

17th March 2021

Earlypay Limited (ASX: EPY)

New business growth and facilities update

New Business Growth

Earlypay ("EPY" or the "Company") is pleased to advise that the increase in new business volumes reported to the market in the Company's HY'21 results has continued in the first 2 months of Q3'21.

In Q3'21, which is traditionally a quieter period due to holiday disruptions, Earlypay is on track to increase the number of its Invoice Financing clients by 10% since the end of Q2'21. Total Transaction Volume (TTV) has also increased by 10% compared to the same period last year which was before COVID. This highlights the strong rebound in Earlypay's business and affirms the Company's confidence in the outlook.

Earlypay's online strategy continues to drive growth with over 90% of all new Invoice Financing clients onboarded and managed using Earlypay's online platform in this quarter which is up from 56% in the December quarter.

Funding Facilities

Earlypay is in the process of refinancing a small portfolio of Equipment Finance contracts funded by a long-term amortising facility with Greensill Capital (in administration). The Equipment Finance contracts represent less than 10% of Earlypay's total loan portfolio and will be transitioned to an existing bank warehouse facility which has ample headroom.

This is the only facility that Earlypay holds with Greensill and Earlypay does not anticipate any disruption to its business. The refinancing is expected to be completed in coming weeks and will reduce overall funding costs, although the financial benefit will be immaterial.

The Company reaffirms its FY 2021 guidance of EBITDA of A\$21m+, NPATA of A\$8.5m+ and a full year dividend of approximately 1.3cps fully-franked.

This release was authorised by the Chief Executive Officer of Earlypay, Daniel Riley.

Sincerely,

A handwritten signature in purple ink, appearing to be "Daniel Riley".

Daniel Riley
CEO

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ABOUT EARLYPAY

Earlypay provides finance to SME businesses in the form of secured invoice financing and equipment financing.

Through the Earlypay online platform, SME's receive an advance payment of up to 80% of a client's invoice to help their business overcome the cash pressure of delivering goods or services in advance of payment from their customers (often 30 to 60 days). This is a flexible line of credit that is utilised in line with sales volume. Earlypay will consider an additional advance to a client (above the usual 80%) on occasion, for an additional fee and when there is adequate security from the client to cover the position.

Other services include trade finance to assist clients finance purchases, as well as equipment finance to assist SME's with capital expenditure on items required to operate their business.