

Beforepay delivers strong first year

31 August 2022

Leading Pay On Demand™ company Beforepay has delivered its first annual results, demonstrating its performance across its three key strategic pillars: help customers, grow quickly, and create value.

Beforepay continues to deliver positive growth through helping working Australians in a responsible and ethical way. Highlights of the annual report include:

- Over the course of FY22 we issued more than \$327.3 million in Pay Advances, enabling hundreds of thousands of Australians to manage their short-term cash flow.
- Positive unit economics were achieved from Q3 onward, as we went from losing money on Pay Advances to a net transaction margin of 2.0% in Q4 FY22, and did it without charging a single late fee, or interest or any kind of hidden fee.
- We improved our machine learning powered credit model which saw our net transaction loss fall from 4.1% to 1.8% in Q4 FY22.
- The number of Pay Advances in FY22 grew by 214% to 1,219,725, and the total value of Pay Advances grew by 252%
- Our number of active customers grew from 102,671 in June 2021 to 173,398 in June 2022
- The average Pay Advance increased from \$163 in June 2021 to \$268 in June 2022

Beforepay CEO, Jamie Twiss, said: "In FY22, Beforepay more than tripled its volume of advances to customers, we achieved a positive Net Transaction Margin percentage, and we slashed net defaults by more than half. We continue to be on track to achieve overall profitability, and are looking forward to a great FY23.

"It's gratifying to see that customers continue to respond so positively to the Beforepay product, which is designed to be cheaper and safer than alternatives such as credit cards and payday loans.

"Because of the short duration of our advances, a 1% interest rate increase would cost us approximately five cents for an average \$100 advance. Our strong credit standards have resulted in a steady decline in defaults as we continue to progress towards profitability. We have not seen any significant changes in credit quality in recent months.

"We continue to be well-capitalised, with \$28 million in cash on the balance sheet, and steadily improving economics. We're looking forward to continued growth on the way to overall profitability."

The top employment industries for Beforepay customers are construction (13%), retail trade (11%), healthcare and social services (10%), and hospitality and restaurant services (10%).

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About Beforepay

- Beforepay was founded in 2019 to support working Australians who have not been well-served by the traditional financial-services industry.
- Beforepay aims to be an ethical, customer-friendly way to help people manage temporary cash- flow challenges.
- We've created a simple, transparent and inexpensive fee model that gives our customers total control. Importantly, unlike traditional products like credit cards, we charge only a small transaction fee, zero interest and no late fees.
- We take our commitment to providing funds responsibly very seriously, and that includes only providing funds to people who meet our strict safeguards.
- Our app also includes free budgeting tools and spending insights.
- For more information visit: www.beforepay.com.au.