

20 May 2025

Earlypay Limited (ASX: EPY)

Trading update and revised outlook

Earlypay Limited (“EPY”, “Earlypay” or the “Company”) today provided an update on its year-to-date trading performance and outlook for FY25.

Trading update

- Invoice Finance Funds in Use (“FIU”) in H2 has been lower than expected due to lower usage by existing clients, increased attrition and less than expected FIU from new clients.
- New Invoice Finance client settlements are expected to be strong into the end of the financial year, supporting FIU and income in FY26.
- Equipment Finance FIU is growing steadily at attractive margins.
- Trade Finance FIU continues to reduce as planned, and the income contribution from this product in H2 is significantly less than H1.
- Credit performance of the portfolio remains strong in all products.
- The remaining \$5m of the corporate loan was repaid in April, leaving no debt at a corporate level.

Outlook for FY25

- Underlying Earnings Per Share (“EPS”) for FY25 is now expected to be 1.8¹ cps (FY24 1.7 cps), down from previous Underlying EPS guidance of 2.2 cps. This change is mostly due to lower-than-expected Funds in Use for Invoice Finance.
- The Company expects to have approximately \$8m (~3.0 cps) of surplus capital at the end of FY25 and is reviewing options to maximise shareholder value.

Potential Corporate Activity

- Discussions relating to a potential change in control transaction for the Company are ongoing, although there is no guarantee a transaction will take place.
- Given the possibility of a transaction, the Company will not resume the share buyback for the time being.
- Earlypay will continue to keep the market informed in accordance with its continuous disclosure obligations.

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¹ EPS target assumes an Underlying NPAT of \$5m and an average of 272 million shares outstanding.

This release was authorised by the Board of Earlypay Limited.

For further information, please contact:

Investor Enquires

James Beeson

CEO, Earlypay

1300 760 205

james.beeson@earlypay.com.au

ABOUT EARLYPAY

Earlypay is a leading provider of working capital finance to Australian SMEs with its invoice finance and equipment finance products.

Earlypay's invoice finance helps SMEs bridge the cash flow gap between issuing invoices and receiving payment from customers by providing early payment of unpaid invoices. Earlypay also provides equipment finance to SMEs to assist with capital expenditure.

Earlypay has been supporting Australian SMEs since 2001 and has built a trusted legacy of delivering reliable, flexible and innovative working capital finance.

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