Earlypay Ltd
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Earlypay Ltd
ABN:	88 098 952 277
Reporting period:	For the year ended 30 June 2024
Previous period:	For the year ended 30 June 2023

2. Results for announcement to the market

				$'000
Income from ordinary activities	down	(9.9%)	to	54,556
Profit from ordinary activities after tax attributable to the owners of Earlypay Ltd	up	129.1%	to	2,449
Net profit for the year attributable to the owners of Earlypay Ltd	up	129.1%	to	2,449
Adjusted profit after tax attributable to the owners of Earlypay Ltd	up	183.1%	to	4,394

Comments
The profit for the Group after providing for income tax amounted to $2,449,000 (30 June 2023: restated loss of $8,411,000).

To reflect the Group's normalised earnings, the net profit after tax has been adjusted to remove amortisation of intangibles and non-recurring costs. The adjusted profit after tax was $4,394,000 (30 June 2023: restated loss of $5,286,000).

Adjustments to the statutory NPAT to arrive at an adjusted profit of $4.4m, include:
- $1.1m of non-cash items relating to amortisation of customer relationships from the purchase of Timelio;
- $0.3m in acquisition costs related to the purchase of Timelio;
- $0.4m in relation to the early termination of funding arrangements; and
- $0.1m in restructuring and one-off personnel costs.

To better reflected the underlying performance of the business, the net profit after tax has been further adjusted to remove the impact of the large client loss and recovery (RevRoof). The underlying proforma profit after tax was $4,906,000 (30 June 2023: restated profit of $4,131,000).

The 30 June 2023 comparative information has been restated to reflect two prior period adjustments totalling $667,000.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	13.25	13.11

The net tangible assets exclude intangible assets and deferred tax assets but include right-of-use assets.

4. Control gained over entities

The Earlypay Invoice Finance Trust (used for receivables funding purposes) was settled during the period.

5. Loss of control over entities

Entities voluntary deregistered during the period:
1. Zenith Management Services Group Pty Limited
2. Lester Payroll Services Pty Limited
3. Lester Associates Good Migration Pty Limited
4. Lester Associates Business Services Pty Limited

Funding trusts terminated during the period:
1. Classic Receivables Finance Trust
2. Earlypay Trade Receivables Trust

6. Dividends

Current period
A fully franked dividend of 0.15 cents per share has been declared subsequent to balance date and not recognised at year ended 30 June 2024.

This dividend will have a record date of 13 September 2024 with payment to be made on 27 September 2024.

Previous period
No dividends were declared for the year ended 30 June 2023.

7. Dividend reinvestment plans ('DRP')

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report (if any):

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unmodified opinion has been issued.

11. Attachments

Details of attachments (if any):

The Annual Report of Earlypay Ltd for the year ended 30 June 2024 is attached.

12. Signed

Signed ______________________________

James Beeson
Managing Director

27 August 2024
Sydney

Annual Report 2024

Earlypay Limited

ABN 88 098 952 277

Directors	Geoffrey Sam OAM James Beeson Sue Healy Ilkka Tales Stephen White
Company secretaries	Paul Murray Mathew Watkins
Notice of annual general meeting	The annual general meeting of Earlypay Ltd will be held at 10:00am on 28 November 2024
Registered office	Level 5, 201 Miller Street, North Sydney NSW 2060 Telephone: 1300 666 177 Facsimile: (02) 9267 4222
Share register	Computershare Investor Services Pty Ltd Level 3, 60 Carrington Street Sydney NSW 2000 Telephone: 1300 787 272
Auditor	Pitcher Partners Level 16, Tower 2 Darling Park 201 Sussex Street Sydney NSW 2000
Solicitors	Allen & Overy Level 25 85 Castlereagh Street Sydney NSW 2000
Bankers	ANZ Bank 242 Pitt Street, Sydney NSW 2000 Westpac Bank 275 Kent Street, Sydney NSW 2000 NAB 255 George Street, Sydney NSW 2000
Stock exchange listing	Earlypay Ltd shares are listed on the Australian Securities Exchange (ASX code: EPY)
Website	www.earlypay.com.au
Corporate Governance Statement	The directors and management are committed to conducting the business of Earlypay Ltd in an ethical manner and in accordance with the highest standards of corporate governance. Earlypay Ltd has adopted and complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations. The Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year, was approved by the Board of Directors (the 'Board') as part of the Annual Report and can be found on the Investor Relations page at www.earlypay.com.au/investors/.

Dear Shareholders

After a challenging financial year 2023, much of the focus in FY24 was on completing important initiatives to strengthen the foundations of Earlypay Ltd ("the Company") for strong and sustainable future growth. These initiatives included:

Debt refinancing
- Existing invoice and trade finance facilities were refinanced into a new warehouse that is far more economically and operationally efficient. This included adding a mezzanine facility that almost halved the equity contribution of Earlypay Ltd and the entities it controlled ("the Group") to the funding of these receivables, making the business much more capital efficient.
- A secondary equipment finance facility was repaid with the majority of the receivables transferred to the main equipment finance warehouse. An asset class parameter in the equipment finance warehouse, which had constrained new originations during the first half of the financial year, was modified in March 2024.
- Post year-end, a new $10m secured corporate facility was completed that enabled the repayment of the existing $19.4m corporate bond in full. It is expected that the new facility will be repaid within twelve months, leaving the Company with no debt at a corporate level.

Capital management
- Capital released from the refinance of the invoice and trade facilities enabled the Company to acquire 24.7 million shares for $4.37m at an average price of 17.6 cents per share through the on-market and small market parcel buybacks. Given the positive outlook for the business, this was considered the most EPS accretive way to deploy the excess capital.

Timelio acquisition
- The acquisition of selected assets from Timelio was completed, which added a portfolio of high-quality invoice finance and trade finance receivables. Several Timelio staff also joined Earlypay, enhancing the Group's technology capability which is supporting growth initiatives and efficiency improvements.

Risk management and operations
- The mix of the client receivables portfolio was adjusted to align with the Board's risk appetite. This included reducing exposure to trade finance and exposures to selected invoice finance clients.
- Numerous improvements relating to credit decisioning, onboarding and client monitoring were implemented that support growth in receivables in a risk-controlled manner.
- Following the Timelio acquisition, the Group undertook a restructure to adjust the cost base and maximise operating leverage as growth resumes.

Investing in alternative distribution channels
- In addition to continued investment in the traditional referrer channels, the Company is pursuing a range of embedded finance and third-party platform integration opportunities. The Group is well placed to maximise this opportunity with its newly enhanced technology capability, scale and invoice financing expertise. This new means of distribution is expected to provide an increasing amount of new business in FY25 and beyond.

Resolution of RevRoof
- The RevRoof recovery process was completed and there was no outstanding exposure at 30 June 2024.

Financial performance

Underlying proforma NPAT for FY24 was $4.9m, which is higher than the restated $4.1m in FY23. Underlying proforma NPAT is used to better reflect the underlying performance of the business and adjusts the statutory NPAT of $2.4m (FY23: restated loss of $8.4m) to remove amortisation of intangibles, non-recurring costs and the impact of the loss and recovery relating to RevRoof.

The $4.9m underlying proforma NPAT was achieved with a lower level of client receivables due to rebalancing the invoice and trade finance portfolio and limited equipment finance originations due to the asset class parameter constraint. Partially offsetting this reduction in client receivables was the addition of the Timelio portfolio. Much of this portfolio was originally acquired from Bendigo Bank and has improved the average credit quality of the Group's client receivables portfolio.

Financial performance (continued)

Net interest margin (NIM) was slightly higher and is expected to increase in coming periods with the ongoing addition of smaller, higher margin clients. NIM is also expected to expand as the benefits of the new invoice and trade warehouse flow through. Non-interest margins were tighter in FY24 reflective of the low administration fees generated by the Timelio portfolio, although this effect will be diluted as the portfolio grows with clients that use the Group's administration services.
Normalised (excluding RevRoof) credit impairment expense fell significantly in FY24. Operating expenses also fell as the cost base was adjusted in Q4 once the Timelio integration was more established. Cost control and enhancing operational efficiency remains a key focus into FY25.

The balance sheet remains strong and is expected to continue to strengthen given the business is cash generative and more capital efficient after the debt refinancing. This provides flexibility to continue capital management initiatives including repaying the residual corporate debt, continuing to buy back shares and expanding through acquisition.

Outlook

With many key strategic improvements now in place, the focus in FY25 is to resume strong and sustainable growth in client receivables led by the core invoice finance product and equipment finance. The current economic and competitive environment is supportive of strong growth in the Group's products and additional sales and marketing resources have recently been added to maximise this opportunity.

To augment traditional distribution channels including commercial brokers and other referrers, we are excited about the embedded finance and third-party platform integration opportunity and believe that this will contribute significantly to new originations through time.

After a period focused on strengthening the foundations of the business, we are now well placed to resume strong growth in client receivables at wider margins, which will support profitability in FY25.

Given the confidence in the outlook, the Board has declared a 0.15 cents per share fully franked dividend subsequent to balance date and not recognised at year end. This is only a small proportion of earnings per share, but the size of the dividend is constrained by the amount of the Company's retained profits. As retained profits are rebuilt, it is the Board's intention that the payout ratio will revert to historical levels.

On behalf of the Board, we would like to thank staff, clients, referrers, partners, funders and investors for their support, and we look forward to providing a further update at the 2024 Annual General Meeting in November.

Sincerely

Geoffrey Sam OAM
Chairman

James Beeson
Managing Director

27 August 2024
Sydney

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as 'Earlypay' or the 'Group') consisting of Earlypay Ltd (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 2024.

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

Geoffrey Sam OAM - Independent Non-Executive Director, Chairperson
James Beeson - Managing Director
Sue Healy - Independent Non-Executive Director
Ilkka Tales - Independent Non-Executive Director
Stephen White - Non-Executive Director

Principal activities
The Group's principal activity during the year was that of the provision of financial services to Australian small to medium enterprises. There has been no significant change in the nature of these activity during the year.

Dividends
A fully franked dividend of 0.15 cents per ordinary share for the financial year ended 30 June 2024 has been declared after balance date and not recognised at year-end (FY23: nil).

Dividends accrued or paid during the financial year were as follows:

	Consolidated	
	2024 $'000	2023 $'000
Final dividend for the year ended 30 June 2023 of nil cents (2022: 1.8 cents) per ordinary share	-	5,168

Review of operations
The profit for the Group after providing for income tax amounted to $2.4m (FY23: restated loss of $8.4m).

Conditions for many Australian SMEs remained challenging, driving both high levels of insolvency across the economy and the demand for cash flow from SMEs. Invoice financing is generally well suited to difficult economic conditions given it is secured by debtor receivables, often enabling the provision of finance when other lending products become less available. As a result, demand has been robust although this has been tempered by the Group’s conservative risk appetite during the period.

During the year, the Group continued to reduce large, single client exposures and actively managed the invoice finance portfolio composition to be less concentrated and more diversified both at a client and debtor level. Invoice finance receivables declined during the period, impacting interest income and net income.

Trade finance continues to be offered selectively to high quality invoice finance clients only. Equipment financing origination was modest during the year and the book declined during the period.

Key features of Earlypay’s FY24 statutory results are as follows:

Consolidated group
- Revenue of $54.6m (FY23: $60.6m)
- Net income of $35.1m (FY23: $41.3m)
- Operating expenses (ex. Credit impairment expense) of $28.5m (FY23: $35.1m)
- Credit impairment expense of $3.1m (FY23: $17.3m)
- Statutory profit of $2.4m (FY23: restated loss of $8.4m)

Invoice finance
- Net income of $27.8m (FY23: $32.6m)
- Operating expenses (ex. Credit impairment expense) of $21.6m (FY23: restated $24.1m)
- Credit impairment expense of $1.8m (FY23: $16.4m)
- Net revenue of $27.8m (FY23: $32.6m)

Equipment finance

- Net income of $7.1m (FY23: restated income of $8.4m)
- Operating expenses (ex. Credit impairment expense) of $3.6m (FY23: $5.1m)
- Credit impairment expense of $1.2m (FY23: $0.9m)

Statement of financial position

As at 30 June 2024, there was a surplus in net assets to net liabilities of $72.6m (30 June 2023: $72.8m) as well as in net tangible assets to net liabilities of $36.2m (30 June 2023: $38.0m).

Cash and cash equivalents

As at 30 June 2024, Cash and cash equivalents were $40.1m (FY23: $53.0m). Unrestricted cash at 30 June 2024 was $15.2m (FY23: $3.4m).

Client receivables

As at 30 June 2024, net of provisions, trade receivables (invoice finance) were $140.2m (FY23: $154.9m) and equipment finance receivables were $91.1m (FY23: $109.0m).

Borrowings

As at 30 June 2024, the Group's borrowings were $234.8m (FY23: $279.0m).

Risks

Earlypay recognises that risk is inherent in its business, particularly as an SME lender, and that effective risk management is a key component of sound corporate governance and is essential in delivering our business objectives within the Board's risk appetite.

Earlypay continues to strengthen its risk management framework and below is the Board's and Management's view of the key business risks facing Earlypay. Note that this not an exhaustive list of all of Earlypay's business risks.

Nature of risk	How we manage the risk / Key areas of focus
Clients and debtors are unable to meet their financial obligations	• Continuously reviewing underwriting and operational policies and procedures and ensuring compliance. • Expanding the use of data analysis to identify heightened risk at an early stage. • Prompt and detailed reviews of credit and fraud incidents and promptly closing gaps in systems and processes.
Clients and debtors induce Earlypay to advance funds against false invoices	• Continuing to invest in tools and processes to mitigate fraud risk. • Maintaining a more diversified loan book to reduce concentration to single clients and debtors. • Ongoing improvement in the methods we use to verify the validity of invoices.
Insufficient capital and funding to fund the existing business and support growth	• Ongoing review of funding facilities to minimise funding costs and equity requirements, as well as to maintain flexibility and capacity for future growth. • Diligent adherence to portfolio requirements. • Comprehensive approach to cashflow and capital forecasting.
Margin compression	• Actively focus on optimising funding facilities to minimise the cost of funding. • Pass on interest rate increases to clients where possible. • Minimise interest rate mismatches between interest income and interest expense. • Maintain an effective framework for risk-based client pricing.
Inability to grow the loan book	• Ongoing market research to identify market segments and opportunities that are aligned with our strengths. • Focus on opportunities where we can differentiate our offering and our go to-market strategy. • Continue to expand broker penetration through the education of invoice financing. • Sharp focus on client service to support retention. • Invest in the proposition to deliver a market leading client offering.

Nature of risk	How we manage the risk / Key areas of focus
Losses resulting from inadequate or failed internal processes and systems	• Regularly review and upgrade of credit and operational policies and procedures. • Utilising technology where appropriate to streamline processes and reduce the risk of human error. • Ongoing focus on enhancing the Group's cybersecurity systems and frameworks.
Underinvestment or overinvestment in the Earlypay platform	• Maintain a technology roadmap for development of the Earlypay platform. • Ongoing market research of third-party providers to validate 'build vs buy' decision • Ensure that there is a well-defined strategy for external integrations to the Group's technology platform. • Staged retirement of legacy systems. • Ongoing investment in the infrastructure that supports the increased use of data for improved business decision making.
Weak corporate governance undermines the ability for Earlypay to achieve its strategic objectives	• Maintenance of specialist company secretary and corporate governance capabilities. • Ongoing review and update of corporate governance framework.

Significant changes in the state of affairs

On 24 August 2023, the Company announced an on-market share buy-back of up to 28,000,000 ordinary fully paid shares. The share buy-back is for a period of 12 months from 12 September 2023. During the year ended 30 June 2024, 24,666,720 ordinary shares were bought back for $4,368,000.

On 13 November 2023 the Group acquired selected assets from Timelio Pty Ltd, a specialist invoice and trade finance provider. The acquired assets included approximately $33m of invoice finance receivables and $5m of trade finance receivables. The portfolio was subject to detailed due diligence to ensure the assets met Earlypay's risk appetite and underwriting standards. Many of the acquired customers had joined Timelio through its acquisition of the Bendigo Bank portfolio purchase in 2022. A number of Timelio staff were also offered employment by Earlypay to enhance its capabilities across Client Management, Finance, Marketing and Technology.

On 11 December 2023 the Group resolved all outstanding legal proceedings relating to the Revroof Pty Ltd ('RevRoof') recovery process. Approximately $8.4m of proceeds from the sale of the RevRoof business held in trust pending the resolution were released. As at 30 June 2024, the Group had no outstanding exposure to Revroof.

During the year, major components of the program to restructure Earlypay's wholesale funding were completed as follows:

- the Group entered into a new invoice and trade finance senior warehouse facility with a major Australian Bank associated with the new Earlypay Invoice Finance Trust ('EIFT');
- the Group's existing invoice finance facility was refinanced and assets transferred to the new EIFT on 22 January 2024;
- the Group's existing trade finance facility was refinanced and assets transferred to the new EIFT on 14 February 2024;
- an equipment finance facility with a non-bank provider was refinanced and the majority of assets were transferred to the Group's main equipment finance trust (the Classic Equipment Finance Trust, 'CEFT') on 24 January 2024; and
- the Group completed a $10m mezzanine facility for EIFT, from an Australian institutional investor, on 28 June 2024.

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

On 22 July 2024, the Earlypay Limited raised $10m via a secured corporate loan from an Australian institutional investor. On the same day the Group repaid the outstanding $19.4m Corporate Bond.

On 27 August 2024, a fully franked dividend of 0.15 cents per ordinary share for the financial year ended 30 June 2024 was declared.

No other matter or circumstance has arisen since 30 June 2024 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

Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Group. An outlook for the Group is included in the Chairperson and Managing Director's report.

Environmental regulation

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

Information on Directors

Name:	**Geoffrey Sam OAM**
Title:	Independent Non-Executive Director, Chairperson
Qualifications:	BCom (UNSW), MHA (UNSW), MA (Econ&SocStudies) (Manchester UK), FAICD
Experience and expertise:	Geoffrey has held numerous successful ASX listed independent NED positions including Chairperson of Money 3, Hutchison Childcare Services and MD of Nova Health. He is the co-founder and Director of Healthecare Australia Pty Ltd which owns 17 private hospitals and day surgeries in NSW, Vic and Tas.
Other current directorships:	Non-executive Director of IDT Australia Ltd (since 2022) and Change Financial Australia Ltd (since 2023).
Former directorships (last 3 years):	Paragon Care Ltd.
Special responsibilities:	Member of the Audit & Risk Committee and Member of the Nomination & Remuneration Committee
Interests in shares:	2,160,188 ordinary shares
Interests in options:	None
Interests in rights:	None

Name:	**James Beeson**
Title:	Managing Director
Qualifications:	BCom, MAppFin, MBA, CPA, GAICD
Experience and expertise:	James joined Earlypay through the acquisition of Skippr, where he was CEO. Prior to this, James was Managing Director and Head of EMEA Rates & Foreign Exchange in JP Morgan’s Chief Investment Office in London. Throughout his career, James has managed a wide range of alternative investments, structured credit, global fixed income and currency portfolios for JP Morgan, Brevan Howard Asset Management and Citigroup in London, Hong Kong and Sydney.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	15,952,453 ordinary share
Interests in options:	None
Interests in rights:	709,614 rights over ordinary shares

Name:	**Sue Healy**
Title:	Independent Non-Executive Director
Qualifications:	Fellow RCSA, MAICD
Experience and expertise:	Sue is an experienced Non-Executive Director, she is Chair of Talent Quarter & Health Talent, and previously Deputy Chair and Non-Executive Director of Ability Options & Olympus Solutions and has held previous Non-Executive Director roles with The Recruiting and Consulting Services Association, and other industry bodies. She was the founder and MD of a Talent and HR Consulting Business for 20 years. She has also held Executive Leadership roles with the two of the largest ASX listed human capital companies in Australia.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chairperson of the Nomination & Remuneration Committee and Member of the Audit & Risk Committee
Interests in shares:	768,735 ordinary shares
Interests in options:	None
Interests in rights:	None

Name:	**Ilkka Tales**
Title:	Independent Non-Executive Director
Qualifications:	BBus
Experience and expertise:	Ilkka has worked with start-ups over 30 years accelerating the growth of these businesses in four industry sectors. Three have listed and the latest was a classified Unicorn. An expert at scaling and growth strategies. Ilkka has held senior global roles at Greensill, MyriadGroup AG and Philips. Ilkka is a recognised entrepreneur and sits on a number of private company boards
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chairperson of the Audit & Risk Committee
Interests in shares:	300,000 ordinary shares
Interests in options:	None
Interests in rights:	None

Name:	**Stephen White**
Title:	Non-Executive Director
Qualifications:	M.Mngt, GAICD
Experience and expertise:	Steve has had over 30 years of experience in Investment Banking, including roles with Barclays Capital Singapore, Rothschild and HSBC Japan in their treasury divisions. For 10 years he held a position as a principal of a boutique risk advisory firm which concentrated on assisting C-suite executives to manage significant financial market risks. This experience is combined with significant corporate governance experience including as a responsible manager for a Wholesale Australian Financial Services Licence for 10 years. Steve continues to be engaged in providing advice and assistance to businesses across a number of industries. Steve is a Graduate Member of the Australian Institute of Company Directors and has a Master of Management from MGSM
Other current directorships:	Non-Executive Director of COG Financial Services Limited (since 2010)
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit & Risk Committee
Interests in shares:	None
Interests in options:	None
Interests in rights:	None

'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 secretaries

Paul Murray

Paul Murray was appointed as joint Company Secretary on 14 June 2023. Paul is Chief Financial Officer (CFO) / Chief Operating Officer (COO) and joined Earlypay in November 2022. Paul is an experienced financial services executive with broad experience across banking and investment management, gained in Australia and the UK. Paul joined Earlypay from the non-bank lender, Household Capital, where he was CFO. Paul's prior roles include Head of Corporate Strategy (and Asia) for Legal & General Investment Management and senior risk management roles at TwentyFour Asset Management, Columbia Threadneedle (F&C), Rothschild (Australia) and ANZ. Paul is a Chartered Accountant, holds a Master of Commerce (Finance) degree from the University of Melbourne and is a graduate of the TRIUM Global Executive MBA Program.

Mathew Watkins - Vistra Australia

On 12 December 2022, Earlypay announced that the specialist Company Secretarial, Governance and Accounting firm, Vistra Australia commenced undertaking the Company Secretarial role. Mathew Watkins had been appointed as Joint Company Secretary. Mathew is a Chartered Accountant who has extensive ASX experience within several industry sectors including Biotechnology, Bioscience, Resources and Information Technology. He specialises in ASX statutory reporting, ASX compliance, corporate governance and board and secretarial support. Vistra Australia has vast experience working with listed entities and brings a strong background of working with growing companies within various industries.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each Director were:

	Full Board		Nomination & Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Geoffrey Sam OAM	11	11	2	2	6	6
James Beeson	11	11	-	-	-	-
Sue Healy	10	11	2	2	6	6
Ilkka Tales	11	11	-	-	6	6
Stephen White	11	11	2	2	6	6

Held: represents the number of meetings held during the time the Director held office.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

Use of remuneration consultants
During the financial year ended 30 June 2024, the Group did not engage remuneration consultants.

Voting and comments made at the Company's 2023 Annual General Meeting ('AGM')
At the 2023 AGM, 93.30% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2023. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Key management personnel ('KMP')
KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

Name	Title
Directors	
Geoffrey Sam OAM	Independent Non-Executive Director, Chairperson
James Beeson	Managing Director
Sue Healy	Independent Non-Executive Director
Ilkka Tales	Independent Non-Executive Director
Stephen White	Non-Executive Director
Other KMP	
Paul Murray	CFO-COO and Joint Company Secretary

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- KMP Service Agreements (excludes Non-Executive Directors)
- Share-based compensation
- Additional information
- Additional disclosures relating to KMP

Principles used to determine the nature and amount of remuneration

The remuneration policy of Earlypay Limited has been designed to align KMP objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific short-term and long-term incentives based on key performance areas affecting the Group's financial results. The Board of Earlypay Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best KMP to run and manage the consolidated Group, as well as create goal congruence between directors, executives and shareholders. The Board obtains professional advice where necessary to ensure that the Company attracts and retains talented and motivated directors and employees who can enhance Company performance through their contributions and leadership.

The Board's policy for determining the nature and amount of remuneration for KMP of the Group is as follows:

- the remuneration policy is developed by the Nomination & Remuneration Committee and approved by the Board. Professional advice is sought from independent external consultants as required.
- all KMP receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits and performance incentives;
- performance incentives are generally only paid once predetermined key performance indicators have been met;
- incentives paid in the form of rights are intended to align the interests of the directors and the Company with those of the shareholders. In this regard, KMP are prohibited from limiting risk attached to those instruments by use of derivatives or other means; and
- the Nomination & Remuneration Committee reviews KMP packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors.

The performance of KMP is measured against criteria agreed annually with each executive and is based predominantly on the forecast growth of the consolidated Group's profits. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives and bonuses, and can recommend changes to the committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance results leading to long-term growth in shareholder wealth.

KMP received a superannuation guarantee contribution required by the government and do not receive any other retirement benefits. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation.

Upon retirement, KMP are paid employee benefit entitlements accrued to the date of retirement. All remuneration paid to KMP is valued at the cost to the Company and expensed. The Board's policy remunerates Non-Executive Directors at market rates for time, commitment and responsibilities. The Nomination & Remuneration Committee determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at an Annual General Meeting. The current maximum is $680,000 (FY23: $680,000). Non-Executive Directors receive fees and do not receive options or bonus payments.

Performance-based remuneration

The key performance indicators ('KPIs') are set annually, with a certain level of consultation with KMP to ensure buy-in. The measures are specifically tailored to the area each individual is involved in and has a level of control over. The KPI's targets areas the Board believes hold greater potential for the Group expansion and profit, covering financial and non-financial as well as short and long-term goals. The level set for each KPI is based on budgeted figures for the Group and respective industry standards.

The Board expects that the remuneration structure implemented will result in the Group being able to attract and retain the best executives to run the Group. It will also provide executives with the necessary incentives to work to grow long-term shareholder value.

The following table summarises the performance conditions for short term performance linked bonuses.

KMP	2024 Performance conditions
James Beeson - Managing director	Maximum $137,500 on achievement of the KPIs set by the Nomination & Remuneration Committee including NPAT targets
Paul Murray - CFO-COO and Company Secretary	Maximum $100,000 on achievement of the KPIs set by the Nomination & Remuneration Committee including NPAT targets

Minimum amount is nil for all KMP.

Long Term Incentive ('LTI')

The LTI is an annual performance rights plan used to motivate executives to achieve longer term performance targets of the Group. The structure was adopted to ensure appropriate alignment to shareholder value over the specified timeframe. The performance rights plan was approved by the shareholders on 17 November 2022.

Senior executives (including executive KMP) are invited to participate at the Board’s discretion.

Common features

Feature	Description
Instrument	Performance rights being a right to receive a share subject to performance and vesting conditions.
Opportunity	15% to 25% of fixed remuneration.
Dividends or share issues	No dividends are paid or accrued on unvested awards.
Performance criteria	The plan uses earnings per share growth, absolute total shareholder return ('TSR') and return on equity performance hurdles.
Assessment, approval and payment	At the end of performance period, the Nomination & Remuneration Committee assesses the relevant performance measures and determines the extent to which the awards should vest. Vested rights will be exercised automatically and the Board will determine the value of the rights and the extent to which that value is to be provided in the form of cash, and/or shares.
Change of control	Unless otherwise determined by the Board, in the event of a change of control including a takeover, the vesting conditions attached to the tranche at the time of the application will cease to apply and: a) unvested performance rights granted in the financial year of the change of control will be assessed by the Board for vesting; b) remaining unvested performance rights will vest if the change of control share price is greater than the price at the commencement of the measurement period and the change of control share price leading up to the change of control has a 20% premium to the price at the beginning of the measurement period; c) any unvested performance rights that do not vest pursuant to (a) and (b) will lapse; d) disposal restrictions applied to restricted shares by the Company will be lifted, including the removal of any Company initiated CHESS holding lock, if applicable. However, shares may not be sold if the holder is in possession of 'inside information'.
Termination	Continued service during the whole measurement period is not a requirement in order for performance rights to vest. However, performance rights granted in the financial year of the termination and which are held at the date of termination (and unvested), will be forfeited in the proportion that the remainder of the financial year following the termination bears to the full financial year (unless otherwise determined by the Board). All other unvested performance rights will be retained for possible vesting based on performance during the measurement period, to be assessed following the completion of the measurement period.
Claw back provisions	There are no specific provisions providing the capacity to claw back a component of remuneration in the event of a matter of significant concern.

Specific grant parameters

2023 grant

Performance period	July 2022: 3 years (1 July 2022 to 30 June 2025)
Vesting date	1 October 2025

Performance level	EPS tranche 1	TSR tranche 2	ROE tranche 3	Vesting % of tranche
Threshold	2.5%	8%	13.5%	25%
Between threshold and target	2.5% to 5%	8% to 10%	13.5% to 14.5%	Pro-rata
Target	5%	10%	14.5%	50%
Between target and stretch	5% to 7.5%	10% to 16%	14.5% to 16.5%	Pro-rata
Stretch	7.5%	16%	16.5%	100%
No. of rights	820,128	820,128	820,128	

Outstanding performance rights
2,531,652 performance rights were granted in FY22. The measurement period for these rights ended on 30 June 2024. No rights vested under this grant.

2,460,384 performance rights were granted in FY23. The measurement period for these rights ends on 30 June 2025.

There were no performance rights granted in FY24.

Details of remuneration

Amounts of remuneration
Details of the remuneration of KMP of the Group are set out in the following tables.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2024	Cash salary and fees $	Cash bonus $	Termination $	Super-annuation $	Long service leave $	Equity-settled[1] $	Total $
Non-Executive Directors:							
Geoffrey Sam OAM	126,697	-	-	13,937	-	-	140,634
Sue Healy	77,273	-	-	8,500	-	-	85,773
Ilkka Tales	77,273	-	-	8,500	-	-	85,773
Stephen White	77,273	-	-	8,500	-	-	85,773
Executive Directors:							
James Beeson	522,500	-	-	29,109	-	-	551,609
Other KMP:							
Paul Murray	372,500	-	-	27,500	-	-	400,000
	1,253,516	-	-	96,046	-	-	1,349,562

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2023	Cash salary and fees $	Cash bonus $	Termination $	Super-annuation $	Long service leave $	Equity-settled[5] $	Total $
Non-Executive Directors:							
Geoffrey Sam OAM	119,410	-	-	12,538	-	-	131,948
Sue Healy	77,273	-	-	8,114	-	-	85,387
Ilkka Tales	77,273	-	-	8,114	-	-	85,387
Stephen White	77,273	-	-	8,114	-	-	85,387
Greg Riley[1]	42,459	-	-	-	-	-	42,459
Executive Directors:							
James Beeson	502,566	21,375	-	32,037	-	31,886	587,864
Daniel Riley[2]	193,718	37,500	397,828	13,396	-	(20,832)	621,610
Other KMP:							
Steve Shin[3]	293,821	22,500	286,713	27,500	-	15,348	645,882
Paul Murray[4]	168,994	-	-	17,744	-	17,970	204,708
	1,552,787	81,375	684,541	127,557	-	44,372	2,490,632

1 Represents remuneration from 1 July 2022 to 17 November 2022
2 Represents remuneration from 1 July 2022 to 18 January 2023
3 Represents remuneration from 1 July 2022 to 14 June 2023
4 Represents remuneration from 14 November 2022 to 30 June 2023
5 Includes changes in share based payments reported as remuneration in a previous period under AASB 2

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

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2024	2023	2024	2023	2024	2023
Non-Executive Directors:						
Geoffrey Sam OAM	100%	100%	-	-	-	-
Sue Healy	100%	100%	-	-	-	-
Ilkka Tales	100%	100%	-	-	-	-
Stephen White	100%	100%	-	-	-	-
Greg Riley	100%	100%	-	-	-	-
Executive Directors:						
James Beeson	100%	82%	-	-	-	18%
Daniel Riley*	-	32%	-	-	-	6%
Other KMP:						
Steve Shin*	-	49%	-	-	-	8%
Paul Murray	100%	91%	-	-	-	9%

* Excluding termination benefits

The proportion of the cash bonus paid/payable or forfeited is as follows:

Name	Cash bonus paid/payable 2024	Cash bonus paid/payable 2023	Cash bonus forfeited 2024	Cash bonus forfeited 2023
Executive Directors:				
James Beeson	-	-	100%	100%
Other Key Management Personnel:				
Paul Murray	-	-	100%	100%

KMP Service Agreements (excludes Non-Executive Directors)

Remuneration and other terms of employments for KMP are formalised in service agreements. The agreements provide for performance-related cash bonuses. Other major provisions of the agreements relating to remuneration are set out below:

Name	Terms of agreements	Base salary including superannuation $
James Beeson	Ongoing as from 14 August 2020	550,000
Paul Murray	Ongoing as from 14 June 2023	400,000

James Beeson's contract may be terminated by either party with six months' notice, subject to termination payments at the discretion of the Nomination & Remuneration Committee.

Paul Murray's contract may be terminated by either party with four months' notice, subject to termination payments at the discretion of the Nomination & Remuneration Committee.

Share-based compensation

Issue of shares
There were no shares issued to Directors and other KMP as part of compensation during the year ended 30 June 2024.

Performance rights
The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of Directors and other KMP in this financial year or future reporting years are as follows:

Name	Number of rights granted	Grant date	Vesting date	Fair value per right at grant date*
James Besson	709,614	16/12/2022	01/10/2025	$0.185
Paul Murray	291,408	16/12/2022	01/10/2025	$0.185

* Relates to tranche 2 performance rights only. Refer to note 37 for further details

Performance rights granted carry no dividend or voting rights.

Additional information

The earnings of the Group for the five years to 30 June 2024 are summarised below:

	2024 $'000	2023 *Restated $'000	2022 $'000	2021 $'000	2020 $'000
Sales revenue	54,556	60,558	53,801	43,865	47,506
Profit/(loss) after income tax	2,449	(8,411)	13,223	7,238	2,672

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2024	2023	2022	2021	2020
Share price at financial year end (cents per share)	17.50	19.00	49.00	50.00	23.50
Total dividends declared (cents per share)	0.15	-	3.20	2.30	1.75
Basic earnings/(loss) per share (cents per share)	0.86	(2.91)	4.70	3.18	1.32
Diluted earnings/(loss) per share (cents per share)	0.85	(2.91)	4.66	3.05	1.26

Additional disclosures relating to KMP

Shareholding
The number of shares in the Company held during the financial year by each Director and other members of KMP of the Group, including their personally related parties, is set out below:

2024	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Geoffrey Sam OAM	2,160,188	-	-	-	2,160,188
James Beeson	15,952,453	-	-	-	15,952,453
Sue Healy	768,735	-	-	-	768,735
Ilkka Tales	300,000	-	-	-	300,000
Stephen White	-	-	-	-	-
Paul Murray	-	-	470,000	-	470,000
	19,181,376	-	470,000	-	19,651,376

All additions and disposals were made on-market and under normal terms and conditions.

Performance rights holding
The number of performance rights over ordinary shares in the Company held during the financial year by each Director and other members of KMP of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Lapsed	Balance at the end of the year
Performance rights over ordinary shares					
James Beeson	1,072,734	-	-	(363,120)*	709,614
Paul Murray	291,408	-	-	-	291,408
	1,364,142	-	-	(363,120)	1,001,022

The minimum value of the performance rights to vest is nil as the performance rights criteria may not be met and consequently the performance rights may not vest.

The maximum value of the performance rights yet to vest is not accurately determinable as it depends on the market price of shares of the Company on the Australian Securities Exchange at the date the performance rights are exercised.

* The measurement period for these rights ended on 30 June 2024. No rights vested under this grant.

This concludes the remuneration report, which has been audited.

Shares under option
There were no unissued ordinary shares of Earlypay Ltd under option outstanding at the date of this report.

Shares issued on the exercise of options
There were no ordinary shares of Earlypay Ltd issued on the exercise of options during the year ended 30 June 2024 and up to the date of this report.

Shares under performance rights
Unissued ordinary shares of Earlypay Ltd under performance rights at the date of this report are as follows:

Grant date	Vesting date	Exercise price	Number under rights
16/12/2022	01/10/2025	NA	2,460,384

At the end of the measurement period, the board will determine the value of the rights and the extent to which that value is to be provided in the form of cash, and/or shares.

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of performance rights
There were no ordinary shares of Earlypay Ltd issued on the exercise of performance rights during the year ended 30 June 2024 and up to the date of this report.

Indemnity and insurance of officers
During the financial year, the Group paid a premium insuring all directors and officers against any liability incurred as such by a director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. Further disclosure required under section 300(9) of the *Corporations Act 2001* is prohibited under the terms of the contract.

The Group has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Group or any related body corporate against a liability incurred as such by an officer or auditor.

Indemnity and insurance of auditor
The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

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

Proceedings on behalf of the Company
No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, 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.

No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 23 of the *Corporations Act 2001*, unless otherwise specified.

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 29 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 29 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 Company who are former partners of Pitcher Partners

There are no officers of the Group who are former partners of Pitcher Partners.

Rounding of amounts

The Group is an entity to which ASIC Corporations (Rounding in Financial / Director's Reports) Instrument 2016/191 applies and, accordingly, amounts in the financial statements and directors' report have been rounded to the nearest thousand dollars.

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.

Auditor

Pitcher Partners continues in office in accordance with section 327 of the *Corporations Act 2001*.

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

James Beeson
Managing Director

27 August 2024
Sydney

PITCHER PARTNERS

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Sydney NSW 2000

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Auditor's Independence Declaration
To the Directors of Earlypay Limited
ABN 88 098 952 277

In relation to the independent audit for the year ended 30 June 2024, to the best of my knowledge and belief there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

b) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards).*

This declaration is in respect of Earlypay Limited and the entities it controlled during the year.

Rod Shanley
Partner

27 August 2024

Pitcher Partners
Sydney

bakertilly NETWORK MEMBER

Earlypay Ltd
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	Consolidated 2024 $'000	2023 * Restated $'000
Income			
Interest income	6	32,684	34,846
Interest expense	7	(19,499)	(19,267)
Net interest income		13,185	15,579
Other income	6	21,872	25,712
Net income		35,057	41,291
Expenses			
Credit impairment expense	8	(3,071)	(17,329)
Commissions expense		(2,353)	(2,938)
Consultancy expense		(1,449)	(1,286)
Depreciation and amortisation expense	9	(2,633)	(1,711)
Employee benefits expense		(13,934)	(14,415)
Impairment of intangible assets	18	-	(2,128)
Insurance expense		(1,198)	(1,684)
IT expense		(1,494)	(1,253)
Legal expense		(2,740)	(6,122)
Marketing expense		(508)	(467)
Other expenses		(2,009)	(2,654)
Trust expense		(141)	(414)
Total expenses		(31,530)	(52,401)
Profit/(loss) before income tax (expense)/benefit		3,527	(11,110)
Income tax (expense)/benefit	10	(1,078)	2,699
Profit/(loss) after income tax (expense)/benefit for the year attributable to the owners of Earlypay Ltd		2,449	(8,411)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income/(loss) for the year attributable to the owners of Earlypay Ltd		2,449	(8,411)
		Cents	**Cents**
Basic earnings per share	11	0.86	(2.91)
Diluted earnings per share	11	0.85	(2.91)

* Refer to note 4 for detailed information on restatement of comparatives

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

Earlypay Ltd
Consolidated statement of financial position
As at 30 June 2024

	Note	Consolidated 2024 $'000	Consolidated 2023 * Restated $'000
Assets			
Current assets			
Cash and cash equivalents	12	40,133	52,986
Net trade receivables (invoice finance)	13	140,219	154,865
Equipment finance receivables	14	31,760	37,920
Income tax receivable	10	1,729	3,016
Other assets	15	2,284	3,607
Total current assets		216,125	252,394
Non-current assets			
Equipment finance receivables	14	59,385	71,037
Property, plant and equipment	16	267	206
Right-of-use assets	17	1,820	1,318
Intangible assets	18	32,346	28,784
Deferred tax asset	10	4,097	6,022
Total non-current assets		97,915	107,367
Total assets		314,040	359,761
Liabilities			
Current liabilities			
Trade and other payables	19	2,460	4,380
Borrowings	20	157,147	137,346
Lease liabilities	21	514	363
Employee benefits	22	1,099	1,043
Other liabilities		827	882
Total current liabilities		162,047	144,014
Non-current liabilities			
Borrowings	20	77,634	141,643
Lease liabilities	21	1,425	1,006
Employee benefits	22	322	281
Total non-current liabilities		79,381	142,930
Total liabilities		241,428	286,944
Net assets		72,612	72,817
Equity			
Issued capital	23	72,047	74,702
Reserves	24	152	753
Retained profits/ (accumulated losses)		413	(2,638)
Total equity		72,612	72,817

* Refer to note 4 for detailed information on restatement of comparatives

Consolidated	Issued capital $'000	Reserves $'000	Retained profits/ (accumulated losses) *Restated $'000	Total equity *Restated $'000
Balance at 1 July 2022	73,470	684	10,941	85,095
Loss after income tax benefit for the year	-	-	(7,744)	(7,744)
Adjustment for correction of error (note 4)	-	-	(667)	(667)
Total comprehensive income for the year	-	-	(8,411)	(8,411)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 23)	1,232	-	-	1,232
Share-based payments (note 37)	-	69	-	69
Dividends paid or provided for (note 25)	-	-	(5,168)	(5,168)
Balance at 30 June 2023	74,702	753	(2,638)	72,817

* Refer to note 4 for detailed information on Restatement of comparatives

Consolidated	Issued capital $'000	Reserves $'000	(Accumulated losses)/ retained profits $'000	Total equity $'000
Balance at 1 July 2023	74,702	753	(2,638)	72,817
Profit after income tax expense for the year	-	-	2,448	2,448
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	2,448	2,448
Transactions with owners in their capacity as owners:				
Transfer from general reserve	-	(441)	441	-
Transfer from issued capital	(2)	-	2	-
Transfer from lapsed/forfeited rights	-	(160)	160	-
Issue of shares (note 23 and note 34)	1,715	-	-	1,715
Share buy-back (note 23)	(4,368)	-	-	(4,368)
Balance at 30 June 2024	72,047	152	413	72,612

* Refer to note 4 for detailed information on restatement of comparatives

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

Earlypay Ltd
Consolidated statement of cash flows
For the year ended 30 June 2024

	Note	Consolidated 2024 $'000	Consolidated 2023 $'000
Cash flows from operating activities			
Receipts from customers		24,061	28,115
Interest received from customers		31,566	34,828
Payments to suppliers and employees		(29,433)	(30,732)
Interest received - other		1,118	554
Finance costs paid		(19,214)	(19,267)
Income tax refund/(paid)		1,234	(4,288)
Net cash from operating activities	26	9,332	9,210
Cash flows from investing activities			
Payments for property, plant and equipment	16	(184)	(43)
Payments for intangible assets	18	(912)	(870)
Net receipts/(payments) for client receivables		49,286	(8,909)
Payment to Timelio funding vehicle	34	(41,024)	-
Net receipts for equipment lease receivables		17,224	21,542
Net cash from investing activities		24,390	11,720
Cash flows from financing activities			
Proceeds from issue of shares	23	1,715	1,232
Payments for share buy-backs	23	(4,368)	-
Dividends paid, net of reinvestment	25	-	(5,168)
Proceeds from borrowings	26	109,434	2,321
Proceeds from borrowings - business combination	26	32,000	-
Repayment of borrowings	26	(184,748)	(18,515)
Repayment of lease liabilities	26	(608)	(521)
Net cash used in financing activities		(46,575)	(20,651)
Net (decrease)/increase in cash and cash equivalents		(12,853)	279
Cash and cash equivalents at the beginning of the financial year		52,986	52,707
Cash and cash equivalents at the end of the financial year	12	40,133	52,986

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

Note 1. General information

The financial statements cover Earlypay Ltd (the 'Company' or 'parent entity') as a consolidated entity consisting of Earlypay Ltd and the entities it controlled (collectively referred to as the 'Group') at the end of, or during, the financial year. The financial statements are presented in Australian dollars, which is Earlypay Ltd's functional and presentation currency.

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

Level 5 Miller Street,
North Sydney NSW 2060
Telephone: 1300 666 177
Facsimile: (02) 9267 4222
Internet: https://www.earlypay.com.au/

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 27 August 2024. The Directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policies

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

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 International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention except for revaluation of shares issued to the Timelio as disclosed in note 34.

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

These financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 33.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries as at 30 June 2024 and the results of all subsidiaries for the year then ended. Earlypay Ltd 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.

Note 2. Material accounting policies (continued)

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. A list of controlled entities is contained in note 35 to the financial statement.

Foreign currency translation

Foreign currency transactions

Foreign currency transactions are translated into the Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

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.

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 unconditional right 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.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other 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.

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.

Note 2. Material accounting policies (continued)

Rounding of amounts
The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

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 2024. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

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
The allowance for expected credit losses assessment requires a degree of estimation and judgement. The assumptions underlying the Group's expected credit loss model include, but are not limited to, probability of default, loss given default and exposure at default estimates for invoice finance and equipment finance receivables as well as forward-looking macro-economic conditions. Actual credit losses in future years may be higher or lower than estimated. Refer to note 27 for further information.

Goodwill
The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. Refer to note 18 for further information.

Impairment of non-financial assets other than goodwill
The Group assesses impairment of non-financial assets other than goodwill at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. There is a degree of judgement required as to determine whether a trigger exists. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions. Refer to note 18 for further information.

Recovery of deferred tax assets
Deferred tax assets are recognised for temporary deductible differences and unused tax losses only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The Group assesses the extent to which deferred tax assets will be recoverable in the short term by comparing forecast taxable profits to existing deferred tax assets and unused tax losses.

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 37 for further information.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Lease term
The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Swap arrangement
In accounting for borrowings associated with interest rate swaps, management has made a key accounting judgement in determining that the swap arrangement is closely related to the host instrument and therefore has accounted for these together and not as a separate derivative instrument.

Note 4. Restatement of comparatives

During the year, the Group identified two issues from prior periods that have resulted in the restatement of comparative information presented in these financial statements.

Equipment Finance interest income
During the year ending 30 June 2023, the Group migrated to a single Equipment Finance loan management system. As part of the migration management failed to detect a reconciliation error that had occurred over time on that legacy system, whereby equipment finance interest income and receivables had been overstated by $538,000. This error has been corrected and recognised through restatements to prior period receivables balance and retained earnings. The error did not affect current period results.

GST review
During the year, the Group engaged an external firm to undertake a broad review of the Group's GST compliance. A finding of that review was that as a provider of financial services (input tax supplies), the Group is subject to a reverse charge mechanism on offshore supplied services. The Group has failed to include such services in its GST return in prior years and will need to resubmit returns and pay additional GST. The impact of this omission has been recognised as a $129,000 restatement of prior year payables and retained earnings. GST expense and payables for the current year have been correctly reflected in the financial statements.

As a result of the above the affected financial statement line items for the prior period are restated as follows:

Statement of financial position

		Consolidated	
Extract	**2023 $'000 Reported**	**$'000 Adjustment**	**2023 $'000 Restated**
Assets			
Current assets			
Equipment finance receivables	38,458	(538)	37,920
Total current assets	252,932	(538)	252,394
Total assets	360,299	(538)	359,761
Liabilities			
Current liabilities			
Trade and other payables	4,251	129	4,380
Total current liabilities	143,885	129	144,014
Total liabilities	286,815	129	286,944
Net assets	73,484	(667)	72,817
Equity			
Accumulated losses	(1,971)	(667)	(2,638)
Total equity	73,484	(667)	72,817

Note 4. Restatement of comparatives (continued)

Statement of profit or loss and other comprehensive income

	Consolidated		
	2023		2023
	$'000	$'000	$'000
Extract	Reported	Adjustment	Restated
Income			
Interest income	35,384	(538)	34,846
Net income	41,829	(538)	41,291
Expenses			
Other expenses	(2,525)	(129)	(2,654)
(Loss) before income tax expense	(10,443)	(667)	(11,110)
Income tax expense	2,699	-	2,699
(Loss) after income tax for the year attributable to the owners of Earlypay Ltd	(7,744)	(667)	(8,411)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive (loss) for the year attributable to the owners of Earlypay Ltd	(7,744)	(667)	(8,411)
	Cents Reported	Cents Adjustment	Cents Restated
Basic earnings per share	(2.68)	(0.23)	(2.91)
Diluted earnings per share	(2.68)	(0.23)	(2.91)

Note 5. Operating segments

Identification of reportable operating segments
The Group is managed primarily on the basis of product category and service offerings as the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:
- the products sold and/or services provided by the segment;
- the type or class of customer for the products or services; and
- any external regulatory requirements.

Types of products and services by segment
(i) *Invoice finance*
Invoice Finance includes debtor finance and trade finance. Debtor finance provides an advance payment (typically up to 80%) against a client's invoices to help their business overcome the cash pressure of delivering goods or services in advance of payment from the debtor (typically 30 – 60 days). This is a flexible line of credit that is utilised in line with sales volume. In conjunction with debtor finance, trade finance can be provided to eligible customers.
(ii) *Equipment finance*
Refers to equipment finance for both new and old equipment. This includes sale-back of owned or partially owned equipment, private sales, and mid-term refinancing.

Intersegment transactions
There are no Intersegment transactions.

Segment assets
Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities
Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment.

Unallocated items
The following items are not allocated to operating segments as they are not considered part of the core operations of any segment:
- Income tax expense
- Income tax payable/receivable
- Deferred tax assets and liabilities.

Major customers
During the year ended 30 June 2024, approximately 3.30% (2023: 2.68%) of the Group's external revenue was derived from sales to the most significant client. The next most significant client accounts for 2.92% (2023: 2.35%) of external revenue. All revenue attributable to external customers was generated in Australia.

Note 5. Operating segments (continued)

Operating segment information

Consolidated - 2024	Invoice finance $'000	Equipment finance $'000	Unallocated / Corporate $'000	Total $'000
Income				
Interest income	21,241	11,226	217	32,684
Interest expense	(12,424)	(6,950)	(125)	(19,499)
Net interest income	8,817	4,276	92	13,185
Other income	19,009	2,863	-	21,872
Net income	27,826	7,139	92	35,057
Expenses				
Operating expenses	(20,314)	(3,447)	(2,067)	(25,826)
Credit impairment expense	(1,849)	(1,222)	-	(3,071)
Depreciation and amortisation expenses	(1,317)	(114)	(1,202)	(2,633)
Profit/(loss) before income tax expense	4,346	2,356	(3,177)	3,527
Income tax expense				(1,078)
Profit after income tax expense				2,449
Assets				
Current segment assets	140,218	31,756	44,151	216,125
Non-current segment assets	-	59,385	38,530	97,915
Total assets	140,218	91,141	82,681	314,040
Liabilities				
Current segment liabilities	151,179	4,802	6,066	162,047
Non-current Segment liabilities	-	77,634	1,747	79,381
Total liabilities	151,179	82,436	7,813	241,428

Consolidated - 2023	Invoice finance $'000	Equipment finance *Restated $'000	Unallocated / Corporate $'000	Total $'000
Income				
Interest income	21,497	12,793	556	34,846
Interest expense	(11,080)	(7,889)	(298)	(19,267)
Net interest income	10,417	4,904	258	15,579
Other income	22,176	3,536	-	25,712
Net income	32,593	8,440	258	41,291
Expenses				
Intangible impairment expense	-	-	(2,128)	(2,128)
Operating expenses	(23,096)	(4,937)	(3,200)	(31,233)
Credit impairment expense	(16,401)	(928)	-	(17,329)
Depreciation and amortisation expenses	(1,036)	(122)	(553)	(1,711)
(Loss)/profit before income tax benefit	(7,940)	2,453	(5,623)	(11,110)
Income tax benefit				2,699
Loss after income tax benefit				(8,411)
Assets				
Current segment assets	154,865	37,919	59,610	252,394
Non-current segment assets	-	71,038	36,329	107,367
Total assets	154,865	108,957	95,939	359,761

Note 5. Operating segments (continued)

Consolidated - 2023	Invoice finance $'000	Equipment finance *Restated $'000	Unallocated / Corporate $'000	Total $'000
Liabilities				
Current segment liabilities	135,874	-	8,140	144,014
Non-current segment liabilities	36,078	105,564	1,288	142,930
Total liabilities	171,952	105,564	9,428	286,944

Accounting policy for 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 Maker ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Note 6. Income

	Consolidated 2024 $'000	Consolidated 2023 *Restated $'000
Services		
Invoice finance – interest income	21,241	21,497
Invoice finance – origination fees and costs	322	703
Invoice finance – revenue from contracts with customers	18,687	21,473
	39,559	43,673
Equipment finance – interest income	11,226	12,793
Equipment finance – origination fees and costs	1,378	1,504
Equipment finance – revenue from contracts with customers	1,485	2,032
	13,879	16,329
Other – interest income	217	556
Total income	54,556	60,558

	Consolidated 2024	Consolidated 2023 *Restated
Interest income	32,684	34,846
Other income	21,872	25,712
Total income	54,556	60,558

Accounting policy for revenue
The Group derives both interest income and fee income from its invoice finance and equipment finance activities. The Group recognises revenue from contracts with customers in accordance with AASB 15 *Revenue from contracts with customers*, except for revenue arising from financial instruments, which is recognised in accordance with AASB 9 *Financial Instruments*.

Revenue is recognised for key services as follows:

Note 6. Income (continued)

(i) Interest income
Interest income is recognised using the effective interest method in accordance with AASB 9, based on estimated future cash receipts over the expected life of the financial asset. This method calculates the amortised cost of a financial asset and allocates the interest income over the relevant period using the effective interest rate.

The effective interest rate calculation does not consider expected credit losses.

Interest income for receivables that have objective evidence of credit impairment (i.e., stage 3 - see note 27) is recognised on a net basis.

(ii) Establishment fees and transaction costs
Fees that are an integral part of the loan (e.g., establishment fees) are included in the calculation of the effective interest rate and recognised using the effective interest method. Establishment fees are recognised over the minimum 12-month term of the facility.

Transaction costs that are directly attributable to the origination of receivables (e.g., broker commissions) are also included in the calculation of the effective interest rate and recognised using the effective interest method.

(iii) Revenue from contracts with customers
Fee income (e.g., administration fees, drawdown fees etc) is recognised at the point in time when the performance obligation has been satisfied. It is recognised at the fee rate or transaction price specified in the facility agreement or at a price that the Group expects to be entitled, in exchange for providing the service to the customer.

Fee income for receivables that have objective evidence of impairment, (i.e., stage 3 - see note 27), is not recognised as it is not probable that the Group will collect the consideration to which it is entitled.

Note 7. Interest expense

	Consolidated	
	2024 $'000	2023 $'000
Interest expense	19,375	19,202
Interest expense on lease liabilities	124	65
	19,499	19,267

Accounting policy for interest expense
The Group's activities are funded by a combination of securitisation trust warehouse facilities, term facilities and cash held on the balance sheet. Interest expense is recognised as it accrues using the effective interest rate method.

Transaction costs directly attributable to the establishment of warehouse facilities and term facilities are initially capitalised and then recognised in interest expense over the expected life of the relevant facility.

Note 8. Credit impairment expense

	Consolidated	
	2024 $'000	2023 $'000
Receivables written-off during the year as bad debts	5,290	12,021
Net movement in expected credit loss provision*	(2,219)	5,308
	3,071	17,329

* Excludes $425,000 movement in expected credit loss provision recognised as part of the Timelio acquisition. Refer to note 34.

Note 8. Credit impairment expense (continued)

Refer to note 27 for additional information on the movement of the expected credit loss provision.

Note 9. Expenses

	Consolidated	
	2024 $'000	2023 $'000
Profit/(loss) before income tax includes the following specific expenses:		
Depreciation		
Property, plant and equipment	137	109
Right-of-use assets	571	539
	708	648
Amortisation		
Intangibles	1,925	1,063
Total depreciation and amortisation expenses	2,633	1,711
Net foreign exchange gain		
Net foreign exchange gain	(20)	(6)
Net profit on disposal		
Net profit on disposal of property, plant and equipment	(2)	-
Superannuation expense		
Employee superannuation expense	1,120	1,072
Share-based payments expense		
Share-based payments expense	-	69

Note 10. Income tax

	Consolidated	
	2024	2023
	$'000	$'000
Income tax (benefit)/expense		
Current tax	(847)	(59)
Deferred tax – origination and reversal of temporary differences	1,925	(2,640)
Aggregate income tax (benefit)/expense	1,078	(2,699)
Deferred tax included in income tax (benefit)/expense comprises:		
Decrease/(increase) in deferred tax assets	1,925	(2,640)
Numerical reconciliation of income tax (benefit)/expense and tax at the statutory rate		
Profit/(loss) before income tax (expense)/benefit	3,527	(10,443)
Tax at the statutory tax rate of 30%	1,058	(3,133)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Sundry items	15	795
Tax losses	-	(318)
Adjustment recognised for prior periods	5	(43)
Income tax (benefit)/expense	1,078	(2,699)
Weighted average tax rate	30.54%	25.84%

	Consolidated	
	2024	2023
	$'000	$'000
Deferred tax asset		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Tax losses	1,344	2,004
Allowance for expected credit losses	2,353	2,831
Employee benefits	426	486
Accrued expenses	251	475
Business combination	(556)	-
Other	279	226
Deferred tax asset	4,097	6,022
Movements:		
Opening balance	6,022	3,382
(Charged)/credited to profit or loss	(1,925)	2,640
Closing balance	4,097	6,022

	Consolidated	
	2024	2023
	$'000	$'000
Income tax receivable		
Income tax receivable	1,729	3,016

Note 10. Income tax (continued)

Accounting policy for 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.

An income tax benefit will arise for the financial year where an income tax loss is incurred and, where permitted to do so, is carried-back against a qualifying prior period’s tax payable to generate a refundable tax offset.

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.

Note 11. Earnings per share

	Consolidated	
	2024 $'000	2023 *Restated $'000
Profit/(loss) after income tax attributable to the owners of Earlypay Ltd	2,449	(8,411)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	285,865,353	289,169,901
Adjustments for calculation of diluted earnings per share:		
Performance rights on issue	2,460,384	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	288,325,737	289,169,901
	Cents	**Cents**
Basic earnings per share	0.86	(2.91)
Diluted earnings per share	0.85	(2.91)

At 30 June 2023, performance rights over ordinary shares were excluded from the calculation of the weighted average number of ordinary shares used in calculating diluted earnings per share due to being anti-dilutive, as the Group reported loss for the period.

During the year, the Group repurchased 24,666,720 shares under a share buy-back (refer note 23). The number of ordinary shares at 30 June 2024 was 272,933,910.

Note 12. Cash and cash equivalents

	Consolidated	
	2024	2023
	$'000	$'000
Current assets		
Cash at bank and in hand	15,233	3,435
Cash at bank – Servicer (restricted)*	3,638	47,189
Cash at bank – Trustee (restricted) *	21,262	2,362
	40,133	52,986

* Restricted cash relates to amounts that are unavailable for operations as they are held on trust by or for the Trustee of borrowing vehicles.

Accounting policy for cash and cash equivalents
Cash and cash equivalents includes 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.

Note 13. Trade receivables (invoice finance)

	Consolidated	
	2024	2023
	$'000	$'000
Client receivables		
Trade receivables (invoice finance)	308,092	272,136
Less: Trade payables (invoice finance)	(162,669)	(109,707)
Net trade receivables (invoice finance)	145,423	162,429
Less: Allowance for expected credit losses (note 27)	(5,204)	(7,564)
Net client receivables	140,219	154,865

Accounting policy for trade receivables (invoice finance)
The Group has recognised trade receivables in connection with its invoice finance activities, including debtor finance. Debtor finance involves lending to clients against eligible invoices from a client's debtors ledger. As part of the security for these facilities, the entire debtors ledger (both eligible and ineligible invoices) is typically assigned to, and collected by, the Group. Debtor finance receivables are stated as the net amount of funds to be received from collections and amounts payable to the client. This represents the amount advanced and owing by its debtor finance clients.

Trade receivables (invoice finance) are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. The initial fair value of receivables includes capitalised origination fees, net of capitalised transaction costs.

Note 14. Equipment finance receivables

	Consolidated 2024 $'000	Consolidated 2023 *Restated $'000
Current assets		
Equipment finance receivables	38,085	43,710
Less: Allowance for expected credit losses (note 27)	(1,035)	(684)
Add: Unamortised loan brokerage fees	982	965
Less: Unamortised loan transaction fees	(1,046)	(438)
Less: Unamortised interest receivable	(5,226)	(5,633)
	31,760	37,920
Non-current assets		
Equipment finance receivables	73,548	87,162
Less: Allowance for expected credit losses (note 27)	(1,605)	(1,190)
Add: Unamortised loan brokerage fees	2,015	2,348
Less: Unamortised loan transaction fees	(1,958)	(3,173)
Less: Unamortised interest receivable	(12,615)	(14,110)
	59,385	71,037
	91,145	108,957

* Refer to note 4 for detailed information on restatement of comparatives.

Accounting policy for equipment finance receivables
The Group has recognised loans secured against equipment (previously referred to as finance leases). Loans are typically structured as chattel mortgages.

Equipment finance loans are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. The initial fair value of loan receivables includes capitalised origination fees net of capitalised transaction costs.

Note 15. Other assets

	Consolidated 2024 $'000	Consolidated 2023 $'000
Current assets		
Prepayments	1,834	2,694
Accrued revenue	434	496
Deposits	-	401
Advances	16	16
	2,284	3,607

Note 16. Property, plant and equipment

	Consolidated 2024 $'000	Consolidated 2023 $'000
Non-current assets		
Leasehold improvements - at cost	758	563
Less: Accumulated depreciation	(589)	(535)
	169	28
Motor vehicles	56	56
Less: Accumulated depreciation	(56)	(16)
	-	40
Office equipment	2,452	2,432
Less: Accumulated depreciation	(2,358)	(2,296)
	94	136
Low-value pool	23	20
Less: Accumulated depreciation	(19)	(18)
	4	2
	267	206

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

Consolidated	Leasehold improvements $'000	Motor vehicles $'000	Office equipment $'000	Low-value pool $'000	Total $'000
Balance at 1 July 2022	31	68	169	4	272
Additions	10	-	47	-	57
Disposals	-	(14)	-	-	(14)
Depreciation expense	(13)	(14)	(80)	(2)	(109)
Balance at 30 June 2023	28	40	136	2	206
Additions	195	-	20	3	218
Disposals	-	(34)	-	-	(34)
Depreciation expense	(54)	(6)	(62)	(1)	(123)
Balance at 30 June 2024	169	-	94	4	267

Accounting policy for 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 or diminishing value basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	20% - 40% (Straight-line)
Motor vehicles under lease	20% - 25% (Straight-line)
Office equipment	30% - 40% (Straight-line and diminishing value)
Low-value pool	18.75% - 37.5% (Diminishing value)

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

Note 16. Property, plant and equipment (continued)

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 17. Right-of-use assets

	Consolidated 2024 $'000	Consolidated 2023 $'000
Non-current assets		
Land and buildings - right-of-use	2,448	1,974
Less: Accumulated depreciation	(628)	(656)
	1,820	1,318

Additions to the right-of-use assets during the year were $980,000 (2023: $1,375,000) and depreciation during the year was $571,000 (2023: $539,000).

The Group leases land and buildings for its offices under agreements of between four to six years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

The Group leases office equipment under agreements of less than 1 year. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

For other AASB 16 and lease related disclosures refer to the following:
- note 7 for interest on lease liabilities;
- note 27 for maturity analysis of lease liabilities; and
- consolidated statement of cash flow for repayment of lease liabilities.

Accounting policy for 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.

Note 18. Intangible assets

	Consolidated 2024 $'000	Consolidated 2023 $'000
Non-current assets		
Goodwill - at cost	27,775	27,775
Customer relationships - at cost	13,139	8,550
Less: Accumulated amortisation	(9,697)	(8,550)
	3,442	-
Software - at cost	4,138	3,226
Less: Accumulated amortisation	(3,009)	(2,217)
	1,129	1,009
	32,346	28,784

Reconciliations

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

Consolidated	Goodwill $'000	Customer relationships $'000	Software $'000	Trademark $'000	Total $'000
Balance at 1 July 2022	27,775	500	702	2,128	31,105
Additions	-	-	870	-	870
Impairment expense	-	-	-	(2,128)	(2,128)
Amortisation expense	-	(500)	(563)	-	(1,063)
Balance at 30 June 2023	27,775	-	1,009	-	28,784
Additions	-	-	912	-	912
Additions through business combinations (note 34)	-	4,589	-	-	4,589
Amortisation expense	-	(1,147)	(792)	-	(1,939)
Balance at 30 June 2024	27,775	3,442	1,129	-	32,346

Impairment testing

(a) *Impairment tests for goodwill*

Goodwill acquired through business combinations has been allocated to the following cash-generating units:

	Consolidated 2024 $'000	Consolidated 2023 $'000
Invoice finance	19,666	19,666
Equipment finance	8,109	8,109
	27,775	27,775

The recoverable amount of the Group's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on a 1-year projection period approved by management and extrapolated for a further 4 years using a steady rate, together with a terminal value. Perpetual growth method is used to calculate a terminal value, which assumes the final year growth rate will continue indefinitely.

Note 18. Intangible assets (continued)

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

The following key assumptions were used in the discounted cash flow model for all divisions:

- 12% (2023: 12.0%) discount rate using net profit after tax;
- 2.5% (2023: 2.5%) per annum projected operating profit growth rate; and
- 2.5% (2023: 2.5%) per annum terminal operating profit growth rate.

The discount rate of 12% reflects management's estimate of the time value of money and the Group's weighted average cost of capital adjusted for the Group, the risk-free rate, and the volatility of the share price relative to market movements.

(b) *Impairment charge*

Intangible assets with indefinite lives have been tested for impairment at 30 June 2024.

No indicators of impairment were identified for finite life intangible assets.

(c) *Impact of possible changes in key assumptions*

If there was no budgeted growth rate, the Group still would not have recognised an impairment of goodwill. If the estimated cost of capital used in determining the discount rate for goodwill had been 20%, the Group still would not have to recognised an impairment of goodwill.

Accounting policy for 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 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.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Customer relationships
Customer relationships is carried at fair value at the date of acquisition less accumulated amortisation. The Directors believe the useful life of customer relationships acquired for Timelio Pty Ltd was 2.5 years.

Software
Software in relation to IT development is carried at cost less accumulated amortisation.

Software in relation to IT development is reported at cost value less GST and is amortised over its estimated useful economic life. The useful life of software varies depending on what the assets are and ranges from 18 months, being 66.67% amortisation, through to 5 years, being 20% amortisation.

Note 19. Trade and other payables

	Consolidated	
	2024 $'000	2023 *Restated $'000
Current liabilities		
Trade payables	2,460	4,380

Note 20. Borrowings

	Consolidated 2024 $'000	Consolidated 2023 $'000
Current liabilities		
Insurance premium funding	1,166	1,474
Securitised invoice finance warehouse - overdraft facility [1]	16,769	-
Securitised invoice finance warehouse facility – A note [1]	111,000	-
Securitised invoice finance warehouse facility – B note [1]	10,000	-
Corporate bond no. 2 [3]	19,400	-
Receivables financing facility – bank [2]	-	135,874
Securitised debtor finance warehouse facility – A note and overdraft [2]	-	(2)
Less: Capitalised transaction costs	(1,188)	-
	157,147	137,346
Non-current liabilities		
Securitised equipment finance warehouse facility – A note	55,864	71,365
Securitised equipment finance warehouse facility – B note	22,500	19,769
Securitised trade finance warehouse facility – A note [2]	-	18,439
Securitised trade finance warehouse facility – B note [2]	-	3,328
Receivables equipment financing – non-bank [2]	-	9,660
Corporate bond no. 2 [3]	-	19,082
Less: Capitalised transaction costs	(730)	-
	77,634	141,643
	234,781	278,989

1 These facilities commenced during the year ended 30 June 2024
2 These facilities were refinanced and/or terminated during the year ended 30 June 2024.
3 The corporate bond was repaid subsequent to year end in July 2024. Refer note 38.

Refer to note 27 for further information on financial instruments.

Note 20. Borrowings (continued)

Financing arrangements
Terms and access available at the reporting date:

Facility	Average interest rate %	Maturity	Total facility $'000	2024 (used) $'000	2024 (unused) $'000	2023 (used) $'000	2023 (unused) $'000
Secured							
Securitised invoice finance warehouse facility – A note [1,3]	6.15%	Jun 2025	155,000	111,000	44,000	-	-
Securitised invoice finance warehouse facility – B note [1,3]	11.31%	Jun 2025	10,000	10,000	-	-	-
Securitised invoice finance warehouse Overdraft facility [1,3]	6.15%	Jun 2025	30,000	16,769	13,231	-	-
Securitised equipment finance warehouse facility – A note	6.65%	May 2026	100,000	55,864	44,136	71,365	48,635
Securitised equipment finance warehouse facility – B note	6.67%	Apr 2026	22,500	22,500	-	19,769	231
Securitised trade finance warehouse facility – A note [2]	-		-	-	-	18,439	4,061
Securitised trade finance warehouse facility – B note [2]	-		-	-	-	3,328	422
Receivables equipment financing facility – non-bank [2]	-		-	-	-	9,660	15,340
Receivables financing facility – bank**	-		-	-	-	135,874	64,126
Securitised debtor finance warehouse facility – A and overdraft [2]	-		-	-	-	(2)	-
Total secured			317,500	216,133	101,367	258,433	132,815
Unsecured							
Insurance premium funding	2.25%	Mar 2025	-	1,166	-	1,474	-
Corporate bond no. 2 [4]	10.75%	Dec 2025	-	19,400	-	19,082	-
Total unsecured			-	20,566	-	20,556	-
Less: Capitalised transaction costs	-		-	(1,918)	-	-	-
Total borrowings			317,500	234,781	101,367	278,989	132,815

1 These facilities commenced during the year ended 30 June 2024.
2 These facilities were refinanced and/or terminated during the year ended 30 June 2024.
3 These facilities have an availability period that ends in December 2024 and a legal maturity in June 2025.
4 The corporate bond was repaid subsequent to year end in July 2024. Refer note 38.

Note 20. Borrowings (continued)

Accounting policy for 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.

Note 21. Lease liabilities

	Consolidated 2024 $'000	Consolidated 2023 $'000
Current liabilities		
Lease liability	514	363
Non-current liabilities		
Lease liability	1,425	1,006
	1,939	1,369

Refer to note 27 for maturity analysis of lease liabilities.

Non-cancellable leases
The lease liabilities comprise of the following leases:

- The property lease at Brisbane expires on 31 October 2027. It is a 4 year lease with rent payable monthly in advance. Rental provisions with the lease agreement requires the minimum lease payments to increase by 4.0% per annum.
- The property lease at North Sydney expires on 31 October 2027. It is a 5 year lease with rent payable monthly in advance. Rental provisions with the lease agreement requires the minimum lease payments to increase by 3.5% per annum.
- The property lease at Melbourne expires on 30 April 2026. It is a 2 year lease with rent repayable monthly in advance. Rental provisions with the lease agreement requires the minimum lease payments to increase by 3.5% per annum.

Accounting policy for 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.

Note 22. Employee benefits

	Consolidated 2024 $'000	Consolidated 2023 $'000
Current liabilities		
Employee benefits	1,099	1,043
Non-current liabilities		
Employee benefits	322	281
	1,421	1,324

Note 22. Employee benefits (continued)

Accounting policy for 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.

Note 23. Issued capital

	Consolidated			
	2024 Shares	2023 Shares	2024 $'000	2023 $'000
Ordinary shares - fully paid	272,933,910	289,928,690	72,047	74,702

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Balance	1 July 2022	287,131,134		73,470
Share issue from dividend reinvestment plan	7 October 2022	2,797,556	$0.44	1,238
Less: share issue costs		-	$0.00	(6)
Balance	30 June 2023	289,928,690		74,702
Transfer to retained earnings	1 July 2023	-	$0.00	(2)
Share buy-back	13 October 2023	(165,532)	$0.21	(34)
Share buy-back	24 March 2024	(548,672)	$0.18	(99)
Share buy-back	27 March 2024	(2,451,328)	$0.18	(443)
Share buy-back	4 April 2024	(10,000,000)	$0.18	(1,806)
Share buy-back	5 April 2024	(3,000,000)	$0.18	(542)
Share buy-back	31 May 2024	(67,420)	$0.18	(11)
Share buy-back	1 June 2024	(27,783)	$0.17	(5)
Share buy-back	2 June 2024	(17,403)	$0.17	(3)
Share buy-back	5 June 2024	(10)	$0.17	(1)
Share buy-back	5 June 2024	(376,064)	$0.18	(68)
Share buy-back	19 June 2024	(9,104)	$0.17	(2)
Share buy-back	21 June 2024	(128,280)	$0.17	(21)
Share buy-back	23 June 2024	(3,000,000)	$0.17	(512)
Share buy-back	26 June 2024	(3,000,000)	$0.17	(512)
Share buy-back	27 June 2024	(1,750,000)	$0.17	(290)
Issue of shares (note 34)	27 June 2024	7,671,940	$0.22	1,715
Share buy-back	29 June 2024	(125,124)	$0.17	(19)
Balance	30 June 2024	272,933,910		72,047

Ordinary shares
Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company 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 Company does not have a limited amount of authorised capital.

Note 23. Issued capital (continued)

Share buy-back
On 24 August 2023, Earlypay announced an on-market share buy-back of up to 28,000,000 ordinary fully paid shares. The share buy-back is for a period of 12 months from 12 September 2023. During the year ended 30 June 2024, 24,666,720 ordinary shares were bought back for $4,368,000 (at an average of 17.6 cents per share).

On 17 April 2024, Earlypay advised that it will undertake a minimum holding buy-back of unmarketable parcels held in the Group ('Minimum Holding Buy-back'). Under the ASX Listing Rules, any shareholding valued at less than $500 is considered to be an unmarketable parcel. The Company will be responsible for the costs incurred in undertaking the Minimum Holding Buy-back (excluding any associated taxation consequences).

Capital risk management
The Group and the parent entity's objective when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group's debt and capital includes ordinary share capital, corporate bonds, and financial liabilities, supported by financial assets.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There are no externally imposed capital requirements. This strategy is to ensure that the Group's gearing ratio remains under 90%. The gearing ratios for the year ended 30 June 2024 and 30 June 2023 are as follows:

	Consolidated	
	2024 $'000	2023 $'000
Gearing ratios		
Total borrowings (note 20)	234,781	278,989
Less: Cash and cash equivalents (note 12)	(40,133)	(52,986)
Net debt	194,648	226,003
Total equity	72,612	72,817
Total capital	267,260	298,820
Gearing ratio	72.83%	75.63%

The capital risk management policy remains unchanged from the 30 June 2023 Annual Report.

Note 24. Reserves

	Consolidated	
	2024 $'000	2023 $'000
General reserve	-	441
Share-based payments reserve	152	312
	152	753

General reserve
The general reserve is made up of historical profits transferred from retained profits that are preserved for future dividend payments.

Note 24. Reserves (continued)

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration.

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

Consolidated	General $'000	Share-based payments $'000	Total $'000
Balance at 1 July 2022	441	243	684
Share-based payments	-	69	69
Balance at 30 June 2023	441	312	753
Transfer to retained earnings	(441)	(160)	(601)
Balance at 30 June 2024	-	152	152

During the year ended 30 June 2024, the general reserve was transferred to retained profits. The share-based payments reserve transfer reflects the lapse of 2022 performance right grants.

Note 25. Dividends

Dividends
A fully franked dividend of 0.15 cents per ordinary share for the financial year ended 30 June 2024 has been declared subsequent to balance date and not recognised at year-end (FY23: nil).

Dividends paid during the financial year were as follows:

	Consolidated 2024 $'000	Consolidated 2023 $'000
Final dividend for the year ended 30 June 2023 of nil cents (FY22:1.8 cents) per ordinary share	-	5,168

Franking credits

	Consolidated 2024 $'000	Consolidated 2023 $'000
Franking credits available for subsequent financial years based on a tax rate of 30%	7,008	6,975

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:
- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date;
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

Accounting policy for dividends
Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Note 26. Cash flow information

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

	Consolidated 2024 $'000	Consolidated 2023 $'000
Profit/(loss) after income tax (expense)/benefit for the year	2,449	(7,744)
Adjustments for:		
Depreciation and amortisation	2,633	1,711
Impairment of goodwill and other intangible assets	-	2,128
Credit impairment expense	3,071	17,342
Change in operating assets and liabilities:		
Decrease/(increase) in trade receivables (invoice finance)	(260)	6
Decrease/(increase) in income tax receivable	-	(3,016)
Decrease/(increase) in deferred tax assets	-	(2,640)
Decrease in other current assets	1,322	331
(Decrease)/increase in trade and other payables	(2,017)	1,892
Decrease in provision for income tax	2,312	(1,331)
(Decrease) in employee benefits	(163)	-
(Decrease)/increase in other liabilities	(15)	531
Net cash from operating activities	9,332	9,210

Non-cash investing and financing activities

	Consolidated 2024 $'000	Consolidated 2023 $'000
Additions to the right-of-use assets (note 17)	980	1,375
Shares issued on acquisition (note 23 and note 34)	1,715	-
Dividend reinvestment plan (note 23)	-	1,238
	2,695	2,613

Note 26. Cash flow information (continued)

Changes in liabilities arising from financing activities

Consolidated	Receivables financing facility - bank $'000	Insurance premium funding $'000	Securitised debtor finance warehouse facility – A note and overdraft $'000	Securitised invoice finance warehouse - overdraft facility $'000	Securitised invoice finance warehouse facility – A note $'000	Securitised invoice finance warehouse facility – B note $'000	Corporate bond no. 2 $'000
Balance at 1 July 2022	140,945	1,534	(5)	-	-	-	18,966
Net cash (used in)/from financing activities	(5,070)	(1,534)	3	-	-	-	-
Other non-cash changes	(1)	1,474	-	-	-	-	116
Balance at 30 June 2023	135,874	1,474	(2)	-	-	-	19,082
Net cash (used in)/from financing activities	(135,874)	(308)	2	16,769	111,000	10,000	-
Other non-cash changes	-	-	-	-	(995)	-	125
Balance at 30 June 2024	-	1,166	-	16,769	110,005	10,000	19,207

Consolidated continued	Securitised equipment finance warehouse facility – A note $'000	Securitised equipment finance warehouse facility – B note $'000	Securitised trade finance warehouse facility – A note $'000	Securitised trade finance warehouse facility – B note $'000	Receivables equipment financing facility – non-bank $'000	Lease liabilities $'000	Total $'000
Balance at 1 July 2022	74,414	19,506	19,124	2,642	15,932	562	293,620
Net cash from financing activities	(3,050)	-	(768)	680	(6,454)	(521)	(16,714)
Other non-cash changes	1	263	83	6	182	1,328	3,452
Balance at 30 June 2023	71,365	19,769	18,439	3,328	9,660	1,369	280,358
Net cash from financing activities	(15,501)	2,500	(18,862)	(3,380)	(9,660)	(608)	(43,922)
Other non-cash changes	-	(499)	423	52	-	1,178	284
Balance at 30 June 2024	55,864	21,770	-	-	-	1,939	236,720

Note 27. Financial instruments

Financial risk management objectives

The Audit and Risk Committee has been delegated responsibility by the Board of Directors for, amongst other issues, monitoring and managing financial risk exposures of the Group which includes credit risk, market risk and liquidity risk. The committee monitors the Group's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to financing risk and interest rate risk.

The Group's overall risk management strategy is to ensure that financial targets are met, while minimising potential adverse effects on financial performance relating to current and future cash flow requirements

The Group's financial instruments consist mainly of deposits with banks, trade receivables, equipment finance receivables borrowings and other payables.

The total for each category of financial instruments are as follows:

	Consolidated	
	2024	**2023**
	$'000	**$'000**
Financial assets		
Cash and cash equivalent	40,133	52,986
Trade and other receivables	140,219	154,865
Equipment finance receivables	91,145	108,957
Other current assets	2,284	3,607
	273,781	320,415
Financial liabilities		
Trade and other payables	2,460	4,380
Borrowings - variable	167,652	186,381
Borrowings - fixed	67,129	92,608
Lease liabilities	1,939	1,369
	239,180	284,738

The above financial instruments are all held at amortised cost.

Credit risk

Credit risk arises predominantly from receivables from customers and also from cash and cash equivalents, and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with a minimum rating of 'AA' are accepted. If customers are independently rated, these ratings are used. If there is no independent rating for customers, the Group's risk controls assess the credit quality of the customer, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Group. The compliance with credit limits by clients is regularly monitored by line management.

The maximum exposure to credit risk at the reporting date, excluding any amounts recoverable under the Group's credit insurance (which is not able to be reliably estimated) is the carrying amount of the financial assets summarised in the following table. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparties default rates.

Earlypay's credit risk policies specify key credit underwriting and ongoing credit management requirements. Key features of the Group's credit risk management include:

- specific eligibility criteria for invoice finance and equipment finance facilities;
- defined credit underwriting process and delegated lending authorities;
- take-on verification of new debtor finance client ledgers (typically 50% of ledger);
- ongoing verification of new debtor finance batch purchases (typically at least 20 – 30%);
- dedicated collections team follow-up overdue invoices;
- dedicated allocations team reconcile cash receipts to individual invoices;
- dedicated risk management oversight function; and
- trade credit insurance policies in place to cover a proportion of outstanding debtor finance invoices.

Note 27. Financial instruments (continued)

	Consolidated 2024 $'000	Consolidated 2023 $'000
Trade and equipment finance receivables		
AAA Federal government departments and instrumentalities	1,441	1,971
Counterparties without external credit rating	229,923	261,851
	231,364	263,822
Cash at bank and short-term bank deposits		
AA-	40,133	52,986
	40,133	52,986

Allowance for expected credit loss ('ECL')

The Group establishes an allowance for loan impairment that represents its estimate of expected future losses for its trade receivables (invoice finance) and equipment finance receivables. Receivables and portfolio performance is subject to ongoing assessment and monitoring by the Group to ensure that the allowance for expected credit losses remains adequate.

Impairment of trade receivables (invoice finance)

	Consolidated 2024 $'000	Consolidated 2023 $'000
Opening balance	7,564	2,703
Increase from origination and changes in expected cash flows	2,475	16,400
Receivables written-off during the year as uncollectable	(4,835)	(11,539)
Closing balance	5,204	7,564

Credit risk profile of trade receivables (invoice finance)

2024	Expected credit loss rate %	Gross receivables amount $'000	Eligible invoices $'000	Allowance for ECL $'000
Stage 1/2				
Not overdue	0.4%	163,351	147,369	702
Less than 30 days overdue	0.5%	81,016	67,271	422
30 - 60 days overdue	1.8%	18,012	14,702	316
60 - 90 days overdue	4.7%	7,656	2,487	362
Over 90 days overdue	-	28,517	-	-
		298,552	231,829	1,802
Stage 3				
Credit impaired	35.7%	9,540	-	3,402
		308,092	231,829	5,204

Note 27. Financial instruments (continued)

2023	Expected credit loss rate %	Gross receivables amount $'000	Eligible invoices $'000	Allowance for ECL $'000
Stage 1/2				
Not overdue	0.5%	126,499	118,866	645
Less than 30 days overdue	0.7%	85,951	82,920	598
30 - 60 days overdue	2.4%	17,108	16,712	413
60 - 90 days overdue	6.1%	9,647	3,536	590
Over 90 days overdue	-	12,699	-	-
		251,904	222,034	2,246
Stage 3				
Credit impaired	26.3%	20,232	-	5,318
		272,136	222,034	7,564

Impairment of equipment finance receivables

	Consolidated 2024 $'000	Consolidated 2023 $'000
Opening balance	1,874	1,427
Increase from origination and changes in expected cash flows	1,221	929
Receivables written-off during the year as uncollectable	(455)	(482)
Closing balance	2,640	1,874

Credit risk profile of equipment finance receivables

Consolidated	Expected credit loss rate 2024 %	Expected credit loss rate 2023 %	Carrying amount 2024 $'000	Carrying amount 2023 $'000	Allowance for ECL 2024 $'000	Allowance for ECL 2023 $'000
Stage 1/2						
Not overdue	1.1%	0.9%	106,578	128,415	1,123	1,214
Less than 30 days overdue	1.4%	1.6%	148	35	2	1
30 - 60 days overdue	14.3%	3.2%	14	16	2	1
60 - 90 days overdue	25.0%	6.3%	8	10	2	1
Over 90 days overdue	29.2%	20.0%	48	209	14	42
			106,796	128,685	1,143	1,259
Stage 3						
Credit impaired	30.9%	28.2%	4,837	2,187	1,497	615
			111,633	130,872	2,640	1,874

Measurement of expected credit loss

The Group's ECL model incorporates consideration of:

- the probability of default ('PD') – the likelihood that a facility will default over a given time frame;
- the loss given default ('LGD') – the expected credit loss in the event of default; and
- the exposure at default ('EAD') – the expected outstanding balance of the receivable at the time of default.

Note 27. Financial instruments (continued)

A three-stage approach is utilised to measuring ECL as follows:

Performing (Stage 1)	Facilities that have not had a significant increase in credit risk since initial recognition. For these assets, 12-month expected credit losses are recognised.
Increasing risk (Stage 2)	Increasing risk - facilities that have experienced a significant increase in credit risk since initial recognition, but do not have objective evidence of impairment. For these assets, lifetime expected credit losses are recognised.
Credit impaired (Stage 3)	Impaired - facilities that have objective evidence of impairment following a client defaulting on their contractual obligations. Expected credit loss is assessed on an individual basis by comparing the collateral to the outstanding balance of the facility.

Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset. Where an asset is expected to mature in 12 months or less, the 12-month ECL and the lifetime ECL have the same effective meaning.

Trade receivables (invoice finance)
For trade receivables, ECL is calculated on eligible invoices under a client facility. Eligible invoices are invoices that are not beyond their recourse period (typically 90 days overdue); are expected to be fully collectable; and do not represent an excessive concentration under the facility. Earlypay only provides funding for eligible invoices (although retains security over ineligible invoices).

Definition of a default
Key to the determination of significant increases in credit risk (and to the determination of ECLs) is the definition of default. The Group's definition of default for this purpose is:
- a counterparty defaults on a payment due under a facility agreement and that payment is more than 120 days overdue, and
- the collateral that secures, all or in part, the loan agreement has been sold or is otherwise not available for sale and the proceeds have not been paid to the lending company; or
- a counterparty commits an event of default under the terms and conditions of the facility agreement, which leads Earlypay to believe that the borrower's ability to meet its credit obligations to the lending company is in doubt.

Credit impairment
Financial assets are regarded as credit impaired when one or more events have occurred that have a detrimental impact on the estimated future cash flows of the financial asset. Indicators that a financial asset is credit impaired include observable data about the following:
(a) significant financial difficulty of the borrower;
(b) the borrower is in breach of the facility agreement or other transaction document;
(c) the Group, for economic or contractual reasons relating to the borrower's financial difficulty, has granted concessions to the borrower that it would not otherwise consider;
(d) a borrower has, or it is becoming probable that a borrower will, enter administration, bankruptcy or other financial reorganisation; or
(e) the borrower is in hardship.

Forward-looking information
In addition to considering historical experience based on a 'through-the-cycle' view of expected credit losses, Earlypay also incorporates forward-looking information in determining ECL factors. In particular, based on the Group's judgement of forward-looking macroeconomic conditions, ECL factors may be adjusted to reflect point-in-time expectations. The following macroeconomic factors are considered:
- expected Gross Domestic Product growth;
- the level of the RBA cash rate;
- the level of inflation (CPI); and
- the level of Insolvencies.

Market risk
Cash flow and fair value interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Group's main interest rate risk arises from its receivables and borrowings.

Note 27. Financial instruments (continued)

Interest rates on the Group's invoice finance receivables are linked to a discretionary variable rate set by the Group. Interest rates on the Group's equipment finance receivables are fixed at inception of each client facility. Therefore, the Group ensures it has a balanced mix of variable rate borrowings and fixed rate borrowings to manage its interest rate exposure.

All of the Group's borrowings are on floating rate basis, except for the Securitised Equipment Finance Warehouse facility. The A note of the facility (held by the senior lender) is hedged on an ongoing basis via an interest rate swap with the senior lender. The interest rate swap converts the variable rate of the facility to a fixed rate. The B note of that facility has a fixed interest rate.

Sensitivity analysis
The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the interest rate that management considers to be reasonably possible. These sensitivities assume that the movement in interest rate is independent of other variables.

	Consolidated	
Sensitivity analysis	**2024 $'000**	**2023 $'000**
Financial assets		
Cash and cash equivalents	40,133	52,986
Net invoice finance receivables – variable	140,219	154,865
Financial liabilities		
Borrowings – variable	(167,652)	(186,381)
Net	12,700	21,470
+/- 2% in interest rate		
Equity	+/- 174	+/- 301
Profit after tax	+/- 174	+/- 301

Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

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.

Consolidated - 2024	Weighted average interest rate %	1 year or less $'000	Between 1 and 5 years $'000	Over 5 years $'000	Carrying value $'000
Non-derivatives					
Non-interest bearing					
Trade payables	-	2,460	-	-	2,460
Interest-bearing					
Borrowings	6.95%	157,147	77,634	-	234,781
Lease liability	5.67%	514	1,425	-	1,939
Total non-derivatives		160,121	79,059	-	239,180

Note 27. Financial instruments (continued)

Consolidated - 2023	Weighted average interest rate %	1 year or less $'000	Between 1 and 5 years $'000	Over 5 years $'000	Carrying value $'000
Non-derivatives					
Non-interest bearing					
Trade payables	-	4,380	-	-	4,380
Interest-bearing					
Borrowings	6.46%	137,346	141,643	-	278,989
Lease liability	5.43%	363	1,006	-	1,369
Total non-derivatives		142,089	142,649	-	284,738

Note 28. 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 2024 $	Consolidated 2023 $
Short-term employee benefits	1,253,516	1,634,162
Termination payments	-	684,541
Post-employment benefits	96,046	127,557
Share-based payments	-	44,372
	1,349,562	2,490,632

The expense recognised in relation to the share-based payment transactions was recognised within employee benefits expense within profit or loss were as follows:

	Consolidated 2024 $'000	Consolidated 2023 $'000
Rights granted to employees under the rights plan	-	69

Note 29. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Pitcher Partners, the auditor of the Company:

	Consolidated 2024 $	Consolidated 2023 $
Audit services - Pitcher Partners		
Audit or review of the financial statements	330,000	300,000
Other services - Pitcher Partners		
Other assurance and agreed upon procedures	45,000	15,000
Tax advisory	-	30,188
	45,000	45,188
	375,000	345,188

Note 30. Contingent liabilities

The Group has provided guarantees in respect of leases over its premises of $418,000 (FY 23: $389,000).

Note 31. Commitments

There were no capital commitments as at 30 June 2024 or 30 June 2023.

Note 32. Related party transactions

Parent entity
Earlypay Ltd is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 35.

Key management personnel
Disclosures relating to key management personnel are set out in note 28 and the remuneration report included in the Directors' report.

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.

Note 33. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2024 $'000	2023 $'000
Profit/(loss) after income tax	6,319	(3,327)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income/(loss)	6,319	(3,327)

Statement of financial position

	Parent	
	2024 $'000	2023 $'000
Total current assets	28,331	17,613
Total non-current assets	31,163	189,173
Total assets	59,494	206,786
Total current liabilities	12,371	133,462
Total non-current liabilities	113	29,818
Total liabilities	12,484	163,280
Net assets	47,010	43,506
Equity		
Issued capital	72,047	74,702
Share-based payments reserve	152	312
Accumulated losses	(25,189)	(31,508)
Total equity	47,010	43,506

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
Other than guarantees detailed in note 36, the parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2024 and 30 June 2023.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 and 30 June 2023.

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.

Note 34. Business combinations

Timelio Pty Ltd
On 13 November 2023, Earlypay Ltd acquired selected assets of Timelio Pty Ltd ('Timelio') for the total consideration of $41,024,000. Timelio was a specialist invoice and trade finance provider to Australian SMEs. The acquisition was made primarily to grow Earlypay's invoice finance and trade finance customers and assets. A number of Timelio staff were also offered employment by Earlypay to enhance its capabilities across Client Management, Finance, Marketing and Technology. The values identified in relation to the acquisition of Timelio are final as at 30 June 2024.

Details of the acquisition are as follows:

	Fair value $'000
Trade receivables (invoice finance)	38,024
Allowance for expected credit losses	(425)
Customer relationships	4,589
Deferred tax liability	(900)
Employee liabilities	(264)
Acquisition-date fair value of assets and liabilities	41,024
Representing:	
Cash paid to Timelio funding vehicle	38,024
Cash payable to vendor	1,284
Earlypay Ltd shares issued to vendor (note 23)	1,715
	41,024
Acquisition costs expensed to profit or loss	360

At completion, no amount was immediately payable to the vendor. The full consideration (both cash and shares) was deferred and withheld via a hold-back mechanism (in relation to post-acquisition credit losses relating to specific receivables). On 26 June 2024, the Company paid $1.284m in cash and issued 7,671,940 fully paid ordinary shares to the vendor to complete the transaction.

The treatment of the Timelio business combination in this report has changed compared to the report for the half year ended 31 December 2023 as follows:
- The change in value of the shares issued to the vendor has been recognised directly in equity
- A deferred tax has been recognised in relation to the assets and liabilities acquired and the value of the customer relationships acquired has been correspondingly adjusted.

Accounting policy for business combinations
The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Note 34. Business combinations (continued)

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Note 35. 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 2024 %	Ownership interest 2023 %
Controlled Companies			
Earlypay Cashflow Finance Pty Ltd	Australia	100%	100%
Earlypay Cashflow Advantage Pty Ltd	Australia	100%	100%
Earlypay 180 Group Pty Ltd	Australia	100%	100%
Wholly-owned entity:			
Earlypay 180 Funding Pty Ltd	Australia	100%	100%
Earlypay 1stCash Pty Ltd	Australia	100%	100%
Earlypay Payroll Pty Ltd	Australia	100%	100%
Earlypay Equipment Group Pty Ltd	Australia	100%	100%
Wholly-owned entities:			
Earlypay Equipment Finance Pty Ltd	Australia	100%	100%
Earlypay Management Services Pty Ltd	Australia	100%	100%
Earlypay CCFS Pty	Australia	100%	100%
Earlypay CCEF Pty	Australia	100%	100%
The Leasing Centre Pty Ltd	Australia	100%	100%
LesterPlus Pty Limited	Australia	100%	100%
The Invoice Exchange Pty Ltd	Australia	100%	100%
Earlypay EST Pty Ltd	Australia	100%	100%
Zenith Management Services Group Pty Limited*	Australia	-	100%
Lester Payroll Services Pty Limited*	Australia	-	100%
Lester Associates Good Migration Pty Limited*	Australia	-	100%
Lester Associates Business Services Pty Limited*	Australia	-	100%
Controlled trusts			
Earlypay Invoice Finance Trust	Australia	100%	-
Classic Equipment Finance Trust	Australia	100%	100%
Classic Receivables Finance Trust**	Australia	-	100%
Earlypay Trade Receivables Trust***	Australia	-	100%

* Deregistered 6 August 2023
** Terminated 17 July 2023
*** Terminated 5 June 2024

The Group has established special purpose entities (trusts) as part of its wholesale funding activities. These entities hold client receivables and are funded by warehouse facilities (refer note 27). These entities meet the criteria of being controlled entities under AASB 10.

Note 36. Deed of cross guarantee

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

Earlypay Ltd
Earlypay Payroll Pty Ltd
Earlypay Cashflow Finance Pty Ltd

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and Directors' report under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Earlypay Ltd, they also represent the 'Extended Closed Group'.

Set out below is a consolidated statement of profit or loss and other comprehensive income and statement of financial position of the 'Closed Group'.

Statement of profit or loss and other comprehensive income	**2024 $'000**	**2023 $'000**
Revenue	4,458	(16,133)
Profit/(loss) before income tax (expense)/benefit	4,458	(16,133)
Income tax (expense)/benefit	(3,065)	5,511
Profit/(loss) after income tax (expense)/benefit	1,393	(10,622)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income/(loss) for the year	1,393	(10,622)

Equity - accumulated losses	**2024 $'000**	**2023 $'000**
(Accumulated losses)/retained profits at the beginning of the financial year	(8,733)	1,889
Profit/(loss) after income tax (expense)/benefit	1,393	(10,622)
Accumulated losses at the end of the financial year	(7,340)	(8,733)

Note 36. Deed of cross guarantee (continued)

Statement of financial position	2024 $'000	2023 $'000
Current assets		
Cash and cash equivalents	16,609	35,846
Net trade receivables (invoice finance)	16,676	256,433
Income tax receivable	8,591	6,088
Other assets	15,373	16,477
	57,249	314,844
Non-current assets		
Property, plant and equipment	234	161
Intangible assets	32,266	28,702
Deferred tax asset	3,774	5,699
	36,274	34,562
Total assets	93,523	349,406
Current liabilities		
Trade and other payables	5,833	113,019
Borrowings	19,378	137,348
Lease liabilities	514	363
Employee benefits	1,099	1,043
Other liabilities	823	882
	27,647	252,655
Non-current liabilities		
Borrowings	(730)	28,742
Lease liabilities	1,425	1,006
Employee benefits	322	281
	1,017	30,029
Total liabilities	28,664	282,684
Net assets	64,859	66,722
Equity		
Issued capital	72,047	74,702
Reserves	152	753
Accumulated losses	(7,340)	(8,733)
Total equity	64,859	66,722

Note 37. Share-based payments

Performance rights

The Group maintains a performance rights program to motivate executives to achieve long term performance targets.

Common features

Feature	Description
Instrument	Performance rights being a right to receive a share subject to performance and vesting conditions.
Opportunity	15% to 25% of fixed remuneration.
Dividends or share issues	No dividends are paid or accrued on unvested awards.
Performance criteria	The plan uses earnings per share growth, absolute TSR and return on equity performance hurdles.

Note 37. Share-based payments (continued)

Feature	Description
Assessment, approval and payment	At the end of performance period, the Nomination & Remuneration Committee assesses the relevant performance measures and determines the extent to which the awards should vest. Vested rights will be exercised automatically and the Board will determine the value of the rights and the extent to which that value is to be provided in the form of cash, and/or shares.
Change of control	Unless otherwise determined by the Board, in the event of a change of control including a takeover, the vesting conditions attached to the tranche at the time of the application will cease to apply and: a) unvested performance rights granted in the financial year of the change of control will be assessed by the Board for vesting; b) remaining unvested performance rights will vest if the change of control share price is greater than the price at the commencement of the measurement period and the change of control share price leading up to the change of control has a 20% premium to the price at the beginning of the measurement period; c) any unvested performance rights that do not vest pursuant to (a) and (b) will lapse; d) disposal restrictions applied to restricted shares by the Company will be lifted, including the removal of any Company initiated CHESS holding lock, if applicable. However, shares may not be sold if the holder is in possession of 'inside information'.
Termination	Continued service during the whole Measurement period is not a requirement in order for performance rights to vest. However, performance rights granted in financial year of the termination and which are held at the date of termination (and unvested), will be forfeited in the proportion that the remainder of the financial year following the termination bears to the full first year of the full financial year (unless otherwise determined by the Board). All other unvested performance rights will be retained for possible vesting based on performance during the measurement period, to be assessed following the completion of the measurement period.
Claw back provisions	There are no specific provisions providing the capacity to claw back a component of remuneration in the event of a matter of significant concern.

Outstanding performance rights

There were no performance rights granted in FY24.

The measurement period FY22 performance rights ended on 30 June 2024. No rights vested under this grant.

2023 grants

Performance period	July 2022: 3 years (1 July 2022 to 30 June 2025).
Vesting date	1 October 2025

Performance level	EPS tranche 1	TSR tranche 2	ROE tranche 3	Vesting % of tranche
Threshold	2.5%	8%	13.5%	25%
Between threshold and target	2.5% to 5%	8% to 10%	13.5% to 14.5%	Pro-rata
Target	5%	10%	14.5%	50%
Between target and stretch	5% to 7.5%	10% to 16%	14.5% to 16.5%	Pro-rata
Stretch	7.5%	16%	16.5%	100%
No. of rights	820,128	820,128	820,128	

Note 37. Share-based payments (continued)

Performance rights movements

2024

Grant date	Vesting date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ lapsed	Balance at the end of the year
19/11/2021	01/10/2024*	NA	2,531,652	-	-	(2,531,652)	-
16/12/2022	01/10/2025	NA	2,460,384	-	-	-	2,460,384
			4,992,036	-	-	(2,531,652)	2,460,384

2023

Grant date	Vesting date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ lapsed	Balance at the end of the year
19/11/2021	01/10/2024	NA	2,531,652	-	-	-	2,531,652
16/12/2022	01/10/2025	NA	-	2,460,384	-	-	2,460,384
			2,531,652	2,460,384	-	-	4,992,036

* The measurement period ended on 30 June 2024 and no rights vested under this grant.

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 1.25 years (2023: 1.73 years).

Fair value
The fair value of performance rights granted in FY23 has been determined as follows.

2023	No. of rights	Fair value $'000
Market conditions	820,128	151
Non-market conditions	1,640,256	0*
	2,460,384	151

* Relates to Tranche 1 and Tranche 3 performance rights. Based on performance to date, non-market conditions are not forecast to be met

Inputs in determining fair value:

Grant date	Vesting date	No. of rights	Share price at grant date	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
16/12/2022	01/10/2025	820,128	$0.34	-	-	-	$0.185

The share-based payments expense (and change in share-based payments reserve) based on the change in fair value was $nil for the year ended 30 June 2024 (2023: $69,000).

The fair value of the performance rights were calculated using volume weighted average share price at which the Company's shares were traded on ASX over the 20 trading days prior to the date for which the calculation is made less dividends calculated for measurement period.

Note 37. Share-based payments (continued)

The minimum value of the performance rights to vest is nil as the performance rights criteria may not be met and consequently the performance rights may not vest. The maximum value of the performance rights yet to vest is not accurately determinable as it depends on the market price of shares of the Company on the Australian Securities Exchange at the date the performance rights are exercised.

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

Equity-settled transactions are awards of shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

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.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

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.

Note 38. Events after the reporting period

On 22 July 2024, the Earlypay Limited raised $10m via a secured corporate loan from an Australian institutional investor. On the same day the Group repaid the outstanding $19.4m Corporate Bond.

On 27 August 2024, a fully franked dividend of 0.15 cents per ordinary share for the financial year ended 30 June 2024 was declared.

No other matter or circumstance has arisen since 30 June 2024 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.

Earlypay Limited is required by Australian Accounting Standards to prepare consolidated financial statements in relation to the company and its controlled entities (the consolidated entity). In accordance with subsection 295(3A) of the *Corporations Act 2001*, this consolidated entity disclosure statement provides information about each entity that was part of the consolidated entity at the end of the financial year.

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Subsidiaries				
Earlypay Cashflow Finance Pty Ltd	Body corporate	Australia	100%	Australia
Earlypay Cashflow Advantage Pty Ltd	Body corporate	Australia	100%	Australia
Earlypay 180 Group Pty Ltd	Body corporate	Australia	100%	Australia
Wholly-owned entity:				
Earlypay 180 Funding Pty Ltd	Body corporate	Australia		Australia
Earlypay 1stCash Pty Ltd	Body corporate	Australia	100%	Australia
Earlypay Payroll Pty Ltd	Body corporate	Australia	100%	Australia
Earlypay Equipment Group Pty Ltd	Body corporate	Australia	100%	Australia
Wholly-owned entity:				
Earlypay Equipment Finance Pty Ltd	Body corporate	Australia		Australia
Earlypay Management Services Pty Ltd	Body corporate	Australia		Australia
Earlypay CCFS Pty Ltd	Body corporate	Australia		Australia
Earlypay CCEF Pty Ltd	Body corporate	Australia		Australia
The Leasing Centre Pty Ltd	Body corporate	Australia		Australia
LesterPlus Pty Ltd	Body corporate	Australia	100%	Australia
The Invoice Exchange Pty Ltd	Body corporate	Australia	100%	Australia
Earlypay EST Pty Ltd	Body corporate	Australia	100%	Australia
Earlypay Invoice Finance Trust	Trust	Australia	100%	Australia
Classic Equipment Finance Trust	Trust	Australia	100%	Australia

At the end of the financial year, no entity within the consolidated entity was a trustee of a trust within the consolidated entity, a partner in a partnership within the consolidated entity, or a participant in a joint venture within the consolidated entity.

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 2024 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;

- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 36 to the financial statements; and

- the information disclosed in the attached consolidated entity disclosure statement 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

____
James Beeson
Managing Director

27 August 2024
Sydney

Pitcher Partners Sydney
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Independent Auditor's Report
To the Members of Earlypay Limited
ABN 88 098 952 277

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Earlypay Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and 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:

i. Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and

ii. 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the Company, would be in the same terms if given to the Directors as at the time of this auditor's report.

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 judgement, 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, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our Audit Addressed the Matter
Accuracy and Occurrence of Invoice Finance and Equipment Finance Income Refer to Note 6 Income	
We focused our audit effort on the accuracy of interest revenue recognised under AASB 9 *Financial Instruments* and occurrence of revenue recognised under AASB 15 *Revenue from Contracts with Customers* for both invoice finance and equipment finance as it represents the most significant driver of the Group's financial performance. For the year ended 30 June 2024 the Group generated \$39.6 million of invoice finance income and \$13.9 million of equipment finance income. Revenue recognition is significant to our audit as the Group may incorrectly account for fees and interest potentially leading to incorrect revenue recognition.	Our procedures included, amongst others: • Understanding the Group's revenue recognition policies and assessing whether they are in accordance with AASB 9 *Financial Instruments* and AASB 15 *Revenue from Contracts with Customers*; • Obtaining an understanding of and evaluating the design and implementation of controls over the amount and timing of revenue recognised including the application of AASB 9 *Financial Instruments* and AASB 15 *Revenue from Contracts with Customers*; • Testing samples of invoice and equipment finance contracts to agree that interest revenue was calculated using the effective interest rate method in accordance with the rates applicable under the contract and AASB 9 *Financial Instruments*; • Testing samples of invoice and equipment finance contracts, reviewing the contract to identify the terms and circumstances that indicate that all performance obligations have been satisfied for revenue recognised under AASB 15 *Revenue from Contracts with Customers*; and • Evaluating the adequacy of disclosures in the financial statements.

Key Audit Matters (Continued)

Key Audit Matter	How our Audit Addressed the Matter
Existence and Valuation of Trade Receivables (Invoice Finance) and Equipment Finance Receivables Refer to Note 13 Trade Receivables (Invoice Finance) and Note 14 Equipment Finance Receivables	
We focused our audit effort on the existence and valuation of the Group's trade receivables (invoice finance) and equipment finance receivables as they represent the largest assets and most significant drivers of the Group's Net Assets. As at 30 June 2024 the Group had trade receivables (invoice finance) of $140.2 million and equipment finance receivables of $91.1 million. The Group's receivable requires a provision for expected credit losses ("ECL") in accordance with *AASB 9 Financial Instruments*. The existence and valuation of the trade receivables (invoice finance) and equipment finance receivables is a key audit matter due to the significant judgements used with the ECL model and the inherent estimation uncertainty in its determination.	Our procedures included, amongst others: • Understanding management's methodology for determining the allowance for expected credit losses; • Obtaining an understanding of and evaluating the design and implementation of controls in the assessment process for determining the existence and recoverability of trade receivables (invoice finance) and equipment finance receivables; • Assessing management's methodology and evaluating significant judgements used in determining the allowance for expected credit losses to assess its compliance with AASB 9 *Financial Instruments;* • Obtaining independent debtor confirmations for a sample of receivable balances; and, • Evaluating the adequacy of disclosures in the financial statements.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024 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.

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:

a. 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

b. the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

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

i. 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
ii. 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 ability of the Group to continue as a going concern, disclosing, as applicable, matters related 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 judgement 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 management.

- Conclude on the appropriateness of management's 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision, and performance 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 with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period 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 Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 16 of the Directors' Report for the year ended 30 June 2024. In our opinion, the Remuneration Report of Earlypay Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of Earlypay Limited 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.

Rod Shanley
Partner

27 August 2024

Pitcher Partners
Sydney

The shareholder information set out below was applicable as at 12 August 2024.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Total Units Held	%Held	Number of holders of performance rights	Total Units held	%Held
1 to 1,000	46	1,743	0.01	-	-	-
1,001 to 5,000	209	731,196	0.27	-	-	-
5,001 to 10,000	294	2,692,095	0.99	-	-	-
10,001 to 100,000	518	18,684,851	6.85	1	91,242.00	3.71
100,001 and over	188	250,765,067	91.90	8	2,369,142.00	96.29
	1,255	272,874,952	100.02	9	2,460,384.00	100.00
Holding less than a marketable parcel	82	67,964	-	-	-	-

Equity security holders

Twenty largest quoted equity security holders

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

	Ordinary shares Number held	% of total shares issued
COG FINANCIAL SERVICES LIMITED	58,382,023	21.40
FIRST SAMUEL LTD ACN 086243567 (ANF ITS MDA CLIENTS A/C)	39,049,879	14.31
UBS NOMINEES PTY LTD	25,102,281	9.20
THE BEESON SUPER FUND PTY LTD (THE BEESON SUPER FUND A/C)	12,871,401	4.72
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	12,723,180	4.66
CITICORP NOMINEES PTY LIMITED	9,236,919	3.39
TIMELIO PTY LTD	7,671,940	2.81
BNP PARIBAS NOMINEES PTY LTD (IB AU NOMS RETAILCLIENT)	7,634,291	2.80
ONE MANAGED INVT FUNDS LTD (SANDON CAPITAL INV LTD A/C)	4,342,433	1.59
ROSSBOW PTY LTD (ANDREW MACPHERSON TDT A/C)	3,150,000	1.15
MR JAMES BEESON + MRS ESTHER BEESON (THE BEESON FAMILY A/C)	3,081,052	1.13
ONE FUND SERVICES LTD (SANDON CAPITAL ACTIVIST A/C)	2,698,223	0.99
GUERILLA NOMINEES PTY LTD (TOOTH RETIREMENT PLAN A/C)	2,228,255	0.82
ANNANDALE SUPER PTY LTD (SAM FAMILY SUPER FUND A/C)	2,127,068	0.78
TECTCORP PTY LTD (HERBERT-SMITH FAMILY S/F A/C)	2,035,321	0.75
WEEWAC PTY LTD (WARRIOR SUPER FUND A/C)	2,010,007	0.74
PEJAY PTY LIMITED	1,850,000	0.68
VIP EXECUTIVE PTY LTD (VIP EXECUTIVE SUPER FUND A/C)	1,842,668	0.68
DMX CAPITAL PARTNERS LIMITED	1,604,762	0.59
ON ON FOR DON PTY LTD (MAC FAMILY A/C)	1,500,000	0.55
	201,141,703	73.74

Unquoted equity securities

Class	Number on issue	Number of holders
Performance rights	2,460,384	-

There are no persons holding 20% or more of unquoted equity securities.

Substantial holders

Substantial holders in the Company are set out below based on substantial shareholder notices lodged on the ASX:

	Ordinary shares	
	Number held	% of total shares issued
COG FINANCIAL SERVICES LIMITED	58,382,023	21.40
FIRST SAMUEL LTD	39,049,879	13.75
UBS NOMINEES PTY LTD	25,102,281	9.20
JAMES BEESON & ESTHER BEESON	15,652,453	5.45

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares
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.

Unlisted performance rights
The unlisted performance rights on issue do not carry any voting rights.

Restricted securities

There are no other classes of equity securities.

Buy-back

The Company is currently conducting an on-market buy-back, announced to the ASX on 24 August 2023, of up to 28,000,000 shares with a start date of 12 September 2023. As at the date of this shareholder information, 24,349,614 shares have been bought back.

Annual General Meeting

The Annual General Meeting will be held on 28 November 2024. The time and other details relating to the meeting will be advised in the Notice of Meeting to be sent to all shareholders and released to the ASX immediately upon dispatch.

The Closing date for receipt of nomination for the position of Director is 10 October 2024. Any nominations must be received in writing no later than 5.00pm (Sydney time) on 10 October 2024, at the Company's Registered Office. The Company notes that the deadline for the nominations for the position of Director is separate to voting on Director elections Details of the Director's to be elected will be provided in the Company's Notice of Annual General Meeting in due course.

earlypay