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H1 FY24 Results

22 February 2024

CEO James Beeson

CFO - COO Paul Murray

H1 FY24 Executive Summary - Financials

Reported Results recovered in H1'24, driven by much lower credit impairments

- Average Funds in Use (FIU)[1] of $283.8, down 18% pcp[2]
- Reported Net Revenue of $18.2m, down 19% pcp[2] (H1'22: $22.3m)
- Reported Net Profit After Tax (NPAT) of $2.0m compared to an NPAT loss of ($5.4m) pcp
  - H1'24 includes $0.8m recovery costs associated with resolution of RevRoof process and $0.4m transaction costs associated with Timelio acquisition
- Underlying NPAT of $2.2m, up from ($4.3m) loss in H1'23
- Underlying Proforma NPAT[3] of $2.9m, up 76% pcp (H1'23: $1.6m)
- Reported EPS of 0.7 cps
- NTA of $42.9m, equating to NTA per share of 14.8cps
- Board intends to reinstate full year dividend in FY24 as retained earnings are rebuilt

Profit and Loss ($m)	H1'23 Reported	H1'24 Reported
Average Funds in Use	*346.4*	*283.8*
Interest Income	18.5	16.1
Interest Expense	(9.5)	(9.6)
Net interest revenue	**8.9**	**6.6**
Mgmt / Admin Fees	13.4	11.6
Net revenue	**22.3**	**18.2**
Opex	(14.2)	(12.1)
Direct Costs	(1.6)	(1.2)
Credit Impairment Expense (CIE)	(14.1)	(0.9)
Recovery Costs	-	(1.2)
PBT	**(7.5)**	**2.8**
NPAT	**(5.4)**	**2.0**
One-offs (tax affected)	0.7	0.3
Amortisation	0.5	-
Underlying NPAT	**(4.3)**	**2.2**
EPS (cents per share)	(1.9)	0.7
DPS (cents per share)	-	-
Net interest margin	*5.1%*	*4.6%*
Net revenue margin	*12.8%*	*12.7%*

1. EPY calculations of Average Funds In Use
2. Prior Corresponding Period
3. Underlying Proforma NPAT is Reported NPAT after adding back "one off" RevRoof costs, notably recovery costs, and transaction cost related to the Timelio transaction

H1 FY24 Executive Summary - Operations

Several key strategic initiatives have been completed over the past six months

1	**Resolution of RevRoof recovery**	→ On 11 December 2023, announced resolution of RevRoof recovery process with $8.4m cash from business sale released to Earlypay → In total, EPY incurred a $10.5m credit loss and approximately $4.7m of recovery related expense ($0.8m incurred in H1'24)
2	**Timelio acquisition**	→ On 13 November 2023, completed acquisition of selected assets from Timelio P/L, specialist invoice and trade finance provider → Added ~$33m of IF and $5m TF receivables which are funded from EPY's new warehouse facility (refer below) → $3.0m Purchase price - split $1.3m cash & $1.7m EPY shares - at completion, no payment made in accordance with hold-back mechanism
3	**Completed IF/TF warehouse refinancing**	→ On 14 February 2024, settled (funds drawn) on the new single IF/TF warehouse facility with senior commitment limit of $220m → Expected reduction in overall cost of funds by c.1.0% compared to previous invoice and trade facilities; → Refinancing of EF facility being reviewed; cost / benefit analysis being undertaken given minimal financial advantages
4	**Operations**	→ Strengthening of corporate governance, and practices around credit underwriting, documentation & settlements, client and risk management → Sharp focus on Opex savings from technology, data and improved processes

H1 FY24 Proforma Financials

H1 FY24 Summary - Proforma (excluding RevRoof)

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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)	H1'23 Proforma	H1'24 Proforma		Δ pcp
Average Funds in Use	*319.8*	*272.9*	1	*-15%*
Interest income	16.8	16.1		-4%
Interest expense	(8.8)	(9.5)		8%
Net interest revenue	**8.0**	**6.7**		**-17%**
Mgmt / Admin Fees	13.2	11.6		-12%
Net revenue	**21.2**	**18.3**	2	**-14%**
Opex	(14.2)	(12.1)		*-15%*
Direct Costs	(1.6)	(1.2)		-26%
Credit Impairment Expense (CIE)	(4.5)	(0.9)	3	-79%
Recovery Costs	-	(0.3)		na
PBT	**0.9**	**3.8**		**319%**
One-offs	0.9	0.4		na
Amortisation	0.5	-		na
Underlying PBT	**2.3**	**4.1**		**76%**
Underlying NPAT	**1.6**	**2.9**	4	**76%**
EPS (cents per share)	0.2	0.9		441%
DPS (cents per share)	-	-		na
Net interest margin	*5.0%*	*4.8%*		*-3%*
Net revenue margin	*13.2%*	*13.3%*		*1%*
Underlying Cost to Income [1]	*67.8%*	*70.6%*		*4%*
Underlying ROE [2]	*4.4%*	*7.6%*		*71%*

1. Proforma FIU down 15% reflective of a more cautious risk appetite given the difficult environment for SMEs
   - → Larger than normal client attrition (loss of FIU, not necessarily credit losses) due to economic stress
   - → Exited larger clients that don't meet our risk appetite, including other factoring businesses
   - → EF average FIU reduced by $29m
2. Net revenue broadly fell in the same proportion as FIU
3. Material improvement in Credit Impairment Expenses
4. Underlying proforma H1'24 NPAT of $2.9m

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

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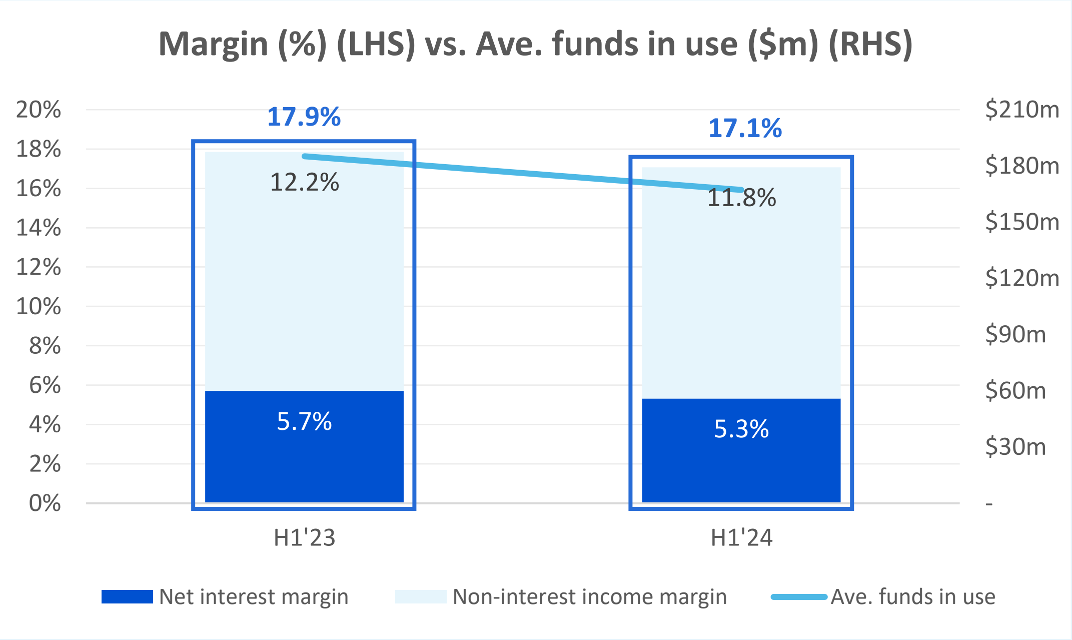
Decrease in FIU reflecting a more cautious approach amongst uncertain economic backdrop

	Proforma		
IF & Trade Reporting ($m)	**H1'23**	**H1'24**	***Δ pcp***
Key Metrics			
Year end funds in use	192.4	187.3	*-3%*
Ave. funds in use[1]	185.1	167.1	*-10%*
Invoices purchased (TTV)	1,426.0	1,327.3	*-7%*
Interest income	9.8	10.7	*10%*
Interest expense	(4.5)	(6.2)	*40%*
Net Interest Revenue	**5.3**	**4.5** (1)	***-16%***
Mgmt / Admin Fees	11.3	9.9 (2)	*-13%*
Net Revenue	**16.7**	**14.4**	***-14%***
Opex	(10.4)	(10.1) (3)	*-3%*
Direct Costs	-	-	*na*
Credit Impairment Expense (CIE)	(4.2)	0.3	*-106%*
Recovery Costs	-	(0.3)	*na*
PBT	**2.1**	**4.3**	***105%***
Net interest margin	*5.7%*	*5.3%*	*-7%*
Net revenue margin	*17.9%*	*17.1%*	*-4%*
Cost to income	*62.3%*	*70.2%*	*13%*

1. Decline in NIM driven by Trade Finance Warehouse not fully deployed into income generating loans
2. Decline in Admin Fees partially due to a single client that was onboarded and exited within H1'23. (This also increased average FIU in H1'23 by c. $9m.) The Timelio portfolio also put downward pressure on the Admin Fee margin.
3. Given lower Net Revenue, managing Opex lower is a key focus



1. Year end funds in use is an average across the last month of the period
2. Average Funds In Use is a monthly average across the entire period
3. Underlying Cost to Income calculated as (Opex + Direct Costs) / Net Revenue

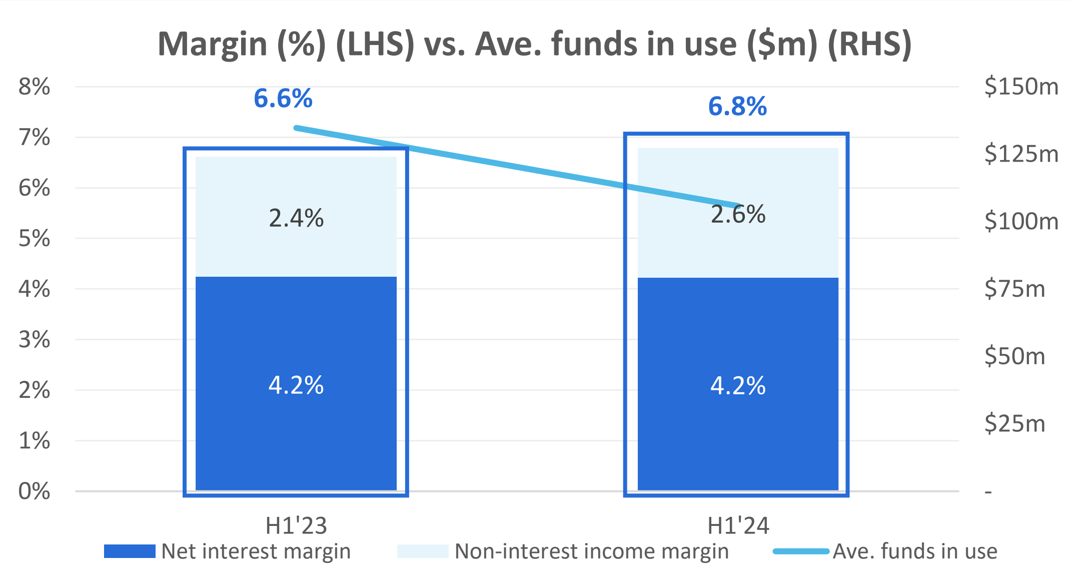
Product Segment: Equipment Finance (EF)

Modest EF originations as asset mix is managed within funding parameters

	Proforma			
EF Reporting ($m)	**H1'23**	**H1'24**		***Δ pcp***
Key Metrics				
Year end funds in use	130.5	104.0		*-20%*
Ave. funds in use[1]	134.7	105.7		*-22%*
Loan Originations	31.9	14.0	1	*-56%*
Interest income	7.1	5.4		*-23%*
Interest expense	(4.2)	(3.2)		*-24%*
Net Interest Revenue	**2.9**	**2.3**		***-22%***
Admin Fees	1.6	1.4	2	*-15%*
Net Revenue	**4.5**	**3.6**		***-19%***
Opex	(3.1)	(2.1)	3	*-33%*
Direct Costs	-	-		*na*
Credit Impairment Expense (CIE)	(0.3)	(1.2)	4	*317%*
Recovery Costs	-	0.0		*na*
PBT	**1.1**	**0.3**		***-67%***
Net interest margin	*4.2%*	*4.2%*		*-1%*
Net revenue margin	*6.6%*	*6.8%*		*3%*
Cost to income	*70.1%*	*58.7%*		*-16%*

1. Modest origination as the asset class allocation of the pool is managed
3. Reduction in Opex mostly mitigates lower Net Revenue
4. Increased credit impairment expense for specific exposures. 30+ day arrears remain low at c. 60bps

→ On 13 Feb 2024, a portfolio parameter relating to a specific asset class concentration was breached. Discussions with Lenders to remedy are ongoing



1. Year end funds in use is an average across the last month of the period
2. Average Funds In Use is a monthly average across the entire period
3. Underlying Cost to Income calculated as (Opex + Direct Costs) / Net Revenue

Consolidated Balance Sheet

Balance Sheet remains strong with Net Tangible Asset (NTA) position of $42.9m / 14.8 cps at 31 December 2023

Balance Sheet ($m)	30-Jun-23	31-Dec-23		Δ pcp
Cash and cash equivalents	53.0	56.2	1	*6%*
Receivables - Invoice Finance[1]	162.4	157.1		*-3%*
Allowance for exp. credit losses - IF	(7.6)	(2.9)	2	*-62%*
Receivables - Equipment Finance[2]	111.4	103.7		*-7%*
Allowance for exp. Credit losses - EF	(1.9)	(3.1)		*64%*
Intangible Assets	28.8	32.5	3	*13%*
Income tax receivable	3.0	4.9		*61%*
Other	11.2	10.3		*-8%*
Assets	**360.3**	**358.7**		***0%***
Trade Payables	4.3	3.2		*-25%*
Borrowings[3]	279.0	273.7		*-2%*
Other	3.6	6.4		*80%*
Liabilities	**286.8**	**283.3**		***-1%***
Net Assets	**73.5**	**75.4**		***3%***
Total Equity	**73.5**	**75.4**		***3%***
Key Metrics				
NTA	**44.7**	**42.9**	4	***-4%***
NTA per share	15.4	14.8		*-4.0%*
Net Borrowings to Receivables	*101.9%*	*104.9%*		*3%*
Average Funds in Use	315.1	283.8		*-10%*
TTV (Invoice Finance)	1,478.2	1,327.3		*-10%*

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

1. H1’24 cash position of $56.2m as at 31 December 2023
   - → $13.2m restricted cash held in trust for warehouse facilities (ie. not available for group operations)
2. Decrease in Allowance for ECL indicative of provisions being written-off
3. Increase in intangibles resulting from Timelio acquisition
4. NTA of $42.9m equating to NTA per share of 14.8cps

Completed Simplified Funding Structure – New $220m IF/TF Warehouse

Invoice & Trade Warehouse Facility settled on 14 February 2024; financial and operational benefits to follow in H2'24

Current Structure (Post 14 February 2024)

Structure	Facility Size	Cost of Funds
(I) Invoice Finance and Trade Warehouse 1		
Warehouse Facility – Senior	$220m	Sub-2% + BBSY
(II) Equipment Finance Warehouse 2		
Warehouse Facility - Senior	$120m	Sub-3% + Swap
Warehouse Facility - Mezzanine	$20m	~6%
Total Warehouse Facilities	**~$340m**	**Ave. Sub-2.5% margin**
Corporate Bond		
Bond (Floating Rate Notes)	$20m	Sub-7% + BBSW

- **Two warehouse structures**
  - Senior funding provided by two of Australia's largest banks
  - Mezzanine layer of the IF / TF warehouse is notionally funded by part of the corporate bond given its flexibility and no clear cost saving by issuing mezz
  - Ongoing review of applicability of mezzanine layer in IF / TF warehouse and /or across both structures given current EF refinancing review

1. Completed new Invoice and Trade warehouse - $220m limit
   - IF and TF settled (drawn) on 22 Jan and 14 Feb, respectively
   - Approx 1% overall interest rate saving
   - Significantly simplified funding model (cash and operational requirements), lower cost of funding, increased scalability
   - Ability to expand facility in-line with organic and inorganic growth

2. Equipment finance warehouse
   - Reviewing business case for refinance given minimal pricing enhancements and size of current book

Outlook

FY24 Outlook

EPY reaffirms FY24 Underlying proforma NPAT is expected to exceed FY23 Underlying proforma NPAT of $4.8m

- Throughout H1, FIU reduced as result of IF clients exiting due to EPY risk assessment decisions or attrition due to financial stress
- Whilst this was somewhat offset by FIU from the Timelio acquisition, the Timelio client portfolio (due to high quality clients) is at a lower average margin compared to the reduced FIU from EPY clients. This lower average margin will offset most of the interest savings from the new IF/TF warehouse in the short-term.
- **EPY reaffirms FY24 Underlying proforma NPAT is expected to exceed FY23 Underlying proforma NPAT of $4.8m**.
- FY24 guidance includes only minimal upside from the following:
    - Growth in Invoice Finance FIU
        - Strong demand from SMEs for Invoice Financing
        - Organic growth in new business with a focus on product innovation and improving the client and referrer experience making our product simpler to buy
        - Improved tech capability from the Timelio acquisition enables EPY to now target non-traditional distribution channels including embedded finance & platform integrations.
        - Potential inorganic opportunities to augment organic growth
        - Less attrition
    - Net Revenue margin expansion
        - Benefits of the scale, flexibility and cost savings from the new IT/TF warehouse
    - Significant Opex savings
        - Increased automation and streamlined processes to drive significant Opex reductions.

1. Underlying proforma NPAT is Reported earnings after adding back "one off" costs including RevRoof credit loss and recovery costs

Capital Management

EPY reaffirms FY24 Underlying proforma NPAT is expected to exceed FY23 Underlying proforma NPAT of $4.8m

Capital Management

- Following the acquisition of Timelio and new warehouse refinancing, EPY expects to have c. $10m of cash available for corporate management initiatives, noting that currently part of the corporate bond is notionally funding the Mezzanine tranche for the new warehouse.
- Board continues to consider EPS accretive capital management initiatives that may include **Additional bolt-on acquisitions** to augment organic growth aspirations, **Repayment of corporate debt** and / or **On Market Buy Back**
- **Dividends:** the Board intends to reinstate the Company's Ordinary Dividend in FY24 as retained earnings are rebuilt

1. Underlying proforma NPAT is Reported earnings after adding back "one off" costs including RevRoof credit loss and recovery costs

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Appendix

Earlypay Overview

Employing ~85 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 (66% of H1'24 revenue): business line of credit supported by unpaid invoices;
  - Equipment Finance (26% of H1'24 revenue): vehicle, business equipment and machinery financing; and
  - Trade Finance (9% of H1'24 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 average current loan portfolio totals to c.$273m in December 2023
- Client sectors include:

Share Price	**$0.23**
Shares on Issue	289.9m
Market Capitalisation	**$66.7m**
Cash & equivalents (31 December 2023)	*$56m*
FY23 Underlying NPAT	*$4.8m*
FY23 Underlying P/E	*13.9x*
NTA (31 December 2023)	*$0.148*

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

Timelio acquisition

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Highly synergistic acquisition that is expected to contribute strongly to Earlypay's future success

Overview

- On 13 November 2023, completed acquisition of select assets of Timelio
  - Assets include select client receivables, IP, software, & other assets
- Timelio is a specialist invoice & trade finance provider to Aust. SMEs

Deal Structure

- $3.0m purchase price: $1.285m cash + 7,671,940 EPY shares at $0.2236 ($1.715m)
- No payment at completion - purchase price (cash & scrip) withheld (hold-back mechanism) for at least 6 months post completion; used to offset any post-acquisition losses relating to specified receivables

Increased Industry Activity

- Increasing industry consolidation
- Sub-scale players experiencing growth/funding challenges
- This is a positive for our market position as SME borrowers will be drawn to larger, more established SME lenders like Earlypay

Acquisition Rationale

Adds scale to core competency	→ + $33m of invoice finance receivables; and → + $5m of trade finance receivables
New Offering; Supplier Early Payment Platform (SEPP)	→ SEPP facilitates corporates paying supplier invoices early for a small discount → Intend to grow SEPP which also offers potential cross-selling opportunities across EPY's other products
High-quality client portfolio	→ High quality pool of SMEs. Better average quality than EPY but lower average margin → Many are former Bendigo Bank clients acquired via Timelio's 2022 acquisition of their IF portfolio
Specialist SME lending team	→ Timelio team covering various functions will further bolster existing staff capabilities (Finance & Treasury, Technology, Marketing, SEPP Manager) → Additional 'on the ground' presence in Victoria
Attractive Synergies	→ Expected to be EPS accretive (under EPY funding) → Broad range of strategic benefits & relationships

Reconciliation: Consolidated Profit & Loss

	Reported			RevRoof Adjustment		Proforma		
Profit and Loss ($m)	**H1'23**	**H1'24**	***Δ pcp***	***H1'23***	***H1'24***	**H1'23**	***H1'24***	***Δ pcp***
Average Funds in Use	***346.4***	***283.8***	***-18%***	***(26.7)***	***(10.9)***	***319.8***	***272.9***	***-15%***
Interest Income	18.5	16.1	*-13%*	(1.6)	-	16.8	16.1	*-4%*
Interest Expense	(9.5)	(9.6)	*1%*	0.7	0.1	(8.8)	(9.5)	*8%*
Net Interest Revenue	**8.9**	**6.6**	***-27%***	**(0.9)**	**0.1**	**8.0**	**6.7**	***-17%***
Mgmt / Admin Fees	13.4	11.6	*-13%*	(0.2)	-	13.2	11.6	*-12%*
Other Revenue	-	-	*na*	-	-	-	-	*na*
Net Revenue	**22.3**	**18.2**	***-19%***	**(1.1)**	**0.1**	**21.2**	**18.3**	***-14%***
OpEx	(14.2)	(12.1)	*-15%*	-	-	(14.2)	(12.1)	*-15%*
Direct Costs	(1.6)	(1.2)	*-26%*	-	-	(1.6)	(1.2)	*-26%*
Credit Impairment Expense (CIE)	(14.1)	(0.9)	*-93%*	9.6	-	(4.5)	(0.9)	*-79%*
Recovery Costs	-	(1.2)	*na*	-	0.8	-	(0.3)	*na*
PBT	**(7.5)**	**2.8**	***na***	**8.4**	**0.9**	**0.9**	**3.8**	***319%***
One-offs	0.9	0.4	*-62%*	-	-	0.9	0.4	*-62%*
Amortisation	0.5	-	*na*	-	-	0.5	-	*na*
Underlying PBT	**(6.1)**	**3.2**	***na***	**8.4**	**0.9**	**2.3**	**4.1**	***76%***
Tax	2.1	(0.8)	*na*	(2.5)	(0.3)	(0.4)	(1.1)	*na*
NPAT	**(5.4)**	**2.0**	***na***	**5.9**	**0.7**	**0.5**	**2.6**	***444%***
Underlying NPAT	**(4.3)**	**2.2**	***na***	**5.9**	**0.7**	**1.6**	**2.9**	***76%***
EPS (cents)	(1.9)	0.7	*na*			0.2	0.9	*441%*
DPS (cents)	-	-	*na*				-	*na*

→ Tax rate on adjusted profit assumed at 30%

EPY calculations of Average Funds in Use

Reconciliation: IF and Trade Segment

IF & Trade Reporting ($m)	Reported H1'23	Reported H1'24	Reported Δ pcp	RevRoof Adjustment H1'23	RevRoof Adjustment H1'24	Proforma H1'23	Proforma H1'24	Proforma Δ pcp
Key Metrics								
Year end funds in use	217.6	188.6	*-13%*	(25.2)	(1.4)	192.4	187.3	*-3%*
Ave. funds in use[1]	208.5	178.1	*-15%*	(23.4)	(10.9)	185.1	167.1	*-10%*
Invoices purchased (TTV)	1,470.4	1,327.3	*-10%*	(44.4)	-	1,426.0	1,327.3	*-7%*
Interest income	11.2	10.7	*-4%*	(1.4)	-	9.8	10.7	*10%*
Interest expense	(5.0)	(6.3)	*26%*	0.6	0.1	(4.5)	(6.2)	*40%*
Net Interest Revenue	**6.2**	**4.4**	***-29%***	**(0.8)**	**0.1**	**5.3**	**4.5**	***-16%***
Mgmt / Admin Fees	11.6	9.9	*-14%*	(0.2)	-	11.3	9.9	*-13%*
Net Revenue	**17.7**	**14.3**	***-19%***	**(1.1)**	**0.1**	**16.7**	**14.4**	***-14%***
Opex	(10.39)	(10.1)	*-3%*	-	-	(10.4)	(10.1)	*-3%*
Direct Costs	-	-	*na*	-	-	-	-	*na*
Credit Impairment Expense (CIE)	(13.8)	0.3	*-102%*	9.6	-	(4.2)	0.3	*-106%*
Recovery Costs	-	(1.1)	*na*	-	0.8	-	(0.3)	*na*
PBT	**(6.4)**	**3.3**	***na***	**8.5**	**0.9**	**2.1**	**4.3**	***105%***
Net interest margin	*5.9%*	*4.9%*	*-17%*			*5.7%*	*5.3%*	*-7%*
Net revenue margin	*16.9%*	*15.9%*	*-6%*			*17.9%*	*17.1%*	*-4%*
Cost to income	*58.6%*	*70.7%*	*21%*			*62.3%*	*70.2%*	*13%*

1. Year end funds in use is an average across the last month of the period
2. Average Funds In Use is a monthly average across the entire period
3. Underlying Cost to Income calculated as (Opex + Direct Costs) / Net Revenue

Reconciliation: EF Segment

	Reported			RevRoof Adjustment		Proforma		
EF Reporting ($m)	**H1'23**	**H1'24**	***Δ pcp***	***H1'23***	***H1'24***	**H1'23**	**H1'24**	***Δ pcp***
Key Metrics								
Year end funds in use	133.6	104.0	*-22%*	(3.1)	-	130.5	104.0	*-20%*
Ave. funds in use[1]	137.9	105.7	*-23%*	(3.2)	-	134.7	105.7	*-22%*
Loan Originations	31.9	14.0	*-56%*	-	-	31.9	14.0	*-56%*
Interest income	7.3	5.4	*-26%*	(0.2)	-	7.1	5.4	*-23%*
Interest expense	(4.3)	(3.2)	*-27%*	0.1	-	(4.2)	(3.2)	*-24%*
Net Interest Revenue	**3.0**	**2.3**	***-24%***	**(0.1)**	**-**	**2.9**	**2.3**	***-22%***
Admin Fees	1.6	1.4	*-15%*	-	-	1.6	1.4	*-15%*
Net Revenue	**4.6**	**3.6**	***-21%***	**(0.1)**	**-**	**4.5**	**3.6**	***-19%***
Opex	(3.1)	(2.1)	*-33%*	-	-	(3.1)	(2.1)	*-33%*
Direct Costs	-	-	*na*	-	-	-	-	*na*
Credit Impairment Expense (CIE)	(0.3)	(1.2)	*317%*	-	-	(0.3)	(1.2)	*317%*
Recovery Costs	-	0.0	*na*	-	-	-	0.0	*na*
PBT	**1.1**	**0.3**	***-70%***	**(0.1)**	**-**	**1.1**	**0.3**	***-67%***
Net interest margin	*4.2%*	*4.2%*	*-1%*			*4.2%*	*4.2%*	*-1%*
Net revenue margin	*6.6%*	*6.8%*	*4%*			*6.6%*	*6.8%*	*3%*
Cost to income	*69.0%*	*58.7%*	*-15%*			*70.1%*	*58.7%*	*-16%*

1. Year end funds in use is an average across the last month of the period
2. Average Funds In Use is a monthly average across the entire period
3. Underlying Cost to Income calculated as (Opex + Direct Costs) / Net Revenue

Consolidated Cash Flow

Generated positive net operating cash flow of $1.7m for H1’24

Cash Flow ($m)	H1'23	H1'24	*Δ pcp*
Receipts	14.5	12.7	*-13%*
Interest received from customer	18.5	16.1	*-13%*
Payments	(15.8)	(16.0)	*2%*
Interest received	0.2	0.4	*66%*
Finance Costs	(9.5)	(9.6)	*1%*
Income taxes paid	(1.1)	(1.8)	*68%*
Net cash flows from Operating activities	**6.8**	**1.7**	***-75%***
Payments for acquisition / PPE / intangibles	(0.4)	(0.7)	*92%*
(Payments)/Proceeds from client receivables	(22.9)	0.7	*-103%*
Payments to equipment lease receivables	0.5	7.4	*1338%*
Net cash flows (used in) Investing Activities	**(22.8)**	**7.4**	***-132%***
Net proceeds from borrowings	35.9	(5.5)	*-115%*
Repayment of lease liabilities	(0.3)	(0.2)	*-12%*
Dividends paid, net of reinvestment	(3.9)	-	*-100%*
Net cash flows (used in) Financing Activities	**31.7**	**(5.8)**	***-118%***
Net Change in cash	15.7	3.3	*-79%*
Cash at beginning of year	52.7	53.0	*1%*
Cash at end of Year	**68.4**	**56.3**	***-18%***

- Generated positive cash flow from operating activities

Board of Directors & Senior Management

Presenting Today


CEO - James Beeson


CFO / COO - Paul Murray

Geoffrey Sam OAM, Non-Executive Chairperson

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

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

Shares: 2,160,188 Ordinary Shares

James Beeson, Managing Director & CEO

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

Shares: 15,952,453 Ordinary Shares
Performance Rights: 1,072,734

Ilkka Tales, Non-Executive Director

Qualifications: BBus

Responsibilities: Chairperson of the Audit & Risk Committee.

Shares: 300,000 Ordinary Shares

Stephen White, Non-Executive Director

Qualifications: M.Mngt, GAICD

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

Shares: Nil

Sue Healy, Non-Executive Director

Qualifications: Fellow RCSA, MAICD

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

Shares: 768,735 Ordinary Shares

Paul Murray, CFO, COO & Company Secretary

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

Shares: Nil

Disclaimer

earlypay

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