

24 February 2023

Earlypay Limited (ASX: EPY)

Sale of RevRoof Pty Ltd and Credit Loss Provisioning

Earlypay Limited (“EPY” or the “Company”) advises that on 20 February 2023, Said Jahani and David Hodgson of Grant Thornton as Earlypay’s appointed Receivers and Managers to Revroof Pty Limited (Receivers and Managers Appointed) (In Administration) (“RevRoof”) and Painted Steel Technologies Pty Limited (Receivers and Managers Appointed) (In Administration) (“PST”), entered into an agreement for the sale of the assets and business of RevRoof Pty Ltd.

The assets included in the sale include plant and equipment, stock, IP and transferring employees. Accounts receivable remain under the ownership of Earlypay and the Company continues to collect those receivables to reduce its exposure.

The purchaser of the assets and business of RevRoof is the Design Group. The sale is conditional on the assignment of two property leases to Design Group from the current landlords of Revroof.

The sale does not include the assets of PST. Whilst the Receivers and Managers continue to work to recover amounts owed by that entity to creditors, including Earlypay, the Receivers have taken steps to shut down the operations of PST.

Following the sale of RevRoof and the revised expectation that the Company will not recover a significant portion of its exposure, it is recognising a specific provision of \$9.6m in the half year ending 31 December 2022.

This provision has a significant impact on the Company’s earnings which will be detailed in today’s release of the results for the half year ending 31 December 2022.

This release was authorised by the Board of Earlypay Limited.

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