

ANNUAL REPORT 2025

# Fairer Finance Globally



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# Our Mission

**To support people around the world with safe and affordable lending products.**



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# Our Values



## Customers ride first class

Customers are at the centre of everything we do, helping to shape our future.



## Be the best

We're passionate about excelling; being leaders in our space and celebrating the wins this delivers.



## Give it a go

We encourage everyone to speak up and think of new solutions to old problems. Mistakes can happen and are opportunities to learn.



## Human first

We are human first and we operate and communicate with respect.

# What We Do

Beforepay Group operates two business lines – Beforepay and Carrington Labs – which use the same technology stack and risk-management capabilities. Our two offerings operate with a single team of engineers, data scientists, and credit experts.



**Beforepay**

Beforepay is our domestic consumer-lending business. Eligible customers can access short-term loans through our flagship Pay Advance product and new Personal Loan product to manage short-term cash flow challenges. Our straightforward pricing structure offers a transparent and customer-friendly approach to lending that reduces risk of long-term, revolving debt.



**CARRINGTON**  
LABS

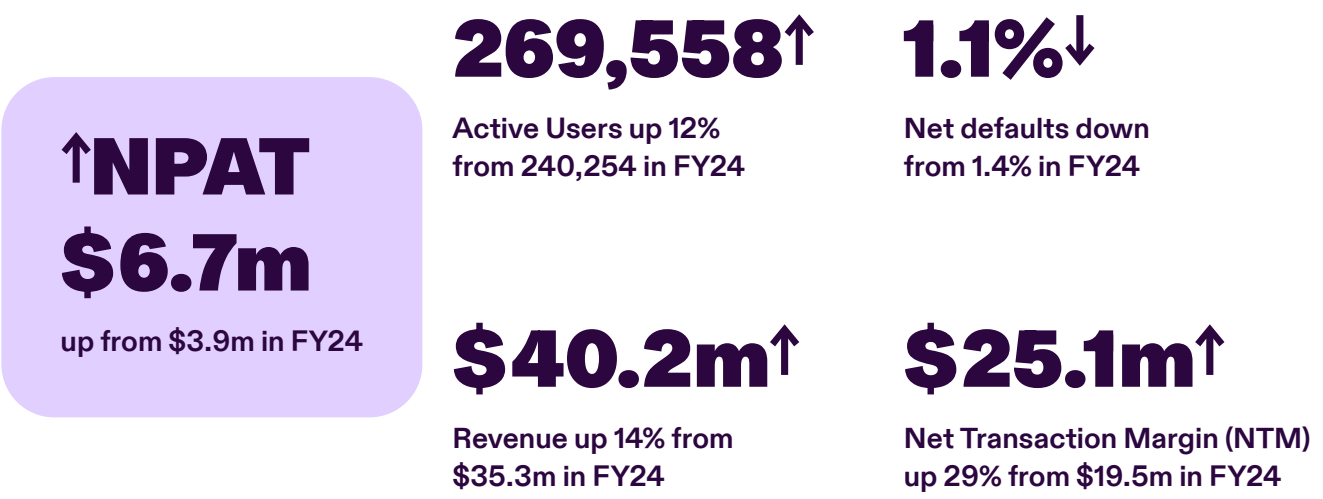
Carrington Labs commercialises the credit risk models that power Beforepay to provide lenders with cash flow underwriting models and tools for loan and limit sizing, post-origination limit management, and early-warning systems. Working across the consumer and small-business lending space, Carrington Labs uses contemporary data-science techniques, machine learning and explainable AI to help lenders increase approvals and improve margins.



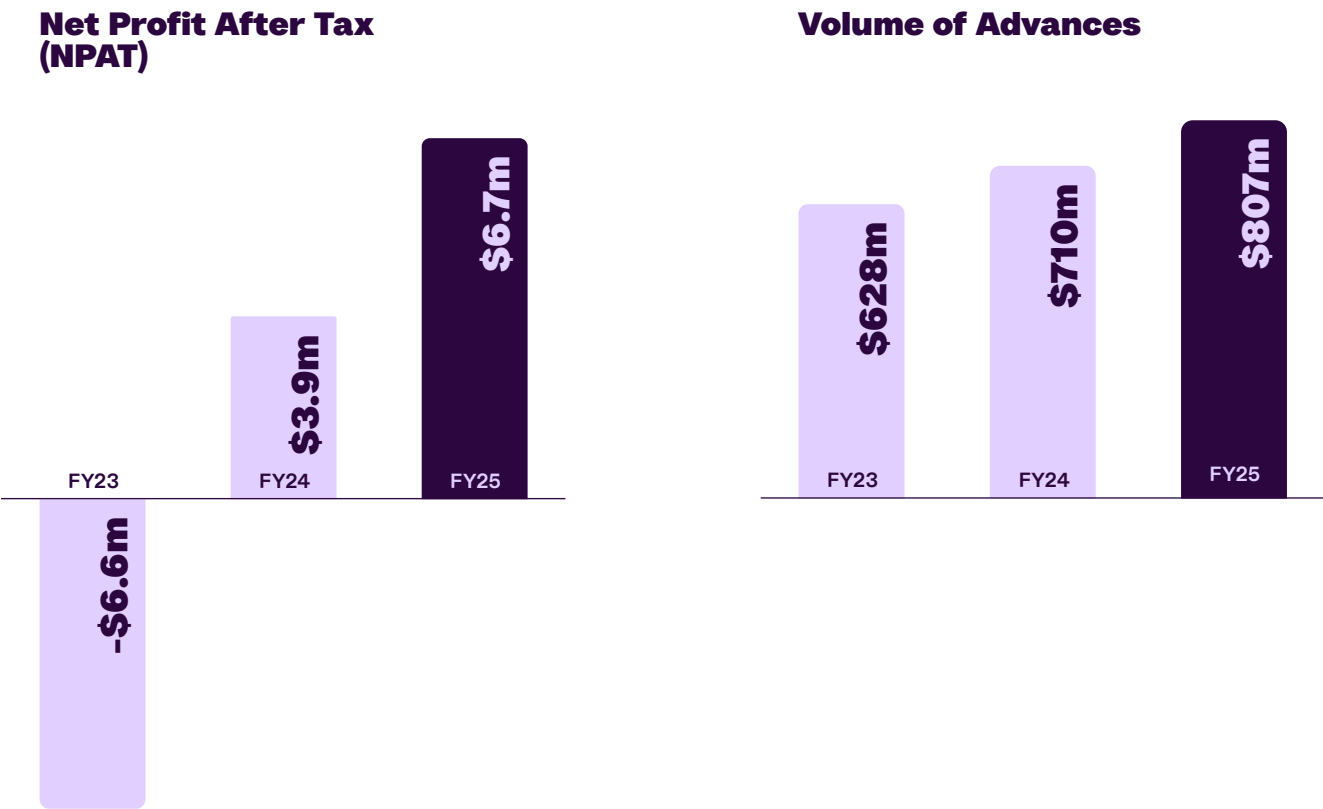
Award Highlights



# FY25 Highlights

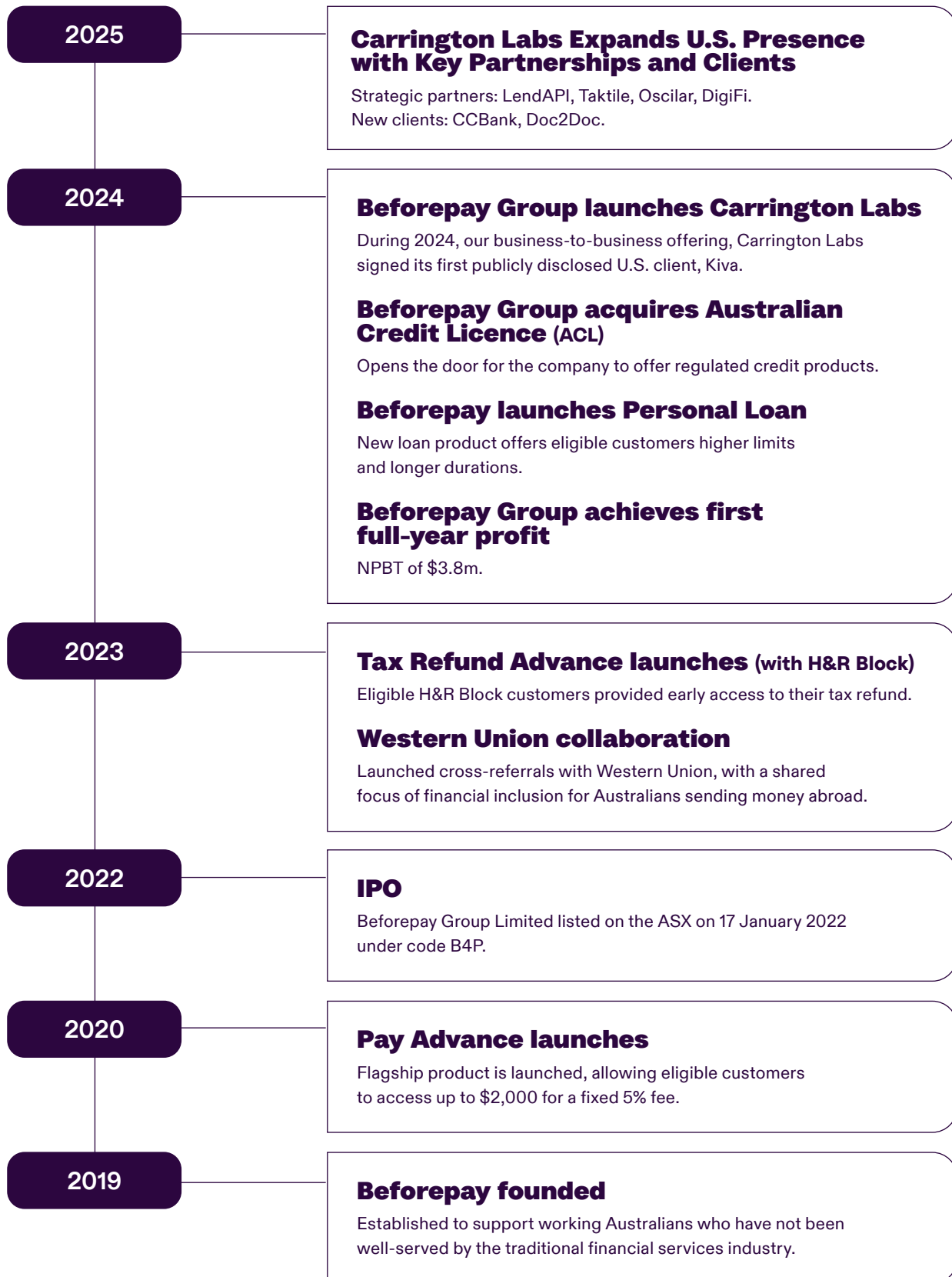


Note: Certain financial metrics and information included throughout this presentation are not recognised under the Australian Accounting Standards and are classified as 'non-IFRS financial information'. See Glossary for definitions of non-IFRS financial information. Non-IFRS financial information is unaudited. Change % is calculated using unrounded figures and may differ slightly from a number calculated using rounded figures.





# Our Journey



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# Chair's Letter



**Brian Hartzler**  
Chairman

## Dear Shareholders,

I am pleased to present Beforepay Group's 2025 annual report, which reflects a year of strong performance and strategic progress. Under Jamie Twiss's leadership, we have delivered significant profit growth with a strong net profit after tax of \$6.7m whilst continuing to scale our operations and expand our product offering.

This performance demonstrates the inherent scalability of our business model and the quality of our execution. Our focus on disciplined growth whilst maintaining strong unit economics has positioned us well for continued expansion across our core pay-advance business and strategic initiatives.

### Strategic Progress and Financial Performance

Our core pay-advance business continues to scale efficiently whilst maintaining our disciplined approach to credit risk. We have achieved this growth alongside strong profitability improvements, providing strategic flexibility to invest in our highest-return opportunities.

Our capital allocation priorities remain clear: continued investment in our core platform capabilities, scaling Carrington Labs, and expanding our Personal Loans offering. All three initiatives use a common technology platform and risk framework, maximising returns on our foundational investments.

Carrington Labs represents a natural monetisation of our risk IP, addressing market demand for sophisticated credit analytics across both business and consumer segments. Early client signings and a strong pipeline validate both product-market fit and our ability to commercialise our core capabilities. This B2B revenue stream offers attractive margins whilst diversifying our revenue base.

Our Personal Loans offering demonstrates how we can extend customer relationships and capture additional wallet share with appropriate risk-adjusted returns. Both new initiatives leverage our established risk management capabilities whilst opening significant growth opportunities.

### Competitive Position and Market Dynamics

Our competitive position has strengthened considerably over the past year. Beforepay's focus on wage-advance products with superior risk characteristics has proven resilient across different market conditions. Our proprietary risk algorithms and comprehensive data capabilities provide sustainable competitive advantages that translate directly into strong financial outcomes.

The combination of our risk technology, expanding product suite, and growing customer base creates multiple sources of competitive differentiation. Our Australian customer base and data asset provide strong foundations for continued growth, whilst our capabilities and early-mover advantage in credit analytics position Carrington Labs well for B2B expansion.



### Capital Efficiency and Returns

This year's results demonstrate the capital efficiency of our model. Strong profit growth alongside continued expansion validates our approach to balancing growth with profitability. Our investment priorities are guided by strategic fit with our core capabilities and clear evidence of market demand.

We continue to generate favourable cash returns whilst maintaining the financial flexibility to pursue our strategic initiatives. This positions us well for continued growth without compromising our disciplined approach to capital allocation.

### Regulatory Environment and Risk Management

We maintain a proactive approach to regulatory engagement whilst monitoring potential changes to frameworks governing wage-advance products. Our risk management capabilities continue to evolve, with sophisticated algorithms and comprehensive consumer behaviour insights providing superior risk assessment capabilities.

Our wage-advance model, focused on short-term advances against earned wages, operates within established regulatory frameworks. We remain confident in our ability to navigate potential regulatory developments whilst maintaining our customer-centric approach.

### Looking Forward

We enter FY26 with strong momentum and clear strategic priorities. Our focus remains on sustainable growth that creates long-term value for all stakeholders. The profit growth achieved this year provides the foundation for continued investment in our core business and strategic initiatives.

Carrington Labs offers significant growth potential as we scale our analytics offering, whilst our Personal Loans expansion addresses a clear market opportunity. Both initiatives benefit from our established infrastructure and risk capabilities.

I want to thank our team for their continued commitment to our mission, our customers and clients for their trust and loyalty, and our shareholders for their ongoing support. Beforepay Group is well-positioned to continue delivering sustainable growth whilst maintaining the operational discipline that differentiates us in the market.

**Brian Hartzler**

Chairman  
Beforepay Group Limited



# CEO's Letter



**Jamie Twiss**  
Chief Executive Officer

## Dear Shareholders,

The previous year has been a remarkable one for Beforepay Group, in which we continued to grow our Pay Advance business, launched our new Personal Loan product, and made significant strides with Carrington Labs, our enterprise risk-analytics business – all while remaining focused on execution and disciplined on costs.

The combination of strong revenue growth, tight cost management, and excellent risk management contributed to an 74.5% increase in profit after tax, from \$3.9m in FY24 to \$6.7m in FY25.

### Strong Growth and Execution

We finished the year with 269,558 active users, up from 240,254 active users twelve months ago. Over the course of the year, we issued more than \$2m advances and loans totalling \$807m, representing increases of 11% and 13.7% respectively from last year. This growth drove record revenue of \$40.2m.

### Credit-Risk Excellence

I believe that the core of Beforepay Group is our distinctive capability in data-driven credit – risk management. This was demonstrated by another step down in our net default rate, which came in at a remarkable 1.1% for the full year.

Ongoing improvements to our proprietary credit-risk models and limit-setting algorithms have driven this result. Over the past three years, our net default rate has improved from 2.4% in FY22, to 2.1% in FY23, to 1.4% last year. While I do not expect the default rate to continue falling indefinitely (and it may now be too low), we see opportunities to expand lending responsibly while maintaining strong credit performance.

### Building Strategic Momentum

The same risk-management capabilities underpin Carrington Labs, our enterprise analytics arm. In FY25, we:

- Went live with our first announced client, Kiva
- Signed partnerships with LendAPI, Oscilar, and Taktile
- Announced a U.S.-based banking client, CCBank and
- In July 2025 added specialty lender Doc2Doc as a client.

This momentum reflects the strength of our capabilities and the demand for our services, and we remain bullish on global prospects.

In FY25, we obtained our Australian Credit Licence and launched our Personal Loan product, opening access to the large Australian unsecured lending market. We expect this to be a significant future growth driver.

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This year's profitability increase was supported by a robust balance sheet. We closed FY25 with:

- \$14m unrestricted cash at bank.
- \$40.3m in equity.

Our combination of strong capital, rising profitability, competitive capabilities, and loyal customers positions us well for continued success.

### Looking Ahead

Beforepay Group continues to go from strength to strength-first proving our ability to deliver ethical, customer-friendly lending in a sustainable way, then achieving profitability, and now expanding through new products and global analytics services.

It has been an exhilarating time, and I am deeply grateful to our team, our Carrington Labs clients, and – most importantly– our hundreds of thousands of customers.



### Jamie Twiss

Chief Executive Officer  
Beforepay Group Limited



# Beforepay

## Product Overview

Beforepay gives working Australians fast and transparent control over their cash flow. The app combines three capabilities into one seamless experience.

### Insights

A dashboard that rolls bank transactions into a single view and flags upcoming bills, reducing surprises.



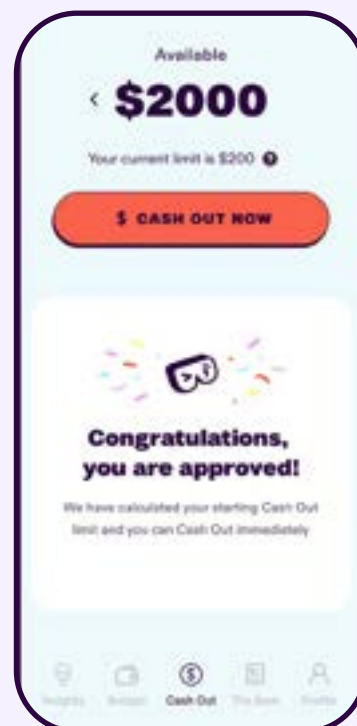
### Budget

A personalised budget tool that tracks progress against goals.



### Cash out

Ethical short-term lending options, including our flagship product, the Pay Advance. A user can cash out in minutes.



By combining the data-science capabilities of Carrington Labs with Beforepay's award-winning product, these tools let customers see, plan, and act with confidence.





## Responsible by Design

Our lending model is structured to promote financial resilience and control.



One active advance at a time; each loan must be fully repaid before another is taken.



Transparent pricing  
– no hidden charges.

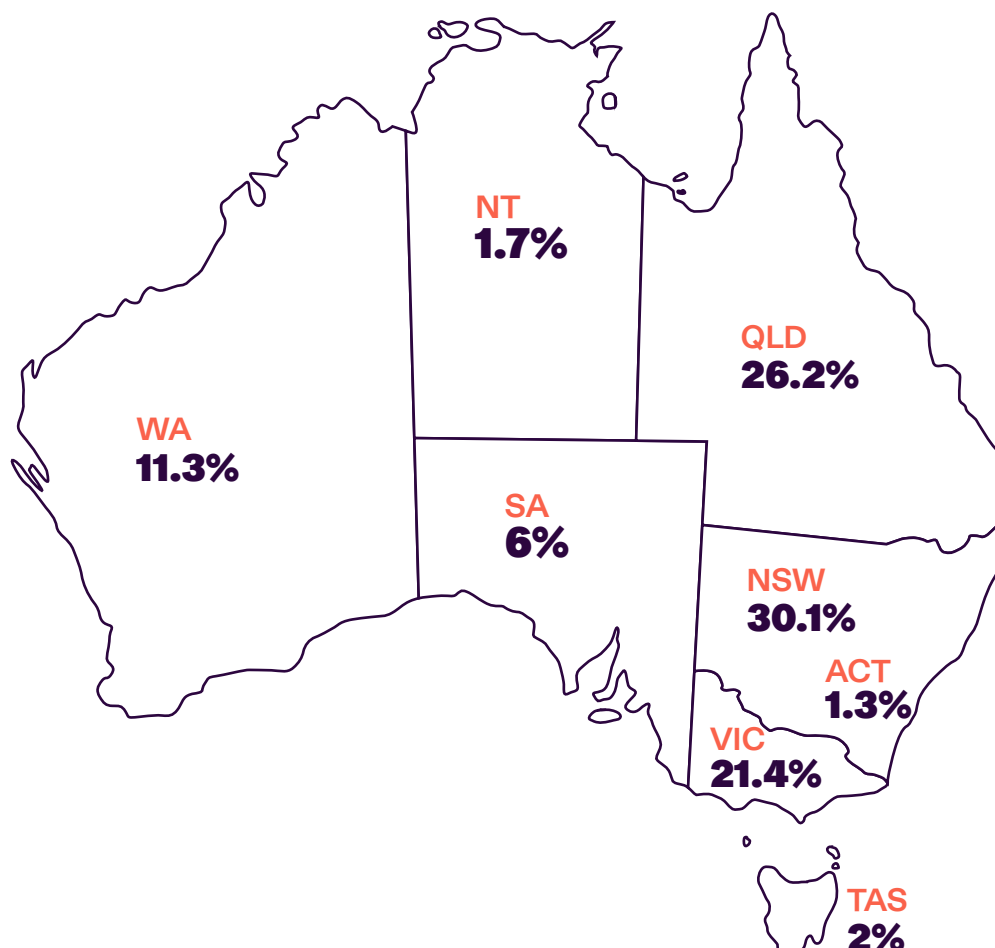


Loan sizes consider a borrower's financial health, supporting better customer outcomes and low defaults.

These practices ensure that Beforepay remains an ethical, customer-friendly alternative to high-cost credit.

# Customer Snapshot<sup>2</sup>

The average Beforepay customer is 35 years old with an annual gross income of \$66,831<sup>1</sup>.



## Top Employment Industries<sup>3</sup>

- Construction **8.5%**
- Hospitality and Restaurant Services **8.0%**
- Retail trade **7.3%**
- Healthcare and Social Services **7.2%**
- Transport and Delivery Services **4.7%**
- Manufacturing **4.5%**
- Education and Training **2.8%**
- Mining **2.7%**
- Administration and Support Services **2.1%**
- Agriculture, Forestry and Fishing **1.7%**

Figures are rounded.

1. The average annual individual customer gross income has been derived from all customers who borrowed up until June 2025 (counting only the main source of income). Beforepay's pay cycle detection tool identifies the annualised net income, which is then grossed up using the ATO tax tables. Therefore, Beforepay's average annual individual customer gross income figure may be understated due to ignoring any secondary sources of income.
2. Location is based on users who had an active Pay Advance in FY25, based on the latest KYC data collected up to end of FY25.
3. Industry is based on users who had an active Pay Advance in FY25, based on the latest self-reported employment data collected up to end of FY25.

## What our Customers Say



Beforepay has really helped me when I needed it most. The process is incredibly fast — the money gets deposited into my account within seconds. It's so convenient and reliable. Thank you for being there right on time and giving me peace of mind when I needed it. I'm truly satisfied with the service!

K.Batiratu | Trustpilot



Have been with beforepay for a while now and they are an excellent company that are honest, transparent and a fast service. Their process is easy to follow.

Megan. S. | Trustpilot





# Carrington Labs

## Building Momentum

Carrington Labs reached new milestones in its global growth journey in FY25, securing a number of U.S.-based clients, including Kiva and CCBank. Following the close of Q4FY25, Carrington Labs also announced the signing of U.S. specialty lender, Doc2Doc.

Carrington Labs has also established a growing network of strategic partners, engaging leading platforms like LendAPI, Taktile and Oscilar that provide end-to-end infrastructure for real-time lending decisions and workflows. Subsequent to FY25, Carrington Labs announced a new partnership with DigiFi.

Through these milestones, Carrington Labs is steadily growing its impact, helping lenders around the world significantly increase approvals, reduce defaults and grow margins through its advanced credit risk modelling capabilities.

*Lend***API**

 **OSCILAR**

 **Taktile**

 **DigiFi**

## Our Product Suite

Carrington Labs offers cash flow underwriting and credit risk analytics solutions for the entire borrower lifecycle. Our models provide banks and non-bank lenders with tools for loan and limit sizing, post-origination limit management, and early-warning systems.

We currently provide 4 solutions:

### Cash Flow Score

Bureau-style measure.  
Based on transaction data.  
Ideal for a quick and simple solution.

### Credit Risk Model

Tailored risk scores (to products, customers).  
Tuned to your data.  
Ideal for increasing approval rates while controlling defaults.

### Credit Offer Model

Value-maximising loan terms.  
Aligns offers with financial objectives.  
Ideal for increasing limits and margins.

### Financial Health Summary

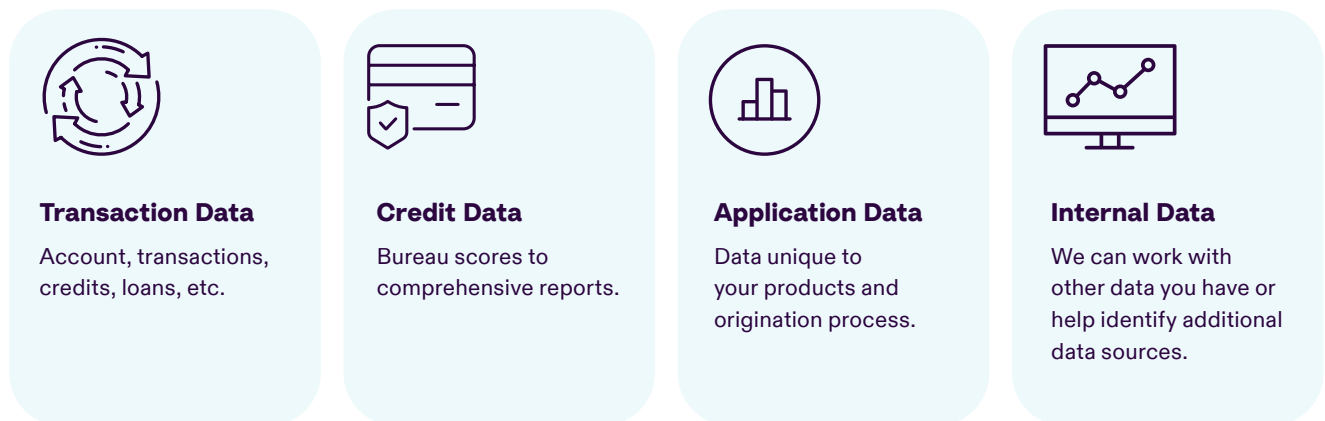
Complements other scores with key metrics.  
Supports credit reviews and servicing.  
Ideal for monitoring portfolio health.

## A Data-Driven Approach

Carrington Labs uses contemporary data-science techniques, machine learning and explainable AI to power our models.

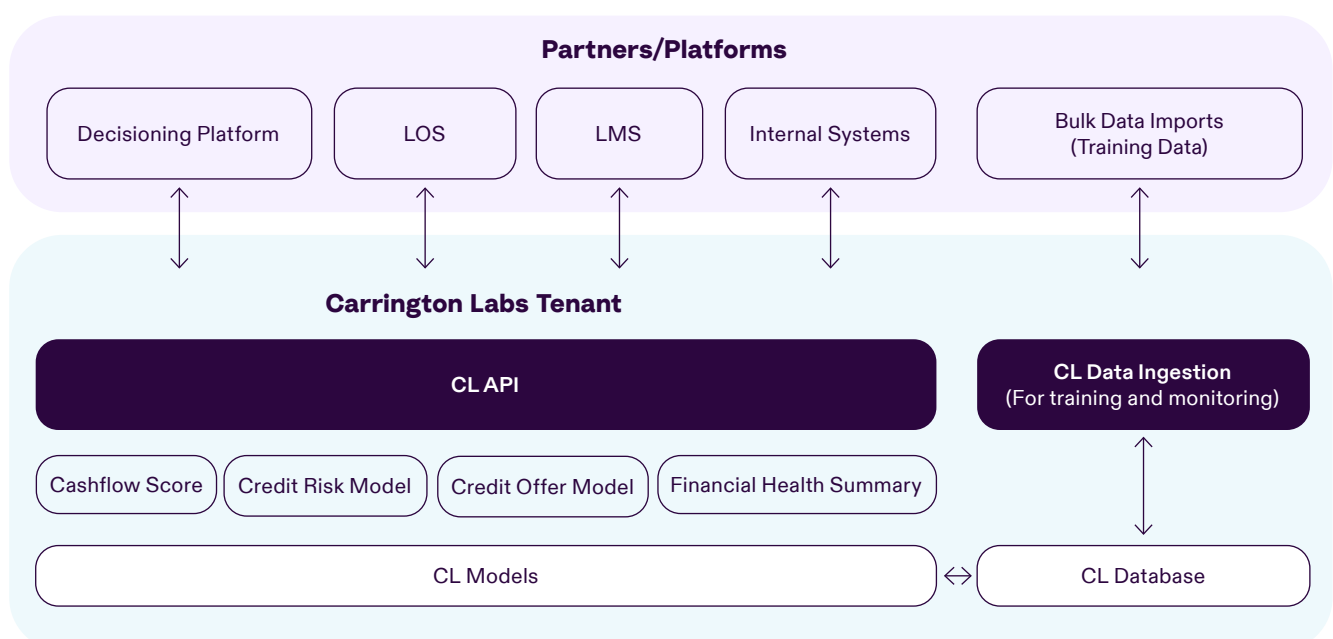
Our models can incorporate a range of different data types, including transaction data, traditional credit-file data, lender-specific data, or other client-provided data. This adaptability allows us to deliver accurate and tailored credit risk insights for each lender, across both borrower and portfolio levels.

Our models can be configured to align with a lender's strategic and financial objectives through a simple API call or through one of their existing platforms we support.



## Built for Lenders

Carrington Labs is built to work with lenders' existing workflows, avoiding the need for complex integration.



# People and Culture

We focused on strengthening our workplace experience through the introduction of a new workforce management system, continued wellness initiatives, and in-person connection points across teams.

We also welcomed new hires to support our growth, while maintaining our commitment to flexibility, development, and a strong sense of team culture.

Beforepay Group’s head office is located in Sydney.

While our employees are Australia and U.S. based, we also engage overseas contractors, primarily providing customer support in the Philippines and technology support in India.

Our offshore contractor base (supporting our Product, Marketing, and IT functions) increased by 27%, from 37 contractors in the prior period to 47 contractors as at 30 June 2025.

Breakdown of employees as at 30 June 2025

Function	FTE as at 30 June 2025	FTE as at 30 June 2024
CEO	1	1
Finance	3	3
Product and Marketing	12	15
Legal, Risk and HR	4	5
IT	23	18
Total	43	42

## Inclusion & Diversity\*

We’re committed to diversity and inclusion, and we’ve set targets for ourselves.

By the end of 2025 our goal is that:

40%

of all Company employees will be women

30%

of women will be in Beforepay Group leadership positions

30%

of our Board will comprise of women – whilst acknowledging that gender is non-binary

We’re proud of the progress we’ve made – and we’re just getting started, remaining focussed on what comes next. For FY26 our goal is that:

48%

of the Company employees are women

47%

of leadership positions are held by women

75%

of the executive team reporting to the CEO are female

\* As at 30 June 2025.



# Directors' Report

30 JUNE 2025

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Beforepay Group Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2025.

## Directors

The following persons were Directors of Beforepay Group Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Brian Hartzer – Chair and Non-Executive Director  
 Daniel Moss – Non-Executive Director  
 Stefan Urosevic – Non-Executive Director  
 Patrick Tuttle – Non-Executive Director

## Principal activities

During the financial year the principal continuing activities of the Group consisted of providing finance to its customers by way of pay on demand advances. The Group also announced the pilot of its new regulated Personal Loans product and the provision of loan decisioning and credit risk modelling through its enterprise software division, Carrington Labs.

## Business objectives

In accordance with Listing Rule 4.10.19 the Company confirms that the Group has been utilising the cash and assets in a form readily convertible to cash that it held at the time of its admission to the Official List of the Australian Securities Exchange (ASX) for the whole of the reporting period (being 30 June 2025) in a way that is consistent with its business objectives.

## Corporate governance statement

The Directors and management are committed to conducting the business of Beforepay Group Limited in an ethical manner and in accordance with the highest standards of corporate governance. Beforepay Group has followed the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Fourth Edition) (ASX Principles and Recommendations) throughout the financial year ended 30 June 2025 (the Reporting Period). Beforepay Group's Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the Reporting Period, and which is current as of 26 August 2025, was approved by the Board as part of the Annual Report and can be found on the Investor Relations page at [www.beforepay.com.au/investor-hub/corporate-governance](http://www.beforepay.com.au/investor-hub/corporate-governance).

## Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

## Review of operations

The profit for the Group after providing for income tax amounted to \$6,741,759 (30 June 2024: \$3,863,744).

Revenue from ordinary activities in the current year was \$40,165,013, representing an increase of 13.7% on the previous financial year (30 June 2024: \$35,313,322).

In the financial year ended 30 June 2025 ('FY25'), the Group maintained profitability, with an annual profit of \$6.7 million and continues to be a leader in the pay-advance sector. This strong outcome was driven by consistent execution of our strategy, including delivering continued top-line growth, disciplined operating leverage and strong default and profit outcomes. The Group continues to support more customers with an alternative to revolving debt.

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## Directors' Report continued

Compared to the previous financial period ended 30 June 2024 ('FY24'), the Group grew the number of advances written by 11% to 2,065,120 and increased the total volume of advances by 14% to \$807 million. The number of active customers reached a record 269,558 a 12% increase from FY24 reflecting the Group's continued focus on product improvement and performance marketing. The Group achieved underlying earnings before interest, taxation, depreciation and amortisation (EBITDA) profit of \$12 million (unaudited) for the current period, up from an EBITDA profit of \$8.5 million (unaudited) in the previous financial period ended 30 June 2024.

The Group earned a positive net transaction margin of \$25,051,022 (unaudited) in the current period (30 June 2024: \$19,459,062 (unaudited)), a 29% increase from the previous financial period. This result was driven by a decrease in net default rates, as well as higher revenue. Net transaction margin is comprised of income less direct financing costs, direct service costs in facilitating pay advances to customers, and expected credit losses (defaults).

Carrington Labs continued to execute on its U.S. focused growth strategy in FY25, expanding partner-led distribution through integrations with market-leading risk-decisioning platforms, Oscilar and Taktile and a leading loan origination platform, LendAPI. During the year, the Group announced a new banking client with Utah-based CCBank. Subsequent to year-end, Carrington Labs entered an additional commercial agreement with a U.S. specialty lender Doc2Doc and a new partnership with DigiFi. Together, these milestones demonstrate growing traction in a market distinguished by scale, technological maturity and demand for data-driven financial solutions.

The Group also continued to issue Personal Loans and gradually extended access to the product across its existing user base.

During the current reporting period, the Group was recognised for its customer-centric approach and mission driven service offerings as the:

- Ethical Consumer Lender of the Year 2025 at the APAC Insider Australian Enterprise Awards 2025; and
- High-Growth Companies Asia-Pacific 2025 from the Financial Times and Statista.

Carrington Labs also garnered notable recognition, reflected in its accelerated growth over the year, as the:

- Best AI Credit Risk Solutions Australia 2024 at the BRM Awards for 2024;
- Best AI-Powered Credit Risk & Lending Solutions Provider 2025 at the APAC Insider Australian Enterprise Awards 2025;
- Credit Risk Lending Solutions of the Year – US 2025 at the World Business Outlook Awards for 2025; and
- Most Trusted Credit Risk Solution 2025 from Enterprise World.

The Group maintained a strong balance sheet with cash on hand of \$14,007,754 and a total equity position of \$39,326,756 as at 30 June 2025. The Group is well capitalised and only carries debt to finance receivables.

## Key risks

There are a number of potential risks associated with the operations of the Group and the industry in which it operates, which may impact its future financial performance.

### The Group may not successfully execute one or all of its growth strategies

The Group's growth depends on (amongst other matters) new customers using the Pay Advance and Tax Refund Advance products and existing customers re-using the products. The Group aims to achieve high rates of growth in its existing core products by executing its marketing strategies, undertaking a wider distribution, and continuing to develop and improve its technology and product offering to adapt to a change in customer preferences.

In addition, the Group's growth strategy is also focussed on its personal loans product that complements the existing consumer business and the expansion of Carrington Labs, the newly launched business line offering the Group's proprietary risk model to prospective partners around the world.

There is a risk that some or all of the Group's growth strategies will fail to be successfully implemented or deliver the expected returns. The growth strategies may be subjected to unexpected delays and costs.

There is also a risk that the Group may no longer offer products which are attractive to the market, or that other products may enter the market which customers prefer, leading to a significant material adverse impact on the Group's business, financial condition, operating and financial performance, growth, and/or the value of its shares.

### The Group may experience a security or data breach including from cyberattacks

The Group uses cloud-based technology platforms to host a number of its key systems and processes including customer data. The Group maintains the confidentiality and security of the wide range of confidential customer information that the Group collects, through the ordinary course of business, when designing its technology platform. Despite seeking to protect customer and the Group data, there is a risk that the Group is exposed to a security breach or is the victim of a successful cyberattack. Any data security breaches or failure to protect confidential customer information could result in a significant disruption to the Group's systems, reputational damage, and breach of applicable laws. Any of these factors could have a materially adverse impact on the Group's business, financial position, operating and financial performance, growth, and/or the value of the shares.

### The Group is reliant on third-party vendors, information-technology suppliers and software and infrastructure providers

The Group's business is dependent on the services and software provided by third-party vendors, information-technology suppliers, and software and infrastructure providers. Consequently, there are a range of potential operational issues which are outside its control. The Group could face significant costs if the provision of such services is disrupted, delayed, or if the contracts are terminated or altered in any way that is detrimental to the Group, and the Group cannot find alternative services on commercially reasonable terms on a timely basis. There is also a risk that third-party suppliers do not perform adequately, terminate the contractual relationship with the Group, become insolvent, or are acquired by a competitor.

### The Group's business may be impacted by non-compliance with existing or new regulations

The Group operates in the financial services sector and is subject to a range of legislative and compliance requirements. In Australia, the Group must comply with regulatory obligations in relation to, amongst other things, licensing, responsible lending, anti-money laundering, counter-terrorism financing, privacy, design and distribution obligations, unfair contract terms, and disclosures to customers and investors. Inadequate controls resulting in non-compliance with existing or new regulations could attract fines and reputational damage, amongst other consequences.

Whilst the Group stays informed of actual and threatened changes to laws and regulations, it cannot predict future changes or their impact on the business. There is a risk that actual or proposed changes to laws and regulations or the exercise of regulatory or administrative powers may require the Group to change its business model, strategy, compliance framework, or financing arrangements.

The expected expansion of Carrington Labs in overseas jurisdictions may also require the Group to comply with laws and regulations in those jurisdictions, such as local privacy laws, licensing regimes, and consumer protection regulations.

### Inaccurate data used in the Group's credit assessment process could result in poor customer outcomes or inaccurate financial reporting

Data plays a key role in how we provide our product to customers. Poor data quality could result in deficiencies in our credit systems and processes, therefore negatively impacting our decision making in the provision of the Group's products and services. The Group could face significant losses to its customer base if incorrect credit modelling outcomes result in poor customer sentiment and reduced usage of the product. This data is also used in financial reporting, and regulatory remediation due to incorrect financial reporting could impact the Group's compliance requirements and further increase costs for the Group.

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## Directors' Report continued

### The Group may be unable to access funding or funding may only be available on less favourable terms

The Group may require debt and/or equity funding to finance its ongoing operations and, in particular, to finance its proposed growth objectives. The Group's existing finance facility contains a number of covenants and restrictions which, if breached by the Group, could cause an event of default. If this occurs, the ability for the Group to access funding may be restricted in the short term.

### Other key risks

Other key risks include the risk of heavy reliance on mobile application stores and performance marketing for distribution of the product, operational risk arising from a number of factors, including human error, processing and communication errors and employees not carrying out their duties responsibly, and the risk that the Group is unable to attract and retain key personnel to support its growth plans.

## Significant changes in the state of affairs

Ms Elena Chan served as Acting Chief Financial Officer from 1 July 2024 until 1 May 2025 (resignation date). Ms Shreya Prakash was appointed Interim Chief Financial Officer effective 1 May 2025 through to 10 August 2025, following which Ms Laavanya Pari assumed the role of Chief Financial Officer.

The company's wholly owned subsidiary, BPG Credit Pty Ltd obtained an Australian Credit Licence (ACL) at the end of August 2024 enabling it to issue its regulated credit product, the Personal Loan. This complements the existing Pay Advance and Tax Refund Advance products, supporting customers requiring larger sums for longer durations. 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.

On 17 April 2025, the Company's wholly owned subsidiary, Beforepay Finance Pty Ltd, introduced a \$7.5 million revolving sub-limit within the existing \$55 million facility limit. This revolving sub-facility enables the Company to more efficiently manage its overall funding costs by deploying excess cash when available. As at 30 June 2025, the Company has drawn \$30.9 million (\$24.1 million undrawn) under its third-party debt facility.

There were no other significant changes in the state of affairs of the Group during the financial year.

## Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

## Likely developments and expected results of operations

In FY26, the Group will continue to focus its three verticals as follows:

- **Core Pay Advance business:** The Group intends to continue growing and servicing our core Pay Advance business. The Group aims to provide safer and better credit alternatives to our customers while maintaining a lean cost base and improving margins.
- **New lending products:** The Group launched its Personal Loan product, with a phased approach, initially offering the product to existing customers to validate its performance and identify opportunities for enhancements to the credit risk model and processes prior to offering the product more widely. The company will progressively expand the offering. With our strong capabilities in data-driven risk management and a large customer base, the Group believes it is well-positioned to compete effectively in this market.
- **Carrington Labs:** Carrington Labs has gained significant momentum in FY25 and the Group intends to continue to grow in this space through its strategic partnerships as well as onboarding new clients.



## Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

## Information on directors

Name:	Brian Hartzler
Title:	Chair and Non-Executive Director
Qualifications:	BA (Hons), CFA
Experience and expertise:	In addition to his role as Chair of Beforepay, Brian is currently CEO of Quantum Health, a specialist data science and AI consulting business, as well as Chairman of Reejig, a Sydney-based HR technology start-up. Brian was the CEO of Westpac Banking Corporation from 2015 to 2019. Prior to joining Westpac Brian was CEO of the Retail & Wealth Management division of the Royal Bank of Scotland Group in the United Kingdom. Prior to that he held several senior leadership roles at Australian and New Zealand Banking Group Limited, including running the Retail and Consumer Finance divisions of the bank. He is also President of the Board of Trustees of the Australian Museum.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Remuneration and Nomination Committee Member of the Audit and Risk Committee
Interests in shares:*	284,294 ordinary shares
Interests in options:*	415,670 options over ordinary shares
Name:	Daniel Moss
Title:	Non-Executive Director
Qualifications:	BBus, MAICD
Experience and expertise:	Daniel is experienced in managing financial services businesses. He is a founding partner and the Managing Director of VFS Group, a firm specialising in wealth management. He has over 15 years' experience in investment markets, specialising in equities, derivatives and portfolio construction. Daniel is also an active seed stage investor managing multiple venture investments dealing in high growth, disruptive companies. He is an experienced Director having taken board seats on several portfolio companies.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Remuneration and Nomination Committee
Interests in shares:*	948,549 ordinary shares
Interests in options:*	173,470 options of ordinary shares

## Directors' Report continued

<b>Name:</b>	Stefan Urosevic
<b>Title:</b>	Non-Executive Director
<b>Qualifications:</b>	GAICD, CPA, MBA, F FIN, GradDipFP
<b>Experience and expertise:</b>	Stefan is currently an Executive Director and the Chief Financial Officer at VFS Group, a holistic wealth management firm based in Sydney. Stefan has extensive experience in Wealth Management, Financial Planning, Corporate Advisory and Venture Capital Investing. Stefan served as a Non-Executive Director on the board of Grow Inc. and continues to serve as the Responsible Manager for the company. Further, Stefan currently serves as a Non-Executive Director of CTSA Group & TogetherAI. Stefan holds an MBA from Deakin University, is a Fellow of the Financial Services Institute of Australasia (FINSIA), is a member of the Certified Practicing Accountants Australia and is a Graduate of the Australian Institute of Company Directors.
<b>Other current directorships:</b>	None
<b>Former directorships (last 3 years):</b>	None
<b>Special responsibilities:</b>	Member of the Audit and Risk Committee
<b>Interests in shares:*</b>	764,825 ordinary shares
<b>Interests in options:*</b>	173,470 options over ordinary shares
<b>Name:</b>	Patrick Tuttle
<b>Title:</b>	Non-Executive Director
<b>Qualifications:</b>	B Econ., Member of Chartered Accountants Australia and New Zealand
<b>Experience and expertise:</b>	Patrick previously acted as divisional finance director for a range of operating businesses within Macquarie Bank Limited, before becoming finance director of Pepper Group in 2001. Patrick became CEO of Pepper Group's Australian mortgage lending and asset finance business in 2008, before also being appointed as Co-Group CEO of Pepper's global business in 2012. He left Pepper in 2017. Patrick is currently Non-Executive Chairman of COG Financial Services Limited (ASX: COG) and serves as a Non-Executive Director of Beforepay Group (ASX: B4P), Shift Financial, Azora Finance Group, Weel Holdings Pty Limited. Patrick is also a Non-Executive Director of Australian Ireland Fund Limited (registered charity) and a former Deputy Chairman of the Australian Securitisation Forum, Inc.
<b>Other current directorships:</b>	None
<b>Former directorships (last 3 years):</b>	COG Financial Service Limited (ASX:COG) (resigned 3 April 2025), OpenPay (ASX:OPY) (resigned 17 February 2025) and Dough Limited (ASX:DOU) (resigned 28 February 2022)
<b>Special responsibilities:</b>	Chair of the Audit and Risk Committee Member of the Remuneration and Nomination Committee
<b>Interests in shares:*</b>	29,326 ordinary shares
<b>Interests in options:*</b>	173,470 options over ordinary shares

\* At the date of this report.

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

## Company secretary

Elena Chan, an employee of the Group, and David Hwang, Managing Director of Confidant Partners, a corporate secretarial provider, served as joint company secretaries to the Group for FY25. Elena was appointed on 31 August 2022 and resigned on 1 May 2025 (last working day 1 August 2025), and David was appointed on 1 May 2024.

Elena joined the Group in 2021 as General Counsel and Chief Risk Officer. Elena has over 20 years' experience in the financial services industry, advising across a full range of legal, governance, compliance, and risk matters. Prior to joining the Group, Elena held various leadership roles across legal, business and risk at Westpac. Elena has also worked in law firms and other corporations in Australia and the United Kingdom, including Morgan Stanley, Simmons & Simmons, Henry Davis York (now Norton Rose Fullbright), and PwC. Elena holds a double degree in Law and Commerce (Finance) from the University of New South Wales and is a Graduate of the Australian Institute of Company Directors.

David is a corporate lawyer, company secretary and advisor to Boards and management of ASX listed entities. David regularly advises emerging and listed entities across a range of compliance, legal, governance and strategic matters. David is Managing Director of Confidant Partners, which provides ASX compliance, corporate legal, company secretarial and Board advisory services. Prior to Confidant Partners, David was a senior executive at a leading integrated technology solutions and professional services provider, where he led Australia's largest outsourced company secretarial and legal team.

## Meetings of directors

The number of meetings of the Group's Board of Directors (the Board) and of each Board committee held during the year ended 30 June 2025, and the number of meetings attended by each director were:

	Full Board		Audit and Risk Committee		Remuneration and Nomination Committee	
	Attended	Held	Attended	Held	Attended	Held
Brian Hartzler	16	16	7	7	2	2
Daniel Moss	16	16	–	–	2	2
Stefan Urosevic	16	16	7	7	–	–
Patrick Tuttle	16	16	7	7	2	2

**Held:** represents the number of meetings held during the time the director held office or was a member of the relevant committee.

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# Remuneration Report (audited)

## Remuneration Report (audited)

The 2025 financial year was another significant year for the Group, with strong business performance on several metrics including the value of total pay advances which reached \$807.4 million in FY25, while the number of active customers increased 12% from 240,254 to 269,558 during the year. The Group has now registered over 1.7 million users. Positive unit economics was achieved with higher Net Transaction Margin (3.1% in FY25), and declining Net Default (1.1% in FY25). Notably, the Group achieved a net profit after tax of \$6.7 million for the year ending 30 June 2025 ('FY25'), up significantly on the prior year profit of \$3.9 million in 30 June 2024 ('FY24'). Further, the Group won several awards, launched Carrington Labs, a new business-to-business (B2B) offering to make the Group's AI-powered risk models and technology available to enterprises, and it continues to explore opportunities to introduce additional lending products that could complement the existing consumer business.

### Snapshot of remuneration for 2025

The Board has been focused on ensuring that the structure of executive remuneration for the coming year achieves a balance between cost control and creating an environment where we can attract and retain the appropriate talent to support the Group's growth objectives. Our executive remuneration structure is developed in line with our Remuneration Policy which drives both short-term and long-term results achievement via an annual incentive program. This program continues to combine eligibility to earn short-term incentives (STI) and long-term incentives (LTI) based upon the achievement of financial and non-financial key performance indicators for the financial year. More detail on the executive remuneration annual incentive plan is outlined in this report.

Guided by our Remuneration Policy and the Key Performance Measures set by the Board, the outcomes for executive key management personnel (as described below), namely the Chief Executive Officer ('CEO'), paid in the reporting period was \$250,000 STI and a grant of 531,915 performance rights, which are subject to performance hurdles tied to financial and strategic metrics over multi-year periods. 881,467 executive key management personnel options vested during the reporting period and 411,523 executive key management personnel performance rights vested and were exercised during the reporting period.

## Introduction

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Shares and options issued to directors and other key management personnel
- Additional information
- Additional disclosures relating to key management personnel

The report has been prepared and audited against the disclosure requirements set out in the *Corporations Act 2001* (Cth).

## Key management personnel

This remuneration report discloses the FY25 remuneration arrangements and outcomes for the people listed below, who are those individuals within the Group that have been determined to be key management personnel (KMP) in the financial year ended 30 June 2025.

KMPs are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors. The KMP of the Group also includes the CEO.



## Directors

- Brian Hartzer – Chair
- Daniel Moss – Non-Executive Director
- Stefan Urosevic – Non-Executive Director
- Patrick Tuttle – Non-Executive Director

## Executive KMPs

- Jamie Twiss – Chief Executive Officer

## Principles used to determine the nature and amount of remuneration

The Group's remuneration policy aims to ensure reward for performance is competitive and appropriate for the results delivered. The remuneration policy was reviewed by the Remuneration and Nomination Committee (RNC) in FY25, with no substantive changes being made to the overall framework of how the Group incentivises staff, as set out in the policy.

## Remuneration strategy

The Board is responsible for setting our remuneration framework to ensure the framework aligns rewards with the achievement of strategic objectives and the creation of value for shareholders.

The RNC assists the Board by being responsible for determining and reviewing remuneration arrangements for our directors and executives, noting that the performance of the Group depends on the quality of its directors and executives.

Broadly, our remuneration strategy is to:

- align with our vision and strategy;
- retain and attract exceptional talent;
- meet the spirit of the current and expected regulatory environment; and
- align with the interests of our customers and shareholders in a sustainable manner.

We consider that our remuneration framework conforms to market best practice for the delivery of reward.

For FY25, the Company continues to weigh total variable remuneration for the executive KMP to long term equity grants (rather than STI/cash).

The remuneration strategy is underpinned by the following remuneration principles:

- Remunerate for performance and behaviour: We pay employees for their performance and behaviours aligned to:
  - our vision and strategy;
  - customer and shareholder interests and support for the creation of longer-term Group performance achievement and shareholder value;
  - sustainable outperformance and discouragement of poor performance; and
  - supporting our risk culture in driving longer-term value.
- Remunerate competitively: We aim to pay our employees competitively against the external market, having regard to their capability and experience. Our intention is to pay employees in a range around the middle of the market in relation to their total award opportunity (or somewhere above for exceptional talent), taking into account the size of the Group.
- Remunerate fairly: We ensure that we pay fairly by comparing and calibrating employee pay outcomes across a number of different categories including across different genders, full-time roles and part-time roles. By doing this comparison, we confirm that what we pay is fair and equitable compared to other employees doing similar roles in comparable companies.

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## Directors' Report continued

### REMUNERATION REPORT (AUDITED) CONTINUED

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

## 2024 Remuneration Report

The Remuneration Report for the financial year ended 30 June 2024 was adopted with strong shareholder support at the 2024 Annual General Meeting on 20 November 2024 with a vote of 78.73% in favour. The Group received no specific feedback on its Remuneration Report at the 2024 Annual General Meeting.

## Non-executive directors' remuneration

The non-executive directors' aggregate remuneration has remained the same for the FY25 period as for FY24.

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the RNC. The RNC may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The Chair's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The Chair is not present at any discussions relating to the specific determination of his own remuneration.

The ASX listing rules require the aggregate non-executive directors' remuneration to be determined periodically by a general meeting. As set out in the IPO prospectus dated 29 November 2021 and the 2024 Annual Report, the maximum annual aggregate remuneration available to non-executive directors was set at \$700,000. For the year ended 30 June 2025, the fees payable to the non-executive directors did not exceed \$700,000 in aggregate.

## Executive remuneration

We aim to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components in accordance with the Remuneration Policy.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits;
- short-term performance incentives;
- long-term incentives; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary and superannuation, are reviewed annually by the RNC based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

Some executives may receive their fixed remuneration in the form of cash or other fringe benefits where it does not create any additional costs to the Group and provides additional value to the executive.

The STI program is designed to align the targets of the various business teams with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators (KPIs) being achieved.

The long-term benefits are equity-based payments. Options and/or performance rights are awarded to executives over a period of one, two, three and four years based on continuous employment and/or other performance conditions. Options are also awarded on a discretionary basis, having regard to the same measures as noted above for the STI program.

Making appropriately structured equity incentive awards under our annual LTI grant cycle is a key component of our remuneration arrangements for executives.

## FY25

For the FY25 period, to ensure executive KMP's incentive structure is aligned with the creation of longer-term company performance and shareholder value, the KPIs attaching to the STI and LTI program for executive KMPs were:

### KMP Performance Scorecard

Key Priority	Target		Outcome
<b>Profitability and Value (40%)</b>	Achieve profitability whilst managing risks effectively measured by EBITDA, net profit before tax and having regard to the notional value of the company.	<p>CEO STI Metric (%) — Target — EBITDA (\$m)</p> <p>CEO STI Metric (%) — Target — NPBT (\$m)</p>	<p>We beat our EBITDA target by 23%. The 100% target set by the Board was EBITDA ≥ \$9.7m and the Group achieved an EBITDA of \$12m.</p> <p>We beat our NPBT target by 65%. The 100% target set by the Board was NPBT ≥ \$3.8m and the Group achieved a NPBT of \$5.4m.</p>
<b>Strategy (30%)</b>	Drive strategic priorities and ensure that they are progressed. This is measured by delivery of the clear set out of specific deliverables to be completed/progressed in FY25 and the successful execution of those deliverables including growth in all three streams.	<p>Carrington Labs signs on new clients and establishes new partnerships in the U.S.</p> <p>Management has successfully obtained an Australian Credit Licence</p> <p>Define strategic priorities, including the growth strategy for the next phase</p> <p>0% 20% 40% 60% 80% 100%</p>	Management successfully executed against deliverables including: Outperforming most targets for Pay Advances, successfully launching the Personal Loans product and signing several partnerships and clients for Carrington Labs.

## Directors' Report continued

### REMUNERATION REPORT (AUDITED) CONTINUED

Key Priority	Target		Outcome
<b>Growth (15%)</b>	Grow customer base, measured by active users achieved, as set by the Board.	<p>CEO STI Metric (%)</p> <p>Target</p> <p>Active Users</p>	Active users came in slightly lower than the target of 297,000.
<b>People and Culture (15%)</b>	<p>Strong capability to support growth, with continued improvements in leadership capability and bench strength, having regard to:</p> <ul style="list-style-type: none"> <li>• Staff attrition with reference to regretted attrition; and</li> <li>• Progress towards I&amp;D targets.</li> </ul>	<p>People and Culture – Actual vs Target</p> <p>Performance (1.0 = Target)</p>	The Company's people and culture capability remains strong to support growth. Our pulse survey results were positive at 73.81%.

The STI target opportunity for the CEO for the 2025 financial year are \$160,000.

The LTI target opportunity for the CEO for the 2025 financial year is \$500,000.

The Board will consider the amount of the STI and LTI for CEO in respect of the FY25 reporting year in August 2025.



## FY24

In August 2024, the STI and LTI target outcomes for the CEO were resolved by the Board in consideration of the achievement of KPI outcomes from the FY24 year.

In particular, the Board considered the following in determining the appropriate STI and LTI outcomes:

- Customer Growth 240,254 active users by the end of FY24;
- Significant improvement in EBITDA with \$8.5m (FY23: –\$3.1m) and net profit before tax of \$3.9m (FY23: net loss before tax of \$6.6m);
- Momentum and progress on the key strategic priorities including in relation to the growth in the Pay Advance product, and the development of new products and business, including the Personal Loan product and the new Carrington Labs business; and
- Improvement of overall employee engagement scores.

As a result, Jamie Twiss was paid a cash bonus of \$250,000 plus superannuation (STI) and granted 531,915 performance rights (LTI), being 100% of the STI target and 100% LTI target for FY24.

## Consolidated entity performance and link to remuneration

As noted above, remuneration for certain individuals is directly linked to the performance of the Group. The cash bonus and incentive payments are at the discretion of the Board and/or RNC.

The RNC is of the opinion that the continued improved results can be attributed in part to the adoption of performance-based compensation and is satisfied that this improvement will continue to increase shareholder wealth if maintained over the coming years.

## Use of remuneration consultants

From time to time, the RNC seeks external independent remuneration advice. Remuneration consultants are engaged by, and report directly to, the RNC. In selecting a remuneration consultant, the RNC considers potential conflicts of interest and requires the consultant's independence from management as part of their terms of engagement.

Where the consultant's engagement requires a remuneration recommendation or review of the Group's proposed remuneration, the outcome of the work is provided to the Chair of the RNC to ensure management cannot unduly influence the outcome.

An agreed set of protocols for the engagement of advisers are in place to ensure that the remuneration recommendations would be free from undue influence from key management personnel. These protocols include, where practicable, requiring that the consultant not communicate with affected key management personnel without a member of the RNC being present, and that the consultant not provide any information relating to the outcome of the engagement with the affected key management personnel. The Board is also required to make inquiries of the consultant's processes at the conclusion of the engagement to ensure that they are satisfied that any recommendations made have been free from undue influence.

## Directors' Report continued

### REMUNERATION REPORT (AUDITED) CONTINUED

## Details of remuneration

### Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

		Short-term benefits	Short-term benefits	Post- employment benefits	Share- based payments		
	Financial year	Cash salary and fees <sup>1</sup>	Cash bonus	Super- annuation	Equity- settled	Termination benefits	Total
		\$	\$	\$	\$	\$	\$
<b>Non-Executive Directors</b>							
Brian Hartzer	2025	181,818	–	20,909	6,548	–	209,275
	2024	181,818	–	20,000	–	–	201,818
Daniel Moss	2025	82,500	–	9,487	6,548	–	98,535
	2024	82,500	–	9,075	–	–	91,575
Stefan Urosevic	2025	82,500	–	9,487	6,548	–	98,535
	2024	82,500	–	9,075	–	–	91,575
Patrick Tuttle	2025	95,000	–	10,925	6,548	–	112,473
	2024	92,148	–	10,136	–	–	102,284
Luke Bortoli <sup>4</sup>	2025	–	–	–	–	–	–
	2024 <sup>2</sup>	39,583	–	4,354	–	–	43,937
<b>Other Key Management Personnel</b>							
Jamie Twiss	2025	350,493	250,000	29,932	549,172 <sup>5</sup>	–	1,179,597
	2024	338,395	250,000	27,399	508,222	–	1,124,016
Michael Bencsik <sup>3</sup>	2025	–	–	–	–	–	–
	2024 <sup>2</sup>	325,390	45,000	27,399	4,410	–	402,199
Total (\$)	2025	792,311	250,000	80,740	575,364	–	1,698,415
	2024	1,142,334	295,000	107,438	512,632	–	2,057,404

<sup>1</sup> On and from the date of the Group's listing on the Official List of the ASX, includes committee fees of \$12,500 for each Board committee of which a director is a chair and \$7,500 for each Board committee of which a director is a member. The Chair of the Board does not receive additional fees for being a member of any Board committee.

<sup>2</sup> Represents remuneration from the date of appointment or up until the date of resignation.

<sup>3</sup> Mr. Bencsik ceased as CFO on 28 June 2024.

<sup>4</sup> Mr. Bortoli ceased directorship on 23 November 2023.

<sup>5</sup> Subsequent to the issue of the FY24 Remuneration Report, the LTVI has been restated from \$388,931 to \$508,222 following an amendment to the expensing methodology.

## Remuneration linked to performance

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk – STI		At risk – LTI	
	2025	2024	2025	2024	2025	2024
<b>Non-Executive Directors</b>						
Brian Hartzler	100.00%	100.00%	–	–	–	–
Daniel Moss	100.00%	100.00%	–	–	–	–
Stefan Urosevic	100.00%	100.00%	–	–	–	–
Patrick Tuttle	100.00%	100.00%	–	–	–	–
Luke Bortoli*	–	100.00%	–	–	–	–
<b>Executive Key Management Personnel</b>						
Jamie Twiss	30.00%	36.00%	21.00%	25.00%	49.00%	39.00%
Michael Bencsik*	–	88.00%	–	11.00%	–	1.00%

\* Represents remuneration up until the date of resignation.

## Service agreements

Name:	Jamie Twiss
Title:	Chief Executive Officer
Qualifications:	BA, MBA, MDS
Commencement date:	20 May 2021
Term of agreement:	Under Mr Twiss's employment contract, either he or Beforepay Ops Pty Ltd may terminate his employment by giving the other party six months' written notice (or by the Group making payment of his salary in lieu of part of or all of the notice period). Mr Twiss's employment contract contains post-employment restraints.
Details:	Fixed annual remuneration: \$380,425 (inclusive of superannuation).  STI: Mr Twiss is eligible to participate in annual incentive and bonus schemes.  LTI: Mr Twiss is entitled to participate in the Group's Long Term Incentive Plan ('LTIP').
Other benefits:	Mr Twiss may be reimbursed for all reasonable and necessary expenses which are incurred by him in the course of his employment and authorised by the Group.

## Directors' Report continued

### REMUNERATION REPORT (AUDITED) CONTINUED

## Shares and options issued to directors and other key management personnel

### Issue of shares

No shares in the Company were issued to directors and other key management personnel as part of compensation for the reporting period ended 30 June 2025.

### Grant of options and/or performance rights

The terms and conditions of each grant of options and/or performance rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are set out below. Options and/or performance rights granted carry no dividend or voting rights.

Name	Number of options/ performance rights	Exercise price	Grant Date	Vesting dates and performance conditions (if applicable) <sup>1</sup>	Expiry date	Number of options vested at 30 June 2025	Average fair value of options at grant date (post share split) <sup>6</sup>	Average fair value of options at 30 June 2025
<b>Non-Executive Directors</b>								
Brian Hartzler	60,600	\$0.8793	05-Jul-21	Vested	05-Jul-31	60,600	\$0.37	\$0.27
	60,600	\$0.8793	05-Jul-21	Market cap <sup>2</sup> of \$250 million	05-Jul-31	–	\$0.37	
	60,500	\$0.8793	05-Jul-21	Market cap of \$500 million	05-Jul-31	–	\$0.37	
	60,500	\$0.8793	05-Jul-21	Market cap of \$1 billion	05-Jul-31	–	\$0.37	
	83,613	\$0.3887	30-Jun-22	Vested <sup>5</sup>	30-Jun-27	83,613	\$0.09	
	59,952	\$0.5421	30-Jun-23	Vested <sup>5</sup>	30-Jun-28	59,952	\$0.17	
	29,905	\$1.0860	20-Sep-24	Vested <sup>5</sup>	20-Sep-29	29,905	\$0.22	
Daniel Moss	83,613	\$0.3887	30-Jun-22	Vested <sup>5</sup>	30-Jun-27	83,613	\$0.09	\$0.14
	59,952	\$0.5421	30-Jun-23	Vested <sup>5</sup>	30-Jun-28	59,952	\$0.17	
	29,905	\$1.0860	20-Sep-24	Vested <sup>5</sup>	20-Sep-29	29,905	\$0.22	
Stefan Urosevic	83,613	\$0.3887	30-Jun-22	Vested <sup>5</sup>	30-Jun-27	83,613	\$0.09	\$0.14
	59,952	\$0.5421	30-Jun-23	Vested <sup>5</sup>	30-Jun-28	59,952	\$0.17	
	29,905	\$1.0860	20-Sep-24	Vested <sup>5</sup>	20-Sep-29	29,905	\$0.22	
Patrick Tuttle	83,613	\$0.3887	30-Jun-22	Vested <sup>5</sup>	30-Jun-27	83,613	\$0.09	\$0.17
	59,952	\$0.5421	30-Jun-23	Vested <sup>5</sup>	30-Jun-28	59,952	\$0.17	
	29,905	\$1.0860	20-Sep-24	Vested <sup>5</sup>	20-Sep-29	29,905	\$0.22	



Name	Number of options/ performance rights	Exercise price	Grant Date	Vesting dates and performance conditions (if applicable) <sup>1</sup>	Expiry date	Number of options vested at 30 June 2025	Average fair value of options at grant date (post share split) <sup>6</sup>	Average fair value of options at 30 June 2025
<b>Other Key Management Personnel</b>								
Jamie Twiss	958,900	\$0.8793	09-Jul-21	Vested	09-Jul-31	958,900	\$0.35	\$0.89
	239,800	\$0.8793	09-Jul-21	20-May-25	09-Jul-31	239,800	\$0.35	
	239,700	\$0.8793	09-Jul-21	Market cap of \$250 million	09-Jul-31	–	\$0.35	
	239,800	\$0.8793	09-Jul-21	Market cap of \$500 million	09-Jul-31	–	\$0.35	
	239,800	\$0.8793	09-Jul-21	Market cap of \$1 billion	09-Jul-31	–	\$0.35	
	1,100,000	\$0.2940	30-Jun-22	Vested	30-Jun-27	1,100,000	\$0.09	
	1,100,000	\$0.2940	30-Jun-22	Performance-based hurdles <sup>4</sup>	30-Jun-27	733,334	\$0.09	
	1,442,308	\$0.4450	21-Sep-22	480,769 each year <sup>3</sup>	21-Sep-27	961,539	\$0.23	
	200,000	\$0.4450	21-Sep-22	50,000 on every 20 May	21-Sep-27	200,000	\$0.23	
	200,000	\$0.4450	21-Sep-22	Performance-based hurdles <sup>4</sup>	21-Sep-27	133,334	\$0.23	
	411,523	\$0.0000	12-Jan-24	13-Sep-24	12-Jan-29	411,523	\$0.41	
	411,523	\$0.0000	12-Jan-24	13-Sep-25	12-Jan-29	–	\$0.41	
	411,523	\$0.0000	12-Jan-24	13-Sep-26	12-Jan-29	–	\$0.41	
	177,305	\$0.0000	20-Sep-24	20-Sep-25	20-Sep-29	–	\$0.94	
	177,305	\$0.0000	20-Sep-24	20-Sep-26	20-Sep-29	–	\$0.94	
	177,305	\$0.0000	20-Sep-24	20-Sep-27	20-Sep-29	–	\$0.94	

1 Continuous employment or service to the Group is a vesting condition for each grant of options.

2 Market cap represents the market capitalisation of the Group.

3 Options will commence vesting every 12 months after 21 September 2022 for three years.

- 4 (i) 216,668 Options vested on the first profitable quarter for the Group, on an earnings before interest, taxes, depreciation, and amortisation (EBITDA) basis;
- (ii) 216,688 Options vested on the first month with revenue above \$3.13m, excluding one-off or extraordinary revenue items, revenue received in the form of government grants, rebates or allowances, or any revenue that has been manufactured to achieve the revenue milestone;
- (iii) (ii) 216,688 Options vested on the first month with revenue above \$3.55m, excluding one-off or extraordinary revenue items, revenue received in the form of government grants, rebates or allowances, or any revenue that has been manufactured to achieve the revenue milestone;
- (iv) 216,668 Options vested when market capitalisation of the Group reached \$50 million (or a trade sale at or above that value) for a period of 20 ASX trading days or more;  
Tranches of (a) 183,334 Options granted on 30 June 2022 and (b) 33,334 Options granted on 21 September 2022 vest on the satisfaction of each of the following remaining performance hurdles, each of which must be achieved on or prior to 30 June 2027;
- (v) market capitalisation of the Group reaching \$100 million (or a trade sale at or above that value) for a period of 20 ASX trading days; and
- (vi) market capitalisation of the Group reaching \$200 million (or a trade sale at or above that value) for a period of 20 ASX trading days or more.

5 There were no vesting conditions attached to these options. However, if the Director leaves the Group, any options held by the Director will lapse.

6 Average fair value of options at grant date relate to post share split.

## Directors' Report continued

### REMUNERATION REPORT (AUDITED) CONTINUED

All options and/or performance rights were granted over unissued fully paid ordinary shares in the Group. No options or performance rights have been exercised by any KMP in the reporting period. There have not been any alterations to the terms or conditions of the grant since the grant date. The number of options previously granted to executive KMPs was determined having regard to the satisfaction of performance measures and weightings in previous financial years.

The values of options and/or performance rights over ordinary shares granted to directors and other key management personnel as part of compensation during the year ended 30 June 2025 are set out below. In addition, the related expense recognised in the financial statements for options granted and which vested during the year is also presented.

Name	Value of options/ performance rights granted during the year	Value of options/ performance rights exercised during the year	Value of options/ performance rights lapsed during the year	Remuneration consisting of options/ performance rights for the year
	\$	\$	\$	%
<b>Non-Executive Directors</b>				
Brian Hartzler	6,548	–	–	10.97%
Daniel Moss	6,548	–	–	6.65%
Stefan Urosevic	6,548	–	–	6.65%
Patrick Tuttle	6,548	–	–	5.82%
<b>Other Key Management Personnel</b>				
Jamie Twiss <sup>1</sup>	500,000	–	–	42.39%

#### Grant and value of performance rights

1 531,915 performance rights were issued to Jamie Twiss (CEO) on 20 September 2024.

No performance rights were issued to directors as part of compensation for the reporting period ended 30 June 2025.

## Additional disclosures relating to key management personnel

### Equity holdings of key management personnel

The movement during the reporting period in the number of shares in the Group held by each of the key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions <sup>1</sup>	Other <sup>2</sup>	Balance at the end of the year
<b>Ordinary shares</b>					
<b>Non-Executive Directors</b>					
Brian Hartzer	284,294	–	–	–	284,294
Daniel Moss	921,625	–	26,924	–	948,549
Stefan Urosevic	764,825	–	–	–	764,825
Patrick Tuttle	29,326	–	–	–	29,326
<b>Other Key Management Personnel</b>					
Jamie Twiss	434,663	–	–	–	434,663
	2,434,733	–	26,924	–	2,461,657

1 Additions relate to shares purchased on-market after listing.

2 Other represents no longer being designated as a KMP, or a disposal of holding.

### Option holding

The movement during the reporting period in the number of options over ordinary shares in the Group held by each of the key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<b>Options over ordinary shares</b>					
<b>Non-Executive Directors</b>					
Brian Hartzer	385,765	29,905	–	–	415,670
Daniel Moss	143,565	29,905	–	–	173,470
Stefan Urosevic	143,565	29,905	–	–	173,470
Patrick Tuttle	143,565	29,905	–	–	173,470
<b>Other Key Management Personnel</b>					
Jamie Twiss	5,960,308	–	–	–	5,960,308
	6,776,768	119,620	–	–	6,896,388

No other options granted to KMP were forfeited or lapsed during the year ended 30 June 2025.

## Directors' Report continued

### REMUNERATION REPORT (AUDITED) CONTINUED

#### Performance rights holding

The movement during the reporting period in the number of performance rights in the Group held by each of the key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Performance rights over ordinary shares					
<b>Non-Executive Directors</b>					
Brian Hartzler	–	–	–	–	–
Daniel Moss	–	–	–	–	–
Stefan Urosevic	–	–	–	–	–
Patrick Tuttle	–	–	–	–	–
	–	–	–	–	–
<b>Other Key Management Personnel</b>					
Jamie Twiss	1,234,568	531,915	411,523	–	2,178,006
	1,234,568	531,915	411,523	–	2,178,006

#### Loans to key management personnel and their related parties

There were no loans to key management personnel of the Group, including their personally related parties, during the year ended 30 June 2025 (2024: \$nil).

#### Other transactions with key management personnel and their related parties

There were no other transactions with key management personnel and their personally related parties, during the year ended 30 June 2025 (2024: \$nil).

**This concludes the remuneration report, which has been audited.**

## Shares under option

Unissued ordinary shares of Beforepay Group Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
30 September 2020	30 September 2025	\$0.20	1,650
1 November 2020	1 November 2025	\$0.20	2,064
4 January 2021	4 January 2026	\$0.88	6,587
1 February 2021	1 February 2026	\$0.88	10,647
22 February 2021	22 February 2026	\$0.88	7,000
31 May 2021	31 May 2026	\$0.88	3,102
5 July 2021	5 July 2026	\$0.88	242,200
9 July 2021	9 July 2026	\$0.88	959,000
1 September 2021	1 September 2026	\$0.88	417,880
21 October 2021	1 August 2026	\$1.30	20,000
29 April 2022	29 April 2027	\$0.41	192,906
30 June 2022	30 June 2027	\$0.39	334,452
30 June 2022	30 June 2027	\$0.29	2,671,703
21 September 2022	21 September 2027	\$0.45	1,842,308
30 June 2023	30 June 2028	\$0.54	239,808
21 December 2023	21 December 2028	\$0.41	200,000
21 December 2023	21 December 2028	\$1.00	50,000
20 September 2024	21 September 2029	\$1.00	70,000
20 September 2024	21 September 2029	\$1.09	119,620
			7,390,927

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Group or of any other body corporate.

## Shares under performance rights

There were 331,633 ordinary shares of Beforepay Group Limited issued upon exercise of performance rights at the date of this report.



## Directors' Report continued

### Shares issued on the exercise of options and performance rights

The following ordinary shares of Beforepay Group Limited were issued during the year ended 30 June 2025 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
15 August 2020	\$0.44	7,190
19 August 2020	\$0.44	29,052
23 February 2021	\$0.88	42,378
29 April 2022	\$0.41	251,235
21 September 2022	\$0.00	743,156
		1,073,011

### Indemnity and insurance of officers

The Group has indemnified the directors and executives of the Group for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Group paid a premium in respect of a contract to insure the directors and executives of the Group against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

### Indemnity and insurance of auditor

To the extent permitted by law, the Group has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties and resulting liabilities, losses, damages, costs and expenses arising from the audit (for an unspecified amount). This indemnity does not extend to matters finally determined to have arisen from Ernst & Young's negligent, wrongful or wilful acts or omissions.

During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

### Proceedings on behalf of the Group

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

## Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 25 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The Directors are of the opinion that the services as disclosed in note 25 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as advocate for the Group or jointly sharing economic risks and rewards.

## Officers of the Group who are former partners of Ernst & Young

There are no officers of the Group who are former partners of Ernst & Young.

## Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors,



**Brian Hartzer**  
Chair

26 August 2025  
Sydney

# Auditor's Independence Declaration



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200 George Street  
Sydney NSW 2000 Australia  
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## Auditor's independence declaration to the directors of Beforepay Group Limited

As lead auditor for the audit of the financial report of Beforepay Group Limited for the financial year ended 30 June 2025, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Beforepay Group Limited and the entities it controlled during the financial year.

Ernst & Young

Anita Kariappa  
Partner  
26 August 2025

A member firm of Ernst & Young Global Limited  
Liability limited by a scheme approved under Professional Standards Legislation

# Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2025

	Note	Consolidated	
		2025 \$	2024 \$
<b>Revenue</b>			
Revenue from contracts with customers	5	40,165,013	35,313,322
Other income	6	109,660	7,979
Interest income		7,914	28,593
<b>Expenses</b>			
Direct service cost		(1,545,803)	(1,524,042)
Employee benefits expense	7	(7,267,888)	(6,858,866)
Depreciation and amortisation expense	7	(1,017,701)	(512,724)
Other non-operational expenses		(547,688)	(58,017)
Expected credit losses expense	10	(9,041,590)	(10,201,549)
Occupancy expenses		(122,189)	(53,489)
Advertising and marketing expenses		(5,143,871)	(3,542,139)
Professional and consultancy expenses		(2,039,759)	(1,717,174)
Software licences		(92,223)	(55,982)
Technical suppliers		(1,532,320)	(1,142,387)
Other expenses		(1,468,773)	(1,387,001)
Finance costs	7	(5,088,442)	(4,432,780)
<b>Profit before income tax benefit</b>		5,374,340	3,863,744
Income tax benefit	8	1,367,419	–
<b>Profit after income tax benefit for the year attributable to the owners of Beforepay Group Limited</b>		6,741,759	3,863,744
Other comprehensive income for the year, net of tax		–	–
<b>Total comprehensive income for the year attributable to the owners of Beforepay Group Limited</b>		6,741,759	3,863,744
		<b>\$</b>	<b>\$</b>
Basic earnings per share	33	0.14	0.07
Diluted earnings per share	33	0.13	0.07

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

# Statement of Financial Position

AS AT 30 JUNE 2025

		Consolidated	
Note		2025 \$	2024 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	14,007,754	19,227,764
Trade and other receivables	10	53,644,460	50,182,548
Other assets	11	976,171	829,035
Total current assets		68,628,385	70,239,347
<b>Non-current assets</b>			
Property, plant and equipment	12	100,585	62,036
Intangibles	14	3,945,455	1,101,709
Right-of-use assets	13	1,295,157	1,560,854
Deferred tax assets	8	1,367,419	–
Other assets	11	278,636	527,673
Total non-current assets		6,987,252	3,252,272
<b>Total assets</b>		75,615,637	73,491,619
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	15	3,978,341	4,679,775
Lease liabilities	17	385,221	275,078
Employee benefits		400,355	275,542
Total current liabilities		4,763,917	5,230,395
<b>Non-current liabilities</b>			
Borrowings	16	30,457,653	36,411,772
Lease liabilities	17	1,063,878	1,314,622
Provisions	18	3,433	3,040
Total non-current liabilities		31,524,964	37,729,434
<b>Total liabilities</b>		36,288,881	42,959,829
<b>Net assets</b>		39,326,756	30,531,790
<b>Equity</b>			
Issued capital	19	80,547,997	80,478,664
Reserves	20	3,382,988	1,399,114
Accumulated losses		(44,604,229)	(51,345,988)
<b>Total equity</b>		39,326,756	30,531,790

The above statement of financial position should be read in conjunction with the accompanying notes.



# Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2025

	Issued capital	Reserves	Accumulated losses	Total equity
Consolidated	\$	\$	\$	\$
Balance at 1 July 2023	80,271,145	1,766,011	(55,209,732)	26,827,424
Profit after income tax expense for the year	–	–	3,863,744	3,863,744
Other comprehensive income for the year, net of tax	–	–	–	–
Total comprehensive income for the year	–	–	3,863,744	3,863,744
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 19)	207,519	–	–	207,519
Share-based payments (note 32)	–	(366,897)	–	(366,897)
Balance at 30 June 2024	80,478,664	1,399,114	(51,345,988)	30,531,790
	Issued capital	Reserves	Accumulated losses	Total equity
Consolidated	\$	\$	\$	\$
Balance at 1 July 2024	80,478,664	1,399,114	(51,345,988)	30,531,790
Profit after income tax benefit for the year	–	–	6,741,759	6,741,759
Other comprehensive income for the year, net of tax	–	–	–	–
Total comprehensive income for the year	–	–	6,741,759	6,741,759
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 19)	69,333	–	–	69,333
Share-based payments (note 32)	–	1,983,874	–	1,983,874
Balance at 30 June 2025	80,547,997	3,382,988	(44,604,229)	39,326,756

The above statement of changes in equity should be read in conjunction with the accompanying notes.

# Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2025

	Note	Consolidated	
		2025 \$	2024 \$
<b>Cash flows from operating activities</b>			
Receipts from repayment of customers advances		790,812,269	691,631,887
Receipts of income		44,133,174	34,679,510
Payments to suppliers and employees		(18,049,777)	(16,630,531)
Advances to customers		(807,418,578)	(709,597,600)
Interest received		7,914	28,593
Interest and other finance costs paid		(4,732,295)	(4,150,212)
Commission income		108,212	1,742
Net cash from/(used in) operating activities	31	4,860,919	(4,036,611)
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	12	(75,447)	(63,016)
Proceeds from disposal of property, plant and equipment	12	–	1,997
Capitalised employee costs for software development	14	(3,441,963)	(1,101,712)
Net cash used in investing activities		(3,517,410)	(1,162,731)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	19	69,333	207,519
Proceeds from borrowings		1,185,379	37,260,638
Borrowings transaction costs		(20,126)	(1,131,822)
Repayment of borrowings		(7,500,000)	(33,285,145)
Repayment of lease liabilities		(298,105)	(401,941)
Net cash (used in)/from financing activities		(6,563,519)	2,649,249
Net decrease in cash and cash equivalents		(5,220,010)	(2,550,093)
Cash and cash equivalents at the beginning of the financial year		19,227,764	21,777,857
Cash and cash equivalents at the end of the financial year	9	14,007,754	19,227,764

The above statement of cash flows should be read in conjunction with the accompanying notes.

# Notes to the Financial Statements

30 JUNE 2025

## Note 1. General information

The financial statements cover Beforepay Group Limited as a Group consisting of Beforepay Group Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Beforepay Group Limited's functional and presentation currency.

Beforepay Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 1, Level 9  
77 Castlereagh Street  
Sydney NSW 2000

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 26 August 2025. The Directors have the power to amend and reissue the financial statements.

## Note 2. Material accounting policy information

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

### New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial year 30 June 2025.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the Group:

*AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants*

*AASB 2020-1 was issued in March 2020 and is applicable to annual periods beginning on or after 1 January 2024, as extended by AASB 2020-6. Early adoption is permitted. AASB 2022-6 was issued in December 2022 and is applicable to annual periods beginning on or after 1 January 2024. Early adoption is permitted where AASB 2020-1 is also early adopted.*

These standards amend AASB 101 'Presentation of Financial Statements' to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. The amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. If the deferral right is subject to the entity complying with covenants in the loan arrangement based on information up to and including reporting date, the deferral right will exist where the entity is able to comply with the covenant on or before the end of the reporting date even if compliance is assessed after the reporting date. The deferral right will be deemed to exist at reporting date if the entity is required to comply with the covenant only after the reporting date based on post-reporting date information. Additional disclosure is required about loan arrangements classified as non-current liabilities in such circumstances which enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period. Classification of a liability as non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least 12 months after the reporting date or even if the entity settles the liability prior to issue of the financial statements. The meaning of settlement of a liability is also clarified.

The amendments did not impact the classification of the Group's borrowings.

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## Notes to the Financial Statements continued

### Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with IFRS Accounting Standards as issued by the International Accounting Standards Board ('IASB').

### HISTORICAL COST CONVENTION

The financial statements have been prepared under the historical cost convention.

### CRITICAL ACCOUNTING ESTIMATES

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

### Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 29.

### Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Beforepay Group Limited (company or parent entity) as at 30 June 2025 and the results of all subsidiaries for the year then ended. Beforepay Group Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

### Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers (CODM). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

## Revenue recognition

The Group recognises revenue as follows:

### REVENUE

Revenue is recognised over the period in which customer advances are made up until their repayment, applying an effective interest rate method. Revenue is calculated and charged based on a fixed percentage applied to the amount advanced.

### INTEREST REVENUE

Interest revenue is recognised through the income statement on a contractual rate basis.

### RESEARCH AND DEVELOPMENT TAX INCENTIVE

The Group has adopted the income approach to accounting for research and development tax offsets pursuant to AASB 120 *'Accounting for Government Grant and Disclosure of Government Assistance'* whereby the incentive is recognised in profit or loss on a systematic basis over the periods in which the consolidated entity recognises the eligible expenses. Where the incentive is directly attributable to the acquisition of property, plant and equipment, the incentive is used to offset the initial cost incurred.

## Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

## Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.



## Notes to the Financial Statements continued

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

### Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### Trade receivables and customer advances receivable

#### CUSTOMER ADVANCES RECEIVABLE

Customer advances receivable represent outstanding amounts on advances and associated Beforepay income receivable issued on the Beforepay platform. The Group's business model is to hold the receivables with the objective to collect the contractual cash flows, including principal and Beforepay income due to Beforepay. Consumer receivables are measured at amortised cost using the Effective Interest Rate (EIR) method. They are generally due within 14 – 62 days.

#### ALLOWANCE FOR EXPECTED CREDIT LOSSES ON CUSTOMER ADVANCES RECEIVABLE

The Group applies a general provisioning approach under AASB 9 *Financial Instruments* to account for expected credit losses (ECLs) on customer receivables measured at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the Beforepay terms and all the cash flows that the Group expects to receive.

Due to the short-term nature of the customer receivables, the ECLs effectively approximate a measurement of their lifetime ECL. The Group uses ageing data of customer advances receivable as the basis for assigning relevant and appropriate provisioning rates, given the short duration of customer payment terms (maximum 62 days).

At each reporting date, the Group assesses whether there has been a significant increase in credit risk since the initial recognition of any individual or group of customer advances and recognises a related impairment loss equal to the difference between the carrying amount of the advance and the present value of the estimated future cash flows discounted at the original effective interest rate. If there has not been a significant increase in credit risk, the Group recognises a general provision for impairment based on historical loss experience and other relevant factors adjusted as necessary for the most recent credit loss information.

Under this impairment approach, AASB 9 requires the Group to classify customer receivables into three stages, which measure the ECL based on credit migration between the stages.

The Group has defined these stages as follows:

Age of customer advances receivable	Basis of measurement of ECL
Current (not yet due)	ECL is determined based on the probability of an advance default occurring over the life of the customer advances receivable.
Past due to 61 days	When a customer has not paid by the due date, this is treated as an indication that risk of default has increased. Consequently, the loss allowance for customer advances receivable of this age is measured at a rate consistent with historical defaults for overdue customer advances up to 61 days old. The rate of default for advances in this stage is generally higher than that for the Group's entire advance book.
62+ days past due	Customer advances receivable aged greater than 61 days are considered objectively credit impaired. Such aging is considered to have an adverse impact on the potential future receipt of customer advances receivable aged 61 days or older and therefore a detrimental effect on the estimated cash inflows associated with advances at this stage.

Receivables are written off when the Group has no reasonable expectation of recovery. Any subsequent recoveries following write-off are credited to expected credit loss expense within the consolidated statement of profit or loss and other comprehensive income in the period in which they were recovered.

## Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Computer equipment	2-3 years
Office equipment	5 years
Leasehold improvements	Lease term

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

## Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

## Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

### RESEARCH AND DEVELOPMENT

Research costs are expensed in the period in which they are incurred. Software development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of four years. The carrying value is reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated and an impairment loss is recognised if the recoverable amount is less than the carrying amount.

### PATENTS AND TRADEMARKS

Significant costs associated with patents and trademarks are capitalised as an asset.

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## Notes to the Financial Statements continued

### Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

### Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

### Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Transactions costs incurred in connection with the borrowing of funds are expensed to the profit or loss over the term of the loan.

### Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

### Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

### Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

## Employee benefits

### SHORT-TERM EMPLOYEE BENEFITS

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

### OTHER LONG-TERM EMPLOYEE BENEFITS

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

### SHARE-BASED PAYMENTS

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option or performance right, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option or performance right, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other non-market vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a forfeiture. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

## Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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## Notes to the Financial Statements continued

### Earnings per share

#### **BASIC EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the profit attributable to the owners of Beforepay Group Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

#### **DILUTED EARNINGS PER SHARE**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming conversion of all dilutive potential ordinary shares.

### Goods and Services Tax (GST) and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

### New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2025. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

#### **AASB 18 PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS**

This standard is applicable to annual reporting periods beginning on or after 1 January 2027, and early adoption is permitted.

The standard replaces AASB 101 '*Presentation of Financial Statements*', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. But the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The Group will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

## Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

### Allowance for expected credit losses

Judgement is applied in measuring the allowance for ECL's and determining whether the risk of default has increased materially since initial recognition of the customer advances.

The Group considers both quantitative and qualitative information, including historical loss experience based on customer demographic data and the proportion of defaults over time in determining the probability of default. The Group also considers forward looking adjustments, such as macroeconomic forecasts and seasonality trends, in particular the recent rise in interest rates that may impact a customer's ability to repay advances in a timely manner. This inclusion of forward-looking information increases the degree of judgement required to assess effects on the Group's ECL.

The Group utilises general provisioning in estimating credit losses that is based on historical loss experience and other relevant factors, such as current economic conditions and the credit quality of the portfolio. It is a simplified approach that does not take into account the specific credit risk of individual financial instruments and is used when the credit risk of the portfolio is relatively stable and there have not been significant changes in economic conditions or the credit quality of the portfolio.

The assumptions and methodologies applied in derivation of the allowance for ECL are reviewed regularly.

### Capitalisation of software development and employee costs

The Group capitalises employee costs that are directly attributable to the development of a qualifying intangible asset. This requires significant judgement in determining whether the asset qualifies as an intangible asset based on the following criteria per AASB 138:

- Technical feasibility of completing the software so that it will be available for use or sale is demonstrated;
- The Group intends to complete the software and use or sell it;
- The Group has the ability to use or sell the software;
- The software will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- The Group can reliably measure the expenditure attributable to the intangible asset during its development.



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## Notes to the Financial Statements continued

The Group assesses the nature of the work performed by employees to determine whether it directly relates to the construction or development of the asset. Costs that are capitalised include salaries, wages, and other employee-related expenses that are directly attributable to the creation of an asset.

In capitalising employee costs, management makes assumptions regarding the amount of time employees spend on capital projects versus operational tasks. These estimates are based on timesheet data, project management records, and management's expectations of project timelines and employee involvement.

The Group tests capitalised software development costs for impairment at a cash generating unit (CGU) to which the individual assets are allocated whenever indicators of impairment exist, in accordance with AASB 136 *Impairment of Assets*. The impairment assessment requires management to make significant judgements and estimates regarding the future economic benefits expected to be derived from the software, including:

- Forecast future cash flows attributable to the software asset;
- Expected future usage and technological viability;
- Anticipated product lifecycle and obsolescence risk; and
- Discount rates used in determining value in use.

These estimates are inherently uncertain and could change as a result of market conditions, technology changes, or variations in actual outcomes compared to forecasts.

The recoverable amount is determined using a value-in-use calculation, which requires the use of estimates including projected cash flows, discount rates, and growth assumptions. At 30 June 2025, the carrying amount of capitalised software development costs was \$3.9 million with no indications of impairment.

### Recoverability of deferred tax assets

The Group recognises deferred tax assets to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised, in accordance with AASB 112 *Income Taxes*. The assessment of recoverability requires significant judgement, particularly in forecasting future taxable profits. This includes consideration of the Group's performance history, business plans, and market conditions. In the current year, being the second consecutive year of profitability. Management has assessed that sufficient future taxable profits are probable to support the recognition of deferred tax assets of \$1,367,419 at 30 June 2025. Changes in the underlying assumptions, such as revenue growth rates or operating margins, could have a material impact on this assessment.

## Note 4. Operating segments

### Identification of reportable operating segments

Operating segments are presented using the “management approach” where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers (CODM). The CODM is responsible for the allocation of resources to operating segments and assessing their performance. The Group is organised into one operating segment, being the provision of finance to its customers by way of salary advances. There is no aggregation of operating segments.

The operating segment information is the same information as provided throughout the financial statements and therefore not duplicated.

During the current and previous financial years, the Group did not have any major customers due to the nature of services provided.

## Note 5. Revenue from contracts with customers

	Consolidated	
	2025 \$	2024 \$
Revenue	40,165,013	35,313,322

Revenue is recognised over the period in which customer advances are made until they are repaid and applying an effective interest rate method. Revenue is calculated and charged based on a fixed percentage of the amount advanced.

All revenue is derived in Australia.

## Note 6. Other income

	Consolidated	
	2025 \$	2024 \$
Net gain on disposal of property, plant and equipment	1,448	–
Commission income	108,212	1,742
Other	–	6,237
Other income	109,660	7,979

### Commission income

Commission income was received during the year ended 30 June 2025 and relates to the Group’s Compare and Save platform, powered by CIMET, which allows customers to compare and directly switch to a range of electricity, gas, mobile and internet providers.

## Notes to the Financial Statements continued

### Note 7. Expenses

	Consolidated	
	2025 \$	2024 \$
Profit before income tax includes the following specific expenses:		
<b>Depreciation</b>		
Leasehold improvements	–	27,929
Computer equipment	33,737	22,509
Office equipment	3,161	666
Right-of-use assets	423,201	398,590
Total depreciation	460,099	449,694
<b>Amortisation</b>		
Development costs	557,602	63,030
Total depreciation and amortisation	1,017,701	512,724
<b>Finance costs</b>		
Interest and finance charges paid/payable on borrowings	4,526,599	4,128,669
Interest and finance charges paid/payable on lease liabilities	180,821	21,543
Unwinding of the discount on provisions	394	(388)
Amortisation of loan establishment fees	380,628	282,956
	5,088,442	4,432,780
<b>Net loss on disposal</b>		
Net loss on disposal of property, plant and equipment	–	56,516
<b>Leases</b>		
Short-term lease payments	122,189	53,489
<b>Employee benefits expense</b>		
Employee benefits expense excluding share-based payments	4,463,091	6,588,726
Share-based payments expense	1,983,874	(366,897)
Defined contribution superannuation expense	820,923	637,037
	7,267,888	6,858,866

## Note 8. Income tax

	Consolidated	
	2025 \$	2024 \$
<b>Income tax benefit</b>		
Current tax benefit	–	–
Deferred tax – origination and reversal of temporary differences	(1,367,419)	–
Aggregate income tax benefit	(1,367,419)	–
Deferred tax included in income tax benefit comprises:		
Increase in deferred tax assets	(1,826,679)	(389,476)
Increase in deferred tax liabilities	459,260	389,476
Deferred tax – origination and reversal of temporary differences	(1,367,419)	–
<b>Numerical reconciliation of income tax benefit and tax at the statutory rate</b>		
Profit before income tax benefit	5,374,341	3,863,744
Tax at the statutory tax rate of 25%	1,343,585	965,936
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	495,969	(91,724)
Other non-deductible expenses	4,186	4,273
Tax losses and temporary differences not recognised as deferred tax assets	(1,843,740)	(878,485)
	–	–
Prior years' tax losses and tax offsets not recognised now recognised	(1,367,419)	–
Income tax benefit	(1,367,419)	–

	Consolidated	
	2025 \$	2024 \$
<b>Deferred tax asset</b>		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Accrued and provided for expenses	459,260	389,476
Offset against deferred tax liabilities	(459,260)	(389,476)
Tax losses	1,367,419	–
Deferred tax asset	1,367,419	–
Movements:		
Opening balance	–	–
Credited to profit or loss: current year movement	1,826,679	389,476
Offset against deferred tax liabilities	(459,260)	(389,476)
Closing balance	1,367,419	–

	Consolidated	
	2025 \$	2024 \$
<b>Deferred tax liability</b>		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Intangible assets	(136,027)	–
Property, plant and equipment and leases	(323,233)	(389,476)
Offset by deferred tax assets	459,260	389,476
<b>Deferred tax liability</b>	<b>–</b>	<b>–</b>
Movements:		
Opening balance	–	–
Charged to profit or loss	459,260	389,476
Offset by deferred tax assets	(459,260)	(389,476)
<b>Closing balance</b>	<b>–</b>	<b>–</b>

	Consolidated	
	2025 \$	2024 \$
<b>Tax losses not recognised</b>		
Unused tax losses for which no deferred tax asset has been recognised	8,844,672	20,696,940
Unused tax offsets for which no deferred tax asset has been recognised	2,544,429	–
	11,389,101	20,696,940
Potential tax benefit at 25% (2024: 25%)	4,755,597	5,174,235

The above potential tax benefit for tax losses and tax offsets has not been recognised in the statement of financial position. These tax losses are carried forward indefinitely and can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed, and the Group has sufficient future taxable income against which to utilise these losses. All of these tax losses are revenue in nature. The recoverability of carried-forward tax losses and tax offsets are supported by the Group's profitability and forecasted taxable income, in line with AASB 112 requirements.

	Consolidated	
	2025 \$	2024 \$
<b>Deferred tax assets not recognised – temporary differences</b>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Allowance for expected credit losses	1,399,242	1,438,192
Payables and accrued expenses	568,445	801,007
Provisions	100,947	69,645
Leases	377,001	399,653
Capital raising costs	14,899	232,312
Total deferred tax assets not recognised at 25% (2024: 25%)	2,460,534	2,940,809

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

## Note 9. Cash and cash equivalents

	Consolidated	
	2025 \$	2024 \$
<b>Current assets</b>		
Cash at bank	13,672,595	18,864,335
Cash held by service providers	335,159	363,429
	14,007,754	19,227,764

The cash-on-hand figure of \$14,007,754 excludes \$5,208,836 in cash held by third parties to fund customer advances (2024: \$19,227,764 excludes \$6,030,225 in cash held by third parties to fund advances). These are included in note 10 as other receivables.

## Notes to the Financial Statements continued

### Note 10. Trade and other receivables

	Consolidated	
	2025 \$	2024 \$
<b>Current assets</b>		
Receivables – customer advances	53,689,622	46,249,504
Less: Allowance for expected credit losses	(5,596,941)	(5,752,767)
	48,092,681	40,496,737
Other receivables	5,541,581	9,663,295
GST receivable	10,198	22,516
	53,644,460	50,182,548

During the year ended 30 June 2025, the Group issued customer advances totalling \$807,425,979 (2024: \$709,597,000).

Customer advances receivable represent outstanding amounts on advances and associated income receivable issued on the Group's platform. The Group's business model is to hold the receivables with the objective to collect the contractual cash flows, including principal and income due to the Group. Consumer receivables are measured at amortised cost using the Effective Interest Rate (EIR) method. They are generally due within 14-62 days.

#### Allowance for expected credit losses and bad debts

The Group applies the general provision approach to account for expected credit losses ('ECLs') on customer receivables measured at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the Beforepay terms and all the cash flows that the Group expects to receive. Due to the short-term nature of the customer receivables, the ECLs approximates the lifetime ECL. The Group uses ageing of customer advances receivable as the basis for ECL measurement given the short duration of consumer payment terms. At each reporting date, the Group assesses impairment risk based on the initial amount of customer advances receivable and the movements in the ageing to estimate the ECL.

The Group has recognised the following amounts as expenses in profit or loss in respect of customer advances:

	Consolidated	
	2025 \$	2024 \$
Historical transaction loss recovered	(8,813,489)	(7,640,137)
Expected credit losses provided for	17,855,079	17,841,686
	9,041,590	10,201,549

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

Consolidated	Expected credit loss rate <sup>1</sup>		Carrying amount		Allowance for expected credit losses	
	2025 %	2024 %	2025 \$	2024 \$	2025 \$	2024 \$
Current (not yet due)	3.3%	3.6%	46,986,348	38,903,313	1,542,438	1,408,634
Past due to 61 days	51.4%	49.8%	5,453,137	5,974,478	2,804,366	2,972,420
62+ days	100.0%	100.0%	1,250,137	1,371,713	1,250,137	1,371,713
			53,689,622	46,249,504	5,596,941	5,752,767

1. Expected credit loss rate is calculated gross of transaction loss recovered.



Movements in the allowance for expected credit losses are as follows:

	Consolidated	
	2025 \$	2024 \$
Opening balance	5,752,767	6,284,756
Additional provisions recognised	17,855,079	17,841,686
Receivables written off during the year as uncollectable <sup>1</sup>	(9,197,416)	(10,733,538)
Unused amounts reversed	(8,813,489)	(7,640,137)
Closing balance	5,596,941	5,752,767

1. Adjusted for historical transaction loss.

## Note 11. Other assets

	Consolidated	
	2025 \$	2024 \$
<b>Current assets</b>		
Prepayments	976,171	829,035
<b>Non-current assets</b>		
Security deposits	278,636	527,673
	1,254,807	1,356,708

## Note 12. Property, plant and equipment

	Consolidated	
	2025 \$	2024 \$
<b>Non-current assets</b>		
Computer equipment – at cost	283,657	274,027
Less: Accumulated depreciation	(209,440)	(214,120)
	74,217	59,907
Office equipment – at cost	30,732	3,332
Less: Accumulated depreciation	(4,364)	(1,203)
	26,368	2,129
	100,585	62,036

## Notes to the Financial Statements continued

### Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Leasehold improvements	Computer equipment	Office equipment	Total
Consolidated	\$	\$	\$	\$
Balance at 1 July 2023	84,446	20,901	2,795	108,142
Additions	–	63,016	–	63,016
Disposals	(56,517)	(1,501)	–	(58,018)
Depreciation expense	(27,929)	(22,509)	(666)	(51,104)
Balance at 30 June 2024	–	59,907	2,129	62,036
Additions	–	48,047	27,400	75,447
Depreciation expense	–	(33,737)	(3,161)	(36,898)
Balance at 30 June 2025	–	74,217	26,368	100,585

### Note 13. Right-of-use assets

	Consolidated	
	2025 \$	2024 \$
<b>Current assets</b>		
Buildings – right-of-use	–	1,094,041
Less: Accumulated depreciation	–	(1,094,041)
	–	–
<b>Non-current assets</b>		
Buildings – right-of-use	1,750,212	1,592,708
Less: Accumulated depreciation	(455,055)	(31,854)
	1,295,157	1,560,854
	1,295,157	1,560,854

From 11 June 2024, the Group had a change of registered office and principal place of business address. As part of the new lease agreement, the Group received a two-month lease incentive with a total value of \$132,926 which has been recognised in the calculation of the right-of-use asset and lease liability over the contractual lease term of four years. The Group leases an office space for its operations under agreement for a period of four years ending 31 July 2028, with no option to extend at the Group's discretion.

## Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Buildings – right-of-use
	\$
Balance at 1 July 2023	366,736
Additions	1,592,708
Depreciation expense	(398,590)
Balance at 30 June 2024	1,560,854
Additions	157,504
Depreciation expense	(423,201)
Balance at 30 June 2025	1,295,157

For other AASB 16 lease disclosures refer to:

- note 7 for depreciation on right-of-use assets, interest on lease liabilities and other lease expenses;
- note 17 for lease liabilities at the reporting date;
- note 22 for undiscounted future lease commitments; and
- consolidated statement of cash flows for repayment of lease liabilities.

## Note 14. Intangibles

	Consolidated	
	2025 \$	2024 \$
<b>Non-current assets</b>		
Development – at cost	4,503,057	1,545,865
Less: Accumulated amortisation	(557,602)	(444,156)
	3,945,455	1,101,709

The Group started capitalising software development costs in accordance with AASB 138 in the second half of FY24. These costs pertain to work done on Carrington Labs and the development of Personal Loans.

## Notes to the Financial Statements continued

### Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Development costs
Consolidated	\$
Balance at 1 July 2023	63,027
Additions	1,101,712
Amortisation expense	(63,030)
Balance at 30 June 2024	1,101,709
Additions	3,401,348
Amortisation expense	(557,602)
Balance at 30 June 2025	3,945,455

### Note 15. Trade and other payables

	Consolidated	
	2025 \$	2024 \$
<b>Current liabilities</b>		
Trade payables	913,517	1,027,169
Accrued expenses	3,043,821	3,652,606
Deferred revenue	21,003	–
	3,978,341	4,679,775

Refer to note 22 for further information on financial instruments.

### Note 16. Borrowings

	Consolidated	
	2025 \$	2024 \$
<b>Non-current liabilities</b>		
Loan – Longreach Lender	3,446,018	17,260,638
Loan – Balmain Group	27,500,000	20,000,000
Loan establishment fees	(488,365)	(848,866)
	30,457,653	36,411,772

## Loan – Longreach Lender and Balmain Group

On 18 October 2023, Beforepay Finance Pty Ltd, a subsidiary of Beforepay Group Limited, signed a secured debt facility agreement for \$55,000,000 with Longreach Lender and Balmain Group. In October 2024, Longreach subsequently novated all of its rights and obligations under the debt facility agreement to AMAL Security Services Pty Ltd as trustee for LCI Funding Trust 1 ('Longreach Lender').

The secured debt facility has a limit of \$55,000,000 and expires on the maturity date of 15 October 2026.

The key terms of the new debt facility agreement include:

- \$55,000,000 facility (\$20,000,000 from Longreach Lender and \$35,000,000 from Balmain Group) for three years to 15 October 2026 with the potential to extend the total facility size in a future period. This reflects a transfer of debt on 29 November 2024, where Balmain Group and Longreach Lender reached commercial agreement to assign \$15,000,000 of Longreach Lender's drawn exposure to Balmain Group.
- The borrowing base is relevant to the facility limit. The borrowing base is broadly 80% of the value of eligible receivables outstanding at the relevant date plus the amount of funds held in a bank account secured in favour of the security trustee for the Lenders. For the purpose of the borrowing base calculation, eligible receivables mean the aggregate amount owing for all loans advanced by Beforepay Finance Pty Ltd to its customers which are less than 30 days overdue.
- Beforepay Finance Pty Ltd, Beforepay Ops Pty Ltd, Beforepay IP Pty Ltd and BPG Credit Pty Ltd have granted first ranking security to the Lenders over all of their present and after acquired assets. The Group has granted security under a specific security deed over its shares in each of these subsidiaries.
- Mandatory prepayment occurs if the amounts drawn under the facility exceed the amount of the borrowing base (defined above) at any time, then Beforepay Finance Pty Ltd must either repay that amount or transfer that amount to an agreed bank account secured in favour of the security trustee for the Lenders.
- In accordance with the ASX announcement on 18 October 2023, the interest payable lies between 12.25% and 13.25% per annum depending on a fixed charge coverage ratio (FCCR) linked to EBITDA.
- Upfront fees and costs of c. 1.7% on the \$55,000,000 balance.

On 17 April 2025, Beforepay Finance Pty Ltd introduced a \$7,500,000 revolving sub-limit within the existing \$55,000,000 facility limit. This revolving sub-facility enables the Group to more efficiently manage its overall funding costs by deploying excess cash when available.

The key terms of the new revolving sub-limit include:

- Establishment of a \$7,500,000 revolving sub-limit within the existing \$20,000,000 Facility B (provided by Balmain Group).
- An unused line fee of 2.75% per annum on the undrawn portion of the revolving facility.
- No change to the total commitment under Facility B, the overall \$55,000,000 facility limit or the maturity date under the debt facility agreement.

The Facility Agreement contains financial covenants and other undertakings customary for facilities of this nature. An event of default will occur under the facility agreement if (among other things) Beforepay Finance Pty Ltd breaches the financial covenants. The agreement contains other events of defaults customary for a facility of this nature, including a circumstance or event which would have a material adverse effect.

Covenants have been complied with through to the date of this report. Debt covenants have been assessed regularly to determine whether there were any breaches for which disclosure is required and considered in the forward forecast.

## Notes to the Financial Statements continued

### Financing arrangements

Access was available at the reporting date to the following lines of credit:

	Consolidated	
	2025 \$	2024 \$
Total facilities		
Loan – Longreach Lender	20,000,000	35,000,000
Loan – Balmain Group	35,000,000	20,000,000
	55,000,000	55,000,000
Used at the reporting date		
Loan – Longreach Lender	3,446,018	17,260,638
Loan – Balmain Group	27,500,000	20,000,000
	30,946,018	37,260,638
Unused at the reporting date		
Loan – Longreach Lender	16,553,982	17,739,362
Loan – Balmain Group	7,500,000	–
	24,053,982	17,739,362

Refer to note 22 for further information on financial instruments.

### Note 17. Lease liabilities

	Consolidated	
	2025 \$	2024 \$
<b>Current liabilities</b>		
Lease liability	385,221	275,078
<b>Non-current liabilities</b>		
Lease liability	1,063,878	1,314,622
	1,449,099	1,589,700

### Reconciliations

Reconciliations of the lease liability (current and non-current) at the beginning and end of the current financial year are set out below:

	Consolidated	
	2025 \$	2024 \$
Lease liability as at start of the year	1,589,700	401,941
Additions	157,504	1,589,700
Accretion of interest	180,821	21,543
Payments – principal	(298,105)	(401,941)
Payments – interest	(180,821)	(21,543)
Lease liability as at end of the year	1,449,099	1,589,700

## Note 18. Provisions

	Consolidated	
	2025 \$	2024 \$
<b>Non-current liabilities</b>		
Lease make good	3,433	3,040

### Lease make good

The Group leases land and buildings for its offices under agreement for a period of four years with the option to extend at the Group's discretion. The provision represents the present value of the estimated costs to make good the premises leased by the Group at the end of the respective lease terms. The Group moved offices in June 2024 and entered into a new four year lease agreement with no option to extend.

### Movements in provisions

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

	Lease make good
Consolidated – 2025	\$
Carrying amount at the start of the year	3,040
Additional provisions recognised	393
Carrying amount at the end of the year	3,433



## Notes to the Financial Statements continued

### Note 19. Issued capital

	Consolidated			
	2025 Shares	2024 Shares	2025 \$	2024 \$
Ordinary shares – fully paid	48,257,188	47,335,412	80,547,997	80,478,664

#### Movements in ordinary share capital

Details	Date	Number of Shares	\$	\$
Balance	1 July 2023	46,479,882		80,271,145
Shares issued on exercise of share options	28 July 2023	100,000	\$0.20	20,000
Shares issued on exercise of share options	28 July 2023	62,500	\$0.40	25,313
Shares issued on exercise of share options	18 October 2023	188,879	\$0.00	–
Shares issued on exercise of share options	3 November 2023	90,400	\$0.20	18,080
Shares issued on exercise of share options	22 November 2023	30,100	\$0.20	6,020
Shares issued on exercise of share options	20 March 2024	59,352	\$0.20	11,870
Shares issued on exercise of share options	10 June 2024 <sup>1</sup>	151,235	\$0.41	61,250
Shares issued on exercise of share options	21 June 2024	173,064	\$0.38	64,986
Balance	1 July 2024	47,335,412		80,478,664
Shares issued on exercise of share options	26 September 2024	100,000	\$0.41	40,500
Shares issued on exercise of performance rights	26 September 2024	743,156	\$0.00	–
Shares issued on exercise of share options	11 November 2024	35,628	\$0.20	7,126
Shares issued on exercise of share options	11 November 2024	6,750	\$0.88	5,935
Shares issued on exercise of share options	19 March 2025	7,190	\$0.44	3,129
Shares issued on exercise of share options	30 June 2025	29,052	\$0.44	12,643
Balance	30 June 2025	48,257,188		80,547,997

<sup>1</sup> The timing of issue of shares is within 20 business days after a cleansing notice is able to be issued in respect of the Group.

#### Ordinary shares

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Group be wound up in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Group does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

#### Share buy-back

There is no current on-market share buy-back.

## Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or Group was seen as value adding relative to the current Group's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2024 Annual Report.

## Note 20. Reserves

	Consolidated	
	2025 \$	2024 \$
Share-based payments reserve	3,382,988	1,399,114

### Share-based payments reserve

The reserve is used to recognise the value of unvested equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services. Refer to note 32 for further information on share-based payments.

### Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Share-based payments \$
Balance at 1 July 2023	1,766,011
Share-based payments lapsed	(366,897)
Balance at 30 June 2024	1,399,114
Share-based payments	1,983,874
Balance at 30 June 2025	3,382,988

## Note 21. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

## Notes to the Financial Statements continued

### Note 22. Financial instruments

#### Financial risk management objectives

The Group's principal financial liabilities comprise trade and other payables and bank loans. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include cash and customer advances that are derived directly from its operations.

In assessing the financial risk management objectives, consideration is given to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk.

The Group is primarily exposed to credit risk, interest rate risk and liquidity risk. The current activities of the Group do not expose it to any significant foreign currency risk or price risk. The Group's overall risk management strategy seeks to minimise potential adverse effects on the financial performance and financial position of the Group. The Group's risk objective is to maintain a balance between continuity of funding and flexibility through the use of cash deposits, capital raisings, and lease contracts. The Group uses different methods to measure its liquidity risk including cash flow analysis. The Group uses a general provisioning model to monitor and provide for expected future credit losses on customer advances.

Risk management is carried out by senior executives under policies approved by the Board of Directors (the Board). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits.

#### Market risk

##### FOREIGN CURRENCY RISK

The Group operates exclusively within Australia and does not have any transactions denominated in foreign currency. Therefore, the Group is not exposed to any significant foreign currency risk.

##### PRICE RISK

The Group is not exposed to any significant price risk.

##### INTEREST RATE RISK

The Group's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the consolidated entity to interest rate risk. As at the reporting date, the Group's borrowings are issued at fixed interest rates. Fixed interest rates on borrowings can expose an entity to interest rate risk if market interest rates change after the borrowing has been made, which can cause the fair value of the borrowing to fluctuate.

As at the reporting date, the Group had the following fixed rate borrowings outstanding:

	2025		2024	
	Weighted average interest rate	Balance	Weighted average interest rate	Balance
Consolidated	%	\$	%	\$
Loan – Longreach Lender	12.25%	3,446,018	11.08%	17,260,638
Loan – Balmain Group	13.00%	27,500,000	12.83%	20,000,000
Net exposure to cash flow interest rate risk		30,946,018		37,260,638

An analysis by remaining contractual maturities is shown in 'Liquidity risk' below.

#### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net

of any provisions for impairment on those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral against its customer advances.

Generally, customer advances are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 62 days from the date of advance issuance.

The Group does not have any significant credit risk exposure to any single customer. It assesses credit risk across its portfolio of customer advances as described in note 10.

The entity is exposed to significant credit risk concentration with key banks through its cash balances however manages such risk by using large reputable financial institutions.

The carrying amount of financial assets recorded in the statement of financial position, net of any allowances for losses, represents the Group's maximum exposure to credit risk.

## Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

## FINANCING ARRANGEMENTS

Unused borrowing facilities at the reporting date:

	Consolidated	
	2025 \$	2024 \$
Loan – Longreach Lender	16,553,982	17,739,362
Loan – Balmain Group	7,500,000	–
	24,053,982	17,739,362

## Notes to the Financial Statements continued

### REMAINING CONTRACTUAL MATURITIES

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
Consolidated – 2025	%	\$	\$	\$	\$	\$
<b>Non-interest bearing</b>						
Trade payables	–	913,517	–	–	–	913,517
<b>Interest-bearing – fixed rate</b>						
Lease liability	–	541,682	563,366	634,841	–	1,739,889
Loan – Longreach Lender	12.25%	422,137	3,568,611	–	–	3,990,748
Loan – Balmain Group	13.00%	3,575,000	28,538,219	–	–	32,113,219
Total non-derivatives		5,452,336	32,670,196	634,841	–	38,757,373
Consolidated – 2024	%	\$	\$	\$	\$	\$
<b>Non-interest bearing</b>						
Trade payables	–	1,027,169	–	–	–	1,027,169
<b>Interest-bearing – fixed rate</b>						
Lease liability	–	435,388	492,438	1,089,278	–	2,017,104
Loan – Longreach Lender	11.08%	–	–	17,260,638	–	17,260,638
Loan – Balmain Group	12.83%	–	–	20,000,000	–	20,000,000
Total non-derivatives		1,462,557	492,438	38,349,916	–	40,304,911

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

## Note 23. Fair value measurement

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

## Note 24. Key management personnel disclosures

### Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	2025 \$	2024 \$
Short-term employee benefits	1,042,311	1,437,334
Post-employment benefits	80,740	107,438
Share-based payments	575,364	512,632
	1,698,415	2,057,404

## Note 25. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Ernst & Young, the auditor of the Group:

	Consolidated	
	2025 \$	2024 \$
<b>Audit services – Ernst &amp; Young</b>		
Audit or review of the financial statements	331,000	319,000
<b>Other services – Ernst &amp; Young</b>		
Remuneration and taxation advice	–	45,000
	331,000	364,000

## Note 26. Contingent liabilities

	Consolidated	
	2025 \$	2024 \$
Bank guarantees	278,636	278,636

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## Notes to the Financial Statements continued

### Note 27. Commitments

The Group had no capital commitments as at 30 June 2025 and 30 June 2024.

### Note 28. Related party transactions

#### Parent entity

Beforepay Group Limited is the parent entity.

#### Subsidiaries

Interests in subsidiaries are set out in note 30.

#### Key management personnel

Disclosures relating to key management personnel are set out in note 24 and the remuneration report included in the Directors' report.

#### Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

#### Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

#### Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

#### Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.



## Note 29. Parent entity information

Set out below is the supplementary information about the parent entity.

### Statement of profit or loss and other comprehensive income

	Parent	
	2025 \$	2024 \$
(Loss)/profit after income tax	(616,455)	365,457
Total comprehensive (loss)/income	(616,455)	365,457

### Statement of Financial Position

	Parent	
	2025 \$	2024 \$
Total current assets	1,367,519	100
Total assets	40,301,365	30,531,789
Total current liabilities	–	–
Total liabilities	–	–
Equity		
Issued capital	80,547,997	80,478,664
Share-based payments reserve	3,382,988	1,399,114
Accumulated losses	(43,629,620)	(51,345,989)
Total equity	40,301,365	30,531,789

### Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2025 and 30 June 2024.

### Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2025 and 30 June 2024.

### Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2025 and 30 June 2024.

### Material accounting policy information

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

## Notes to the Financial Statements continued

### Note 30. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business/Country of incorporation	Ownership interest	
		2025 %	2024 %
Beforepay Finance Pty Ltd	Australia	100%	100%
Beforepay Ops Pty Ltd	Australia	100%	100%
Beforepay IP Pty Ltd	Australia	100%	100%
BPG Credit Pty Ltd	Australia	100%	100%
Carrington Labs Pty Ltd	Australia	100%	-
Beforepay US Inc.	USA	100%	100%
Beforepay Ops US LLC	USA	100%	100%

### Note 31. Cash flow information

Reconciliation of profit after income tax to net cash from/(used in) operating activities

	Consolidated	
	2025 \$	2024 \$
Profit after income tax benefit for the year	6,741,759	3,863,744
Adjustments for:		
Depreciation and amortisation	1,017,701	512,724
Net (gain)/loss on disposal of property, plant and equipment	(1,448)	56,019
Share-based payments	1,983,874	(366,897)
Non-cash finance costs	356,149	282,568
Income tax benefit (non-cash)	(1,367,419)	-
Change in operating assets and liabilities:		
(Increase) in trade and other receivables	(3,171,632)	(8,697,921)
(Increase)/decrease in prepayments	(147,136)	25,916
(Decrease)/increase in trade and other payables	(550,929)	322,401
Net cash from/(used in) operating activities	4,860,919	(4,036,611)

Non-cash investing and financing activities

	Consolidated	
	2025 \$	2024 \$
Additions to the right-of-use assets (note 13)	157,504	1,592,708

## Changes in liabilities arising from financing activities

	Loan – Longreach	Loan – Balmain Group	Lease liabilities	Total
Consolidated	\$	\$	\$	\$
Balance at 1 July 2023	33,285,145	–	401,941	33,687,086
Net cash (used in)/from financing activities	(16,024,507)	20,000,000	(401,941)	3,573,552
Acquisition of leases	–	–	1,589,700	1,589,700
Payment of capitalised transaction costs	(1,131,822)	–	–	(1,131,822)
Amortisation of capitalised transaction costs	282,956	–	–	282,956
Balance at 30 June 2024	16,411,772	20,000,000	1,589,700	38,001,472
Net cash from/(used in) financing activities	1,185,379	(7,500,000)	(298,105)	(6,612,726)
Acquisition of leases	–	–	157,504	157,504
Payment of capitalised transaction costs	(20,126)	–	–	(20,126)
Transfer of facility	(15,000,000)	15,000,000	–	–
Amortisation of capitalised transaction costs	380,628	–	–	380,628
Balance at 30 June 2025	2,957,653	27,500,000	1,449,099	31,906,752

## Note 32. Share-based payments

The Group has granted shares options and rights under the following share-based payments plans:

- Legacy Long-Term Incentive Plan (Legacy LTIP); and
- Long-Term Incentive Plan (LTIP).

### Legacy LTIP

During the financial year ended 30 June 2020, an Employee Option Plan was established by the Group whereby share options were issued to certain employees. The options were issued for nil consideration and granted in accordance with performance guidelines established by the Board. These options allow each option holder to convert each option to one share following vesting.

The vesting conditions vary for each grant of options. The following vesting conditions apply to options granted:

- 25% of the options granted will vest one year from grant date; and from the start of the second year, the remaining 75% of the options granted will vest on a quarterly basis over a three-year period;
- options will vest upon IPO; or
- options will vest equally over three years.

Vesting conditions and other vesting events may be varied at the discretion of the Board. The options may only be exercised for shares in the company.

### LTIP

During the financial year ended 30 June 2021, a long-term incentive plan was established by the Group whereby share options and share rights may be issued to Directors (including Non-Executive Directors), employees and contractors, or any other person designated by the Board. The options were issued for nil consideration and are granted in accordance with performance guidelines established by the Board. These options allow each option holder to convert each option to one share following vesting. The options will vest over four years.

## Notes to the Financial Statements continued

### Performance rights

During the financial year ended 30 June 2025, performance rights which will convert into fully paid ordinary shares on vesting, were issued to employees for \$nil consideration. The vesting period for these performance rights for non-executive staff is two years and for executive staff is three years.

Set out below are summaries of options and performance rights granted under the plan:

#### 2025

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
24/07/2019	01/01/2025	\$0.38	79,876	-	-	(79,876)	-
15/08/2020	15/08/2025	\$0.44	7,190	-	(7,190)	-	-
19/08/2020	19/08/2025	\$0.44	29,052	-	-	(29,052)	-
30/09/2020	30/09/2025	\$0.20	1,650	-	-	-	1,650
01/11/2020	01/11/2025	\$0.20	2,064	-	-	-	2,064
02/12/2020	02/12/2025	\$0.20	35,628	-	-	(35,628)	-
04/01/2021	04/01/2026	\$0.88	6,587	-	-	-	6,587
01/02/2021	01/02/2026	\$0.88	10,647	-	-	-	10,647
22/02/2021	22/02/2026	\$0.88	7,000	-	-	-	7,000
31/05/2021	31/05/2026	\$0.88	3,102	-	-	-	3,102
05/07/2021	05/07/2026	\$0.88	242,200	-	-	-	242,200
09/07/2021	09/07/2026	\$0.88	959,000	-	-	-	959,000
21/07/2021	21/07/2026	\$0.88	6,750	-	-	(6,750)	-
01/09/2021	01/09/2026	\$0.88	430,680	-	-	-	430,680
21/10/2021	01/08/2026	\$1.30	20,000	-	-	(20,000)	-
29/04/2022	29/04/2027	\$0.41	483,646	-	(251,235)	(39,505)	192,906
30/06/2022	30/06/2027	\$0.39	334,452	-	-	-	334,452
30/06/2022	30/06/2027	\$0.29	2,780,556	-	-	-	2,780,556
21/09/2022	21/09/2027	\$0.45	1,842,308	-	-	-	1,842,308
21/09/2022	21/09/2027	\$0.00	224,795	-	(131,558)	(3,316)	89,921
30/06/2023	30/06/2028	\$0.54	239,808	-	-	-	239,808
21/12/2023	21/12/2028	\$0.41	200,000	-	-	-	200,000
21/12/2023	21/12/2028	\$1.00	50,000	-	-	-	50,000
21/12/2023	21/12/2028	\$0.00	634,170	-	(262,575)	-	371,595
12/01/2024	12/01/2029	\$0.00	1,234,568	-	(411,523)	-	823,045
20/09/2024	20/09/2029	\$0.00	-	964,756	-	-	964,756
20/09/2024	20/09/2029	\$1.00	-	70,000	-	-	70,000
20/09/2024	20/09/2029	\$1.09	-	119,620	-	-	119,620
			9,865,729	1,154,376	(1,064,081)	(214,127)	9,741,897
Weighted average exercise price			\$0.38	\$0.17	\$0.10	\$0.46	\$0.39

## 2024

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
01/07/2019	01/01/2025	\$0.38	173,064	-	-	(173,064)	-
24/07/2019	01/01/2025	\$0.38	79,876	-	-	-	79,876
15/08/2020	15/08/2025	\$0.44	7,190	-	-	-	7,190
19/08/2020	19/08/2025	\$0.44	29,052	-	-	-	29,052
20/09/2020	30/06/2024	\$1.30	1,599,800	-	-	(1,599,800)	-
30/09/2020	30/09/2025	\$0.20	1,650	-	-	-	1,650
01/11/2020	01/11/2025	\$0.20	2,064	-	-	-	2,064
16/11/2020	30/06/2024	\$1.30	107,000	-	-	(107,000)	-
17/11/2020	17/11/2025	\$0.20	17,600	-	-	(17,600)	-
17/11/2020	01/01/2025	\$0.20	112,500	-	-	(112,500)	-
02/12/2020	02/12/2025	\$0.20	59,352	-	-	(23,724)	35,628
01/01/2021	01/01/2025	\$0.20	75,000	-	-	(75,000)	-
04/01/2021	04/01/2026	\$0.88	4,787	1,800	-	-	6,587
08/01/2021	08/01/2026	\$0.20	15,400	-	-	(15,400)	-
27/01/2021	30/06/2024	\$1.30	358,200	-	-	(358,200)	-
01/02/2021	01/02/2026	\$0.88	53,400	-	-	(42,753)	10,647
22/02/2021	22/02/2026	\$0.88	8,047	-	-	(1,047)	7,000
05/07/2021	05/07/2031	\$0.88	242,200	-	-	-	242,200
09/07/2021	09/07/2026	\$0.88	959,000	-	-	-	959,000
21/07/2021	21/07/2026	\$0.88	19,402	-	-	(9,550)	9,852
01/09/2021	01/09/2026	\$0.88	438,000	-	-	(7,320)	430,680
21/10/2021	01/08/2026	\$1.30	20,000	-	-	-	20,000
29/04/2022	29/04/2027	\$0.41	864,666	-	-	(381,020)	483,646
30/06/2022	30/06/2027	\$0.39	418,065	-	-	(83,613)	334,452
30/06/2022	30/06/2027	\$0.29	2,780,556	-	-	-	2,780,556
21/09/2022	21/09/2027	\$0.45	1,842,308	-	-	-	1,842,308
21/09/2022	21/09/2027	\$0.00	638,761	-	(188,879)	(225,087)	224,795
21/11/2022	21/11/2027	\$1.30	75,000	164,808	-	-	239,808
30/06/2023	30/06/2028	\$0.54	299,760	-	-	(49,760)	250,000
21/12/2023	21/12/2028	\$0.00	-	923,060	-	(288,890)	634,170
12/01/2024	12/01/2029	\$0.00	-	1,234,568	-	-	1,234,568
			11,301,700	2,324,236	(188,879)	(3,571,328)	9,865,729
Weighted average exercise price			\$0.60	\$0.02	\$0.00	\$0.28	\$0.35

## Notes to the Financial Statements continued

Set out below are the options and performance rights exercisable at the end of the financial year:

Grant date	Expiry date	2025	2024
		Number	Number
12/08/2019	11/08/2024	–	79,876
15/08/2020	14/08/2025	–	7,190
19/08/2020	19/08/2025	–	29,052
30/09/2020	30/09/2025	1,650	1,650
01/11/2020	31/10/2025	2,064	2,064
04/01/2021	03/01/2026	6,587	6,587
22/02/2021	21/02/2026	10,647	9,186
23/02/2021	22/02/2026	7,000	5,692
03/03/2021	02/03/2026	–	35,628
31/05/2021	30/05/2026	3,102	3,102
05/07/2021	05/07/2031	60,600	–
09/07/2021	09/07/2031	959,000	725,950
01/09/2021	31/08/2026	404,699	300,775
29/04/2022	29/04/2027	192,906	409,574
30/06/2022	30/06/2027	2,347,303	1,201,854
21/09/2022	21/09/2027	1,261,540	664,104
30/06/2023	30/06/2028	239,808	239,808
21/12/2023	21/12/2028	150,000	100,000
20/09/2024	20/09/2029	189,620	–
		5,836,526	3,822,092

The weighted average remaining contractual life of options outstanding at the end of the financial period was 1.7 years (2024: 2.05 years).

For the options and performance rights granted during the current financial year, the Black Scholes valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
20/09/2024	20/09/2029	\$0.94	\$0.00	51.00%	–	3.64%	\$0.94
20/09/2024	20/09/2029	\$0.94	\$1.00	51.00%	–	3.64%	\$0.24
20/09/2024	20/09/2029	\$0.84	\$1.09	51.00%	–	3.64%	\$0.37

## Note 33. Earnings per share

	Consolidated	
	2025 \$	2024 \$
Profit after income tax attributable to the owners of Beforepay Group Limited	6,741,759	3,863,744
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	47,970,613	51,973,639
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	4,160,645	–
Performance rights over ordinary shares	174,959	2,029,140
Weighted average number of ordinary shares used in calculating diluted earnings per share	52,306,217	54,002,779
	\$	\$
Basic earnings per share	0.14	0.07
Diluted earnings per share	0.13	0.07

## Note 34. Events after the reporting period

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.



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# Consolidated Entity Disclosure Statement

AS AT 30 JUNE 2024

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Beforepay Group Limited	Body corporate	Australia		Australia
Beforepay Finance Pty Ltd	Body corporate	Australia	100%	Australia
Beforepay Ops Pty Ltd	Body corporate	Australia	100%	Australia
Beforepay IP Pty Ltd	Body corporate	Australia	100%	Australia
BPG Credit Pty Ltd	Body corporate	Australia	100%	Australia
Carrington Labs Pty Ltd	Body corporate	Australia	100%	Australia
Beforepay US Inc.	Body corporate	USA	100%	USA
Beforepay Ops US LLC	Body corporate	USA	100%	USA

# Directors' Declaration

30 JUNE 2025

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
- the consolidated entity disclosure statement required by section 295(3A) of the *Corporations Act 2001* is true and correct.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors



**Brian Hartzler**  
Chair

26 August 2025  
Sydney

# Independent Auditor's Report

TO THE MEMBERS OF BEFOREPAY GROUP LIMITED



Ernst & Young  
200 George Street  
Sydney NSW 2000 Australia  
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## Independent auditor's report to the members of Beforepay Group Limited

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of Beforepay Group Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2025 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (Including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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### Provision for Expected Credit Losses

Why significant	How our audit addressed the key audit matter
<p>As disclosed in Note 2 Material accounting policy information, Note 3 Critical accounting judgements, estimates and assumptions, and Note 10 Trade and other receivables, the Group carries a provision for expected credit losses ("ECL") of \$5.6m as at 30 June 2025.</p> <p>Key areas of judgment included:</p> <ul style="list-style-type: none"> <li>▶ The application of the impairment requirements of AASB 9 Financial Instruments, within the Group's expected credit loss model.</li> <li>▶ The identification of exposures with a significant deterioration in credit quality;</li> <li>▶ Determining the estimated loss rates on customer advances receivable</li> </ul> <p>Due to the size of the 30 June 2025 ECL provision and the degree of judgment and estimation uncertainty associated with the calculations, this was considered a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>▶ Assessed whether the Group's methodology for calculation of the ECL is in accordance with the requirements of AASB 9;</li> <li>▶ Assessed the significant assumptions in the Expected Credit Loss model, including expected default rates;</li> <li>▶ Compared cash collections received post 30 June 2025 to the provisions recognised to assess the adequacy of the provision for customer advances receivable at 30 June 2025; and</li> <li>▶ Assessed the adequacy and appropriateness of the disclosures related to credit impairment included in the Notes to the financial report.</li> </ul>

## Independent Auditor's Report continued



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### Beforepay Income

Why significant	How our audit addressed the key audit matter
<p>For the year ended 30 June 2025, Beforepay income was \$40,165,013 and is 99% of the Group's revenue. Beforepay income relates to fees charged to customers in relation to loan advances.</p> <p>The Group recognises Beforepay income over the term of the customer advances, from initiation to repayment, applying the effective interest rate method. Accordingly, judgement is applied in the calculation of revenue and deferred revenue at balance date.</p> <p>We included Beforepay income as a key audit matter as it is a significant amount of the Group's total income.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"><li>▶ Obtained an understanding of the Group's revenue recognition accounting and assessed whether the Group's accounting policies complied with the requirements of Australian Accounting Standards.</li><li>▶ Assessed the operating effectiveness of key controls over the recognition and measurement of revenue.</li><li>▶ For a sample of revenue transactions, we obtained supporting evidence such as customer contracts and transaction records to support the timing and value of revenue recognised.</li><li>▶ Assessed the Group's application of the effective interest rate method for a sample of Beforepay income transactions.</li><li>▶ Assessed the adequacy and appropriateness of the accounting policies and related disclosures included in Note 5 to the financial report in respect of Beforepay income.</li></ul>

### Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2025 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- ▶ The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- ▶ The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

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for such internal control as the directors determine is necessary to enable the preparation of:

- ▶ The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ▶ The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

## Independent Auditor's Report continued



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- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on the audit of the Remuneration Report

#### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 26 to 40 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Beforepay Group Limited for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

#### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in cursive script that reads 'Ernst &amp; Young'.

Ernst & Young

A handwritten signature in cursive script that reads 'Anita Kariappa'.

Anita Kariappa  
Partner  
Sydney  
26 August 2025

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# Shareholder Information

30 JUNE 2025

The shareholder information set out below was applicable as at 12 August 2025.

## Number of security holders

At the specified date, there were 1,101 holders of ordinary shares (quoted and unquoted) and 27 holders of options (unquoted) over ordinary shares, and 10 holders of performance rights (unquoted) over ordinary shares. These were the only classes of equity securities on issue.

## Distribution of equitable securities

Analysis of number of equitable security holders (shareholders) by size of holding:

Holding Ranges	Ordinary shares		
	Holders	Total shares	% of total shares issued
Above 0 up to and including 1,000	412	211,024	0.44%
Above 1,000 up to and including 5,000	318	816,092	1.69%
Above 5,000 up to and including 10,000	94	696,981	1.44%
Above 10,000 up to and including 100,000	234	7,490,055	15.52%
Above 100,000	42	39,043,036	80.91%
<b>Total</b>	<b>1,101</b>	<b>48,257,188</b>	<b>100.00%</b>

The number of shareholders holding less than a marketable parcel was 79 holders (based on a share price of \$1.96).

Analysis of number of equitable security holders (shareholders) by size of holding:

Holding Ranges	Options over ordinary shares		
	Holders	Total options	% of total options issued
Above 0 up to and including 1,000	2	865	0.01%
Above 1,000 up to and including 5,000	8	20,498	0.28%
Above 5,000 up to and including 10,000	6	39,967	0.54%
Above 10,000 up to and including 100,000	2	30,865	0.42%
Above 100,000	9	7,298,732	98.75%
<b>Total</b>	<b>27</b>	<b>7,390,927</b>	<b>100.00%</b>

Analysis of number of equitable security holders (performance rights holders) by size of holding:

Holding ranges	Performance Rights		
	Holders	Total performance rights	% of total performance rights issued
Above 0 up to and including 1,000	–	–	–
Above 1,000 up to and including 5,000	–	–	–
Above 5,000 up to and including 10,000	2	16,271	0.84%
Above 10,000 up to and including 100,000	6	246,181	12.73%
Above 100,000	2	1,670,689	86.42%
<b>Total</b>	<b>10</b>	<b>1,933,141</b>	<b>100.00%</b>



## Shareholder Information continued

### Restricted securities

There were 173,064 fully paid ordinary shares which were subject to voluntary escrow arrangements ending 20 June 2025. Further, there are 42,378 fully paid ordinary shares in voluntary escrow arrangements ending 24 November 2025. As at 30 June 2025 there were no fully paid ordinary shares and no options over ordinary shares which were subject to ASX mandatory escrow arrangements.

### Equity security holders

#### Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

Name	Ordinary shares	
	Number of shares	% of total shares issued
BNP Paribas Nominees Pty Ltd ATF IB AU Noms Retail Client	13,312,149	27.59%
J P Morgan Nominees Australia Pty Limited	4,287,396	8.88%
Youbek Pty Ltd ATF Capricorn A/C	3,866,516	8.01%
Joepen Pty Ltd ATF Joepen A/C	2,527,057	5.24%
Citicorp Nominees Pty Limited	2,359,737	4.89%
Microequities Asset Management Pty Ltd Atf Microeqts Nanocap No 13 A/C	1,532,667	3.18%
BNP Paribas Noms (NZ) Ltd	1,485,959	3.08%
UBS Nominees Pty Ltd	1,325,957	2.75%
Netwealth Investments Limited ATF Super Services A/C	794,680	1.65%
Mr Alan Patrick Ferris	570,000	1.18%
Netwealth Investments Limited ATF Wrap Services A/C	534,800	1.11%
Mr James Spencer Twiss & Ms Liana Downey	420,000	0.87%
ASB Nominees Limited ATF 108129 A/C	413,805	0.86%
James Twiss	411,523	0.85%
M & S Skyleisure Pty Ltd <S Skyleisure A/C>	365,954	0.76%
CPF Group Pty Limited	314,037	0.65%
Mr Zhongxiang Zhang	295,000	0.61%
HSBC Custody Nominees	294,076	0.61%
BNP Paribas Noms Pty Ltd	279,063	0.58%
Sandhurst Trustees Ltd <Cyan C3G Fund A/C>	250,000	0.52%
<b>Total Top 20 Shareholders</b>	<b>35,640,376</b>	<b>73.86%</b>
<b>Total Issued Capital</b>	<b>48,257,188</b>	<b>100.00%</b>

As at 12 August 2025, the Group had received the following substantial shareholder notifications. No other substantial shareholder notices have been received.

	Ordinary shares	
	Number of shares	% of total shares issued
Microequities Asset Management Pty Ltd	4,350,407	9.22%
Regal Funds Management Pty Limited	4,069,046	8.43%
Mr Tarek Ayoub	3,866,516	8.01%
Mr Guo Fang Mao	2,675,753	5.54%

## Voting rights

All fully paid ordinary shares carry one vote per share. There are no voting rights attached to options or performance rights until exercised.

# Glossary

Term	Definition
<b>AAS</b>	Australian Accounting Standards issued by the Australian Accounting Standards Board.
<b>AASB</b>	Australian Accounting Standards Board.
<b>ACL</b>	Australian Credit Licence
<b>Active Users</b>	A customer of Beforepay, who has taken out an advance in the previous 12 months from the date of the relevant information. This includes customers who have not repaid their most recent Cash Out and are not eligible to re-borrow until they have done so. The figures presented on Active Users are unaudited.
<b>AI</b>	Artificial Intelligence
<b>Average Pay Advance</b>	Total dollar volume of pay advances in a period divided by the number of Pay advances in that period. The figures presented on average pay advance are unaudited.
<b>App</b>	Either one of the two smartphone applications of Beforepay, one for iOS devices and one for Android or the web application, as appropriate in its context.
<b>ASX</b>	ASX Limited or the securities exchange that it operates, as the context requires.
<b>Balmain Group</b>	Australian Commercial Mortgage Corporation Pty Ltd as trustee for the Australian AB Finance Trust.
<b>Beforepay Finance Pty Ltd</b>	Beforepay Finance Pty Ltd ACN 636 670 525 (a wholly owned subsidiary of the Company).
<b>Beforepay IP Pty Ltd</b>	Beforepay IP Pty Ltd ACN 633 930 015 (a wholly owned subsidiary of the Company).
<b>Beforepay Ops Pty Ltd</b>	Beforepay Ops Pty Ltd ACN 633 930 159 (a wholly owned subsidiary of the Company).
<b>Beforepay Income</b>	The transactions fees charged to customers on advances. Beforepay income is calculated and charged based on a fixed percentage (5%) of the amount advanced.
<b>Board or Board of Directors</b>	The board of directors of the Company.
<b>BPG Credit Pty Ltd</b>	BPG Credit Pty Ltd ACN 673 570 575 (a wholly owned subsidiary of the Company).
<b>Carrington Labs</b>	Carrington Labs ACN 19 682 772 827 (a wholly owned subsidiary of the Company)
<b>Company</b>	Beforepay Group Limited (ACN 633 925 505).
<b>Commission Income</b>	Commission income earned on Beforepay's Compare and Save platform.
<b>Corporations Act</b>	<i>Corporations Act 2001 (Cth)</i> .
<b>Credit Risk Model</b>	Beforepay's proprietary credit risk scoring model.
<b>Customer Acquisition Costs</b>	Advertising and marketing expenses attributable to customer acquisition divided by the number of first time cash outs. The figures presented on customer acquisition costs are unaudited.
<b>Director</b>	A member of the Board.
<b>Duration</b>	The average across all Pay advances of the time required to repay the Pay advance, weighted by the dollar size of each Pay advance. A Pay advance that is not repaid within 62 days is assumed to have a duration of 62 days.
<b>EBITDA</b>	Earnings before interest, taxation, depreciation and amortisation (adjusted). The figures presented on EBITDA are unaudited.
<b>Group</b>	The Company and each of its subsidiaries.
<b>GST</b>	Goods and services tax (GST) imposed under the <i>A New Tax System (Goods and Services Tax) Act 1999 (Cth)</i> .

Term	Definition
<b>IFRS</b>	International Financial Reporting Standards issued by the International Accounting Standards Board.
<b>Interest income</b>	Interest earned on cash at bank. It is not the fee that Beforepay charges to its customers.
<b>IPO</b>	Initial Public Offering
<b>KPI</b>	Key Performance Indicators
<b>Longreach Credit Investors</b>	AMAL Trustees Pty Ltd as trustee for Longreach Direct Lending Fund.
<b>Net Defaults</b>	Actual and expected credit losses (net of recoveries). It comprises customer defaults plus current advances provisioned during the period. The figures presented on Net Defaults are unaudited.
<b>Net Transaction Margin</b>	Comprises Beforepay income (being Beforepay pay advance fee income) less the variable costs associated with facilitating the pay advance transaction (net of recoveries). Variable costs include net transaction loss, third party funding costs and direct service costs. Net transaction margin is a management metric used to measure the gross margin on pay advances. The figures presented on net transaction margin are unaudited.
<b>Non-Executive Director</b>	A member of the Board who does not form part of the Company's management. Presently this constitutes all of the Directors.
<b>Pay Advances or pay advances</b>	The aggregate dollar value of Cash Outs in a specified period to a user. The figures presented on pay advances are unaudited.
<b>Personal Loan or PL</b>	Regulated loan product offering higher loan limits for longer durations.
<b>Share</b>	A fully paid ordinary share in the capital of the Company.
<b>Share Registry</b>	Automic Pty Ltd (ACN 152 260 814).
<b>U.S</b>	United States

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# Corporate Directory

30 JUNE 2025

## Directors

**Brian Hartzler** – Chair and Non-Executive Director  
**Daniel Moss** – Non-Executive Director  
**Stefan Urosevic** – Non-Executive Director  
**Patrick Tuttle** – Non-Executive Director

## Company secretary

**David Hwang**  
**Elena Chan** (resigned 1 May 2025)

## Notice of annual general meeting

The details of the annual general meeting of Beforepay Group Limited are:

Works by Scentre Group  
Level 5, 100 Market Street  
Sydney, NSW 2000

26 November 2025 at 2:00pm (AEDT)

## Registered office

Suite 1, Level 9  
77 Castlereagh Street  
Sydney NSW 2000  
Tel: +61 1300 870 711

## Principal place of business

Suite 1, Level 9  
77 Castlereagh Street  
Sydney NSW 2000  
Tel: +61 1300 870 711

## Share registry

**Automic Pty Limited**  
Deutsche Bank Tower  
Level 5, 126 Philip Street  
Sydney NSW 2000  
Tel: +61 2 9698 5414

## Auditor

**Ernst & Young**  
EY Centre  
200 George Street  
Sydney NSW 2000

## Stock exchange listing

Beforepay Group Limited shares are listed on the Australian Securities Exchange (ASX code: B4P)

## Website

[www.beforepay.com.au](http://www.beforepay.com.au)

## Business objectives

In accordance with Listing Rule 4.10.19 the Company confirms that the Group has been utilising the cash and assets in a form readily convertible to cash that it held at the time of its admission to the Official List of the Australian Securities Exchange (ASX) for the whole of the reporting period (being 30 June 2025) in a way that is consistent with its business objectives.

## Corporate Governance Statement

The Directors and management are committed to conducting the business of Beforepay Group Limited in an ethical manner and in accordance with the highest standards of corporate governance. Beforepay Group Limited has followed the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Fourth Edition) (ASX Principles and Recommendations) throughout the financial year ended 30 June 2025 (the Reporting Period).

Beforepay Group's Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the Reporting Period, and which is current as of 26 August 2025, was approved by the Board as part of the Annual report and can be found on the Investor Relations page at [www.beforepay.com.au/investor-hub/corporate-governance](http://www.beforepay.com.au/investor-hub/corporate-governance).

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