



Beforepay delivers the third consecutive quarter of growth as it proves operating model in its path towards profitability

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Leading Pay On Demand™ provider Beforepay has announced another strong quarter of growth, with increased customer numbers, an uplift in revenue and strengthening margins. This is the third consecutive quarter of improved financials, demonstrating continued progress on the company's path to profitability.

Beforepay has released its results for the quarter ended 30 September 2022 (Q1 FY23). Highlights include:

- Pay advances grew by 153% YoY to \$139m driven by both new customer acquisition and continued usage by existing customers.
- Net transaction loss improved to 1.6%, down 36% YoY and down 11% on Q4 FY22 driven by ongoing refinements to the risk model, customer limit management and higher recoveries during Q1 FY23. Management expects that transaction losses will increase in Q2 FY23 in line with seasonal effects.
- Net transaction margin increased to 2.3%, compared to 2.0% in Q4 FY22 and 0.3% of pay advances in Q1 FY22, driven primarily by lower net transaction losses as well as timing effects in revenue recognition.
- Total operating expenses (excluding one off and/or significant items) were \$5.57m in Q1 FY23, which declined 6.9% from \$5.98m in Q4 FY22.
- During Q1 FY23, Beforepay announced the launch of its new Tax Refund Advance product, distributed through a partnership with H&R Block. This is currently in pilot, with an expectation of full national launch for the 1st July 2023 tax season opening new avenues of growth.

Beforepay CEO, Jamie Twiss, said, "Beforepay has delivered another strong quarter, with significant improvements in all key metrics. The strong increase in our net transaction margin shows that we are well on track towards profitability."

"The company remains focused on continuing to grow without adding significant cost to the current operating expense base, with active users growing by 52% YoY to 185,075"

"Beforepay launched Open Banking in September 2022 allowing us to serve users from a new set of banks and is currently contributing approximately 200 new users per week."

“We will continue to explore new growth opportunities, maintaining a focus on our path to profitability by managing costs and delivering on growth in our current products and geographies.”
Mr Twiss said.

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For more information, please contact:

Natasha Hirani
Senior Marketing Manager, Beforepay
0450 342 508
mediaenquiries@beforepay.com.au

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.