situation or particular needs. The information in this announcement has been obtained from and based on sources believed by Beforepay Group to be reliable. To the maximum extent permitted by law, no member of the Beforepay Group makes a representation or warranty, express or implied, as to the accuracy, completeness, timeliness or reliability of the contents of this announcement. To the maximum extent permitted by law, no member of the Beforepay Group accepts any liability (including, without limitation, any liability arising from fault or negligence) for any loss whatsoever arising from the use of this announcement or its contents or otherwise arising in connection with it.

This announcement may contain forward-looking statements, guidance, forecasts, estimates, prospects, projections or statements in relation to future matters ('Forward Statements'). Forward Statements can generally be identified by the use of forward-looking words such as "anticipate", "estimates", "will", "should", "could", "may", "expects", "plans", "forecast", "target" or similar expressions. Forward Statements including indications, guidance or outlook on future revenues, distributions or financial position and performance or return or growth in underlying investments are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. No independent third party has reviewed the reasonableness of any such statements or assumptions. No member of the Beforepay Group represents or warrants that such Forward Statements will be achieved or will prove to be correct or gives any warranty, express or implied, as to the accuracy, completeness, likelihood of achievement or reasonableness of any Forward Statement contained in this presentation. Except as required by law or regulation, Beforepay Group assumes no obligation to release updates or revisions to Forward Statements to reflect any changes. This announcement includes information regarding past performance of Beforepay Group and investors should be aware that past performance is not and should not be relied upon as being indicative of future performance.

Investors should note that certain financial data included in this announcement is not recognised under the Australian Accounting Standards and is classified as 'non-IFRS financial information' under ASIC Regulatory Guide 230 'Disclosing non-IFRS financial information' ('RG 230'). Beforepay Group considers that non-IFRS information provides useful information to

users in measuring the financial performance and position of the Beforepay Group. The non-IFRS financial measures do not have standardized meanings under Australian Accounting Standards and therefore may not be comparable to similarly titled measures determined in accordance with Australian Accounting Standards. Readers are cautioned therefore not to place undue reliance on any non-IFRS financial information and ratios in this announcement. All dollar values are in Australian dollars (\$) or A\$) unless stated otherwise. All figures are unaudited. Change percentages are calculated using unrounded figures and may differ slightly from a number calculated using rounded figures.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Beforepay Group Limited

ABN

63 633 925 505

Quarter ended ("current quarter")

31 December 2023

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|-----------------------------------------------------------|------------------------------------|------------------------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers ¹ | 188,938 | 367,124 |
| 1.2 Payments for | | |
| (a) research and development | | |
| (b) product manufacturing and operating costs | (404) | (803) |
| (c) advertising and marketing | (844) | (1,434) |
| (d) leased assets | | |
| (e) staff costs | (1,465) | (3,576) |
| (f) administration and corporate costs | (720) | (2,130) |
| 1.3 Dividends received (see note 3) | | |
| 1.4 Interest received | 22 | 22 |
| 1.5 Interest and other costs of finance paid ² | (939) | (1,874) |
| 1.6 Income taxes paid | | |
| 1.7 Government grants and tax incentives | | |
| 1.8 Other (provide details if material) ³ | (181,320) | (358,592) |
| 1.9 Net cash from / (used in) operating activities | 3,268 | (1,263) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (g) entities | | |
| (h) businesses | | |
| (i) property, plant and equipment | (6) | (8) |

¹ Receipts from customers comprises repayment of customer advances, inclusive of Beforepay fees income

² Interest associated with the Debt Facility which funds customer pay advances

³ Payments to customers comprises cash outs (Pay Advances) to customers)

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|--------------------------------------|-----------------------------------------------------------------------------------------|----------------------------|---------------------------------------|
| 2.2 | (j) investments | | |
| | (k) intellectual property | | |
| | (l) other non-current assets | | |
| | Proceeds from disposal of: | | |
| | (a) entities | | |
| | (b) businesses | | |
| | (c) property, plant and equipment | | |
| | (d) investments | | |
| | (e) intellectual property | | |
| | (f) other non-current assets | | |
| 2.3 | Cash flows from loans to other entities | | |
| 2.4 | Dividends received (see note 3) | | |
| 2.5 | Other (provide details if material) | | |
| 2.6 | Net cash from / (used in) investing activities | (6) | (8) |
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | 24 | 69 |
| 3.2 | Proceeds from issue of convertible debt securities | | |
| 3.3 | Proceeds from exercise of options | | |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | | |
| 3.5 | Proceeds from borrowings ⁴ | (378) | (378) |
| 3.6 | Repayment of borrowings | | |
| 3.7 | Transaction costs related to loans and borrowings | (1,132) | (1,132) |
| 3.8 | Dividends paid | | |
| 3.9 | Other (provide details if material) ⁵ | (99) | (196) |
| 3.10 | Net cash from / (used in) financing activities | (1,585) | (1,637) |

⁴ Borrowings from the debt facility to fund customers cash outs (Pay Advances)

⁵ Repayment of lease

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|--------------------------------------|------------------------------------------------------------------------------|----------------------------|---------------------------------------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 17,193 | 21,778 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | 3,268 | (1,263) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (6) | (8) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | (1,585) | (1,637) |
| 4.5 | Effect of movement in exchange rates on cash held | | |
| 4.6 | Cash and cash equivalents at end of period | 18,870 | 18,870 |

| | | | |
|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-------------------------------------|
| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
| 5.1 | Bank balances | 18,870 | 17,193 |
| 5.2 | Call deposits | | |
| 5.3 | Bank overdrafts | | |
| 5.4 | Other (provide details) | | |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 18,870 | 17,193 |

| | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|------------------------------------|
| 6. | Payments to related parties of the entity and their associates | Current quarter \$A'000 |
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 215 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | |
| <i>The company made payments to Non-Executive Directors relating to Salaries & Wages (inclusive of superannuation and applicable taxes withheld).</i> | | |

| 7. | Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|----------------------------------------|
| 7.1 | Loan facilities | 55,000 | (32,907) |
| 7.2 | Credit standby arrangements | | |
| 7.3 | Other (please specify) | | |
| 7.4 | Total financing facilities | 55,000 | (32,907) |
| 7.5 | Unused financing facilities available at quarter end | | 22,093 |
| 7.6 | Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |
| <p>On 18 October 2023, Beforepay Finance Pty Ltd, a subsidiary of Beforepay Group Ltd, signed a new secured debt facility agreement for A\$55 million with Australian Commercial Mortgage Corporation Pty Ltd as trustee for the Australian AB Finance Trust (Balmain Group) and AMAL Trustees Pty Ltd as trustee for the Longreach Direct Lending Fund (Longreach Credit Investors).</p> <ul style="list-style-type: none">• The new debt facility was used to refinance the existing debt facility with Longreach and to support continued growth in Beforepay's loan book.• The key terms of the new facility agreement include:<ul style="list-style-type: none">○ A\$55 million facility (A\$35 million from Longreach Credit Investors and A\$20 million from Balmain Group) for 3 years to 15 October 2026 with the potential to extend the total facility size in a future period.○ The maximum commitment increases in non-linear increments over time to \$55 million by 14 June 2025.○ Borrowing base broadly equal to 80% of the value of eligible receivables.○ Interest rate - 12.25% to 13.25%, depending on a fixed charge coverage ratio (FCCR) linked to an EBITDA financial performance measure.○ Upfront fees and costs of c. 1.7% on the A\$55 million balance.• Financing facilities available at quarter end are subject to meeting the borrowing base test under the facility agreement. | | | |
| 8. | Estimated cash available for future operating activities | \$A'000 | |
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | 3,268 | |
| 8.2 | Cash and cash equivalents at quarter end (item 4.6) | 18,870 | |
| 8.3 | Unused finance facilities available at quarter end (item 7.5) | 22,093 | |
| 8.4 | Total available funding (item 8.2 + item 8.3) | 40,963 | |
| 8.5 | Estimated quarters of funding available (item 8.4 divided by item 8.1) | N/A | |
| <i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i> | | | |

| | |
|----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 8.6 | If item 8.5 is less than 2 quarters, please provide answers to the following questions: |
| 8.6.1 | Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? |
| | Answer: N/A |
| 8.6.2 | Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? |
| | Answer: N/A |
| 8.6.3 | Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? |
| | Answer: N/A |
| <i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i> | |

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:29 January 2024.....

Authorised by:By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.