

ASX Announcement (ASX: B4P)

31 October 2024

Beforepay Group Launches New Personal Loan Product

Beforepay Group Limited (ASX: B4P) (Beforepay Group or the Company) is pleased to announce the introduction of its third lending product, the Beforepay Personal Loan (Personal Loan), launching on 31 October 2024.

The Personal Loan complements the existing Pay Advance and Tax Refund Advance, supporting customers looking for larger sums or to borrow for longer periods of time.

This new offering initially provides eligible customers with loans from \$2,001 up to \$3,000 for a term of up to 3 months, with the potential for higher limits and longer durations in the future. The Personal Loan has initially been priced with a 5% fee and a 1.5% monthly interest charge.

Phased Launch

The Personal Loan is launching in phases, initially issuing up to 500 loans to existing customers to validate the performance of the Personal Loan and identify opportunities for risk-model enhancements. The Company will be progressively enabling the option to apply for a Personal Loan in the app experience of current users. Expansion to offer the Personal Loan to new customers is expected at the right time.

In line with the Pay Advance product, the Company is using its credit risk models to assess borrower risk and limits for the Personal Loan, underpinned by the Company's capabilities in working with large datasets, alternative data, machine learning, and AI. Beforepay Group continues to invest in its credit-risk analytics and to enhance its use of emerging data techniques.

Regulatory Compliance

The Personal Loan is a regulated credit product under the National Consumer Credit Protection Act 2009, and is the first product offered under the Australian Credit Licence (ACL) which was received in August 2024. This step underscores Beforepay Group's ongoing commitment to providing compliant and secure financial services, in alignment with its mission-driven ethos.

Platform Expansion

The team at Beforepay Group has been focusing on enhancing and expanding its lending platform to support multiple loan products with a range of structures and terms, while continuing to improve the customer experience. The Company will continue to focus on providing quick, efficient loan options digitally to Australians across its entire product suite.

Funding

Whilst the initial loans are being funded by the Company internally, in connection with the launch of the Personal Loan, the Company's wholly owned subsidiary, BPG Credit Pty Ltd (BPG Credit), which holds the ACL, has joined the Company's existing A\$55m debt facility agreement (Agreement) as an additional guarantor. As part of the accession to the Agreement (which was originally executed with lenders Balmain Group and Longreach Direct Lending Fund on 18 October 2023), BPG Credit will guarantee repayment and performance of the Company group and will grant a security interest over its assets.

At or around the same time, the original Longreach lending entity, AMAL Trustees Pty Ltd as trustee for Longreach Direct Lending Fund, has been replaced by its affiliate, AMAL Security Services Pty Ltd as trustee for LCI Funding Trust 1, which has assumed all the rights and obligations of the original Longreach lending entity under the Agreement.

Jamie Twiss, CEO of Beforepay Group, commented, "The launch of our Personal Loan marks a significant milestone in our journey to provide additional safe and affordable financial products. Our advanced capabilities in data science, machine learning, and AI enable us to support tailored lending products as we grow. We're excited about this new product and its potential to enhance financial inclusion in Australia."

This announcement has been authorised for release to the ASX by the CEO of the Company.

For more information, please contact:

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About Beforepay Group

Beforepay Group was founded in 2019 to support working Australians who have not been well-served by the traditional financial-services industry. Beforepay Group operates two business lines: Beforepay, the Company's direct-to-consumer lending business and Carrington Labs, which builds and deploys explainable AI-powered loan portfolio recommendations and lending solutions. The company has won several awards in 2024 including APAC Insider Australia Enterprise Awards 2024: Best Ethical-Lending FinTech 2024 and Most Innovative Ethical Lender of the Year 2024. For more information visit www.beforepay.com.au.

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financial or other advice and it is not to be relied upon in substitution for the recipient's own exercise of independent judgment regarding Beforepay Group. Before making an investment decision, the recipient should obtain advice as it considers necessary or appropriate.

To the maximum extent permitted by law, no member of the Beforepay Group accepts any liability for any loss whatsoever arising from the use of this announcement. 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.

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