



Beforepay Group Limited
ASX: B4P

H1 FY25 Results Presentation

Interim Report – 31 December 2024

Jamie Twiss – CEO
Elena Chan – Acting CFO

27 February 2025



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All dollar values are in Australian dollars (\$) or A\$) unless stated otherwise.

H1 FY25 Highlights



↑ NPBT
\$2.8m

up from \$2.2m in H1 FY24



↑ Revenue
\$19.7m

up from \$17.6m in H1 FY24



↑ Active Users
257,627

up 9% from 235,644 in H1 FY24



↓ Net Defaults
1.1%

down from 1.3% in H1 FY24



↑ Net Transaction Margin (NTM)
\$11.8m

up 18% from \$10.1m in H1 FY24



↑ Pay Advances
\$397m

up 11% from \$359m in H1 FY24



↑ Operating Expenses
\$8.8m

up from \$7.7m in H1 FY24



Cash
\$18.3m

at 31 December 2024

What we do

Our Mission:

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

Beforepay Group is transforming the lending landscape, combining its ethical-lending approach with advancements in artificial intelligence and data analytics to disrupt traditional ways of lending.



Beforepay
For consumers

Beforepay is our domestic consumer-lending business. Through our flagship Pay Advance product, eligible customers can access up to \$2,000 for a fixed 5% fee to manage short-term cash flow challenges. Our simple and straightforward pricing structure offers a transparent and customer-friendly approach to lending that reduces risk of long-term, revolving debt.



Carrington Labs
For enterprise

Carrington Labs commercialises the AI credit risk models that power Beforepay. Using explainable AI, Carrington Labs provides lenders with alternative credit risk scoring insights and product-specific loan limit recommendations to enable more accurate, transparent and holistic lending decisions. With Carrington Labs, lenders are empowered to elevate their lending performance, driving growth while reducing risk.



Beforepay and Carrington Labs use the same technology stack and risk-management capabilities, with a single team of engineers, data scientists, and credit experts building and maintaining the underlying systems and IP that power both businesses.

Ethical lending

As an organisation committed to ethical lending, Beforepay prioritises the financial well-being of our customers.

We also offer our automated platform and AI-powered risk models to partners in other jurisdictions.



Designed for customer safety

Customers do not pay compound interest and can only take one advance at a time, reducing the risk of a debt spiral.



Highly efficient automated platform

Automated digital platform enables new customers to onboard and receive funds in as little as 5 minutes. Thousands of loans are originated each day with our small team of 42 employees².



Artificial-intelligence powered risk management

Sophisticated proprietary models assess customer probability of default and determine limits based on estimates of default elasticity and lifetime value.



Ethical short-term finance¹

We are a 2-time ethical award winner that provide small advances (\$393 on average) directly to consumers.



Designed to be affordable

We charge a one-time 5% fee on the amount advanced, with no interest or late fees, a fraction of the cost of many other lender.



Data at the core

Significant data asset with more than 4 billion lines of transaction data; strong data-science and AI capabilities and culture.

1. Based on Ethical Lender of the Year – Pan Finance International Awards 2023 & Ethical Lender of the Year – Wealth & Finance International FinTech Awards 2023.

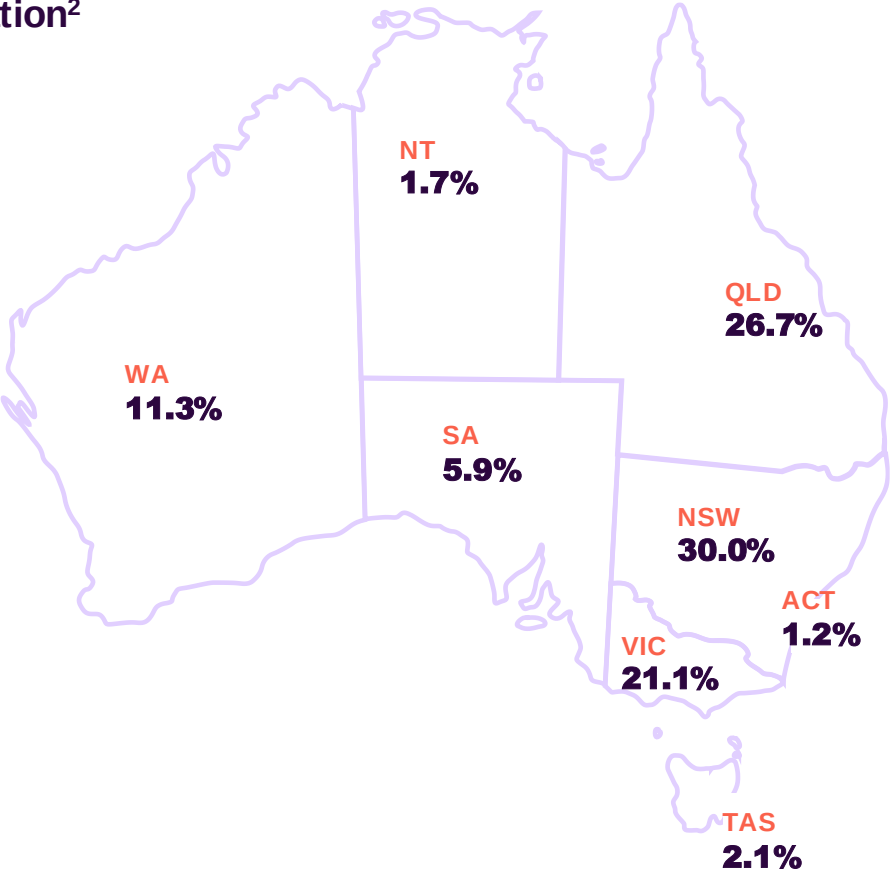
2. Excluding directors or offshore contractors.

Our Customers

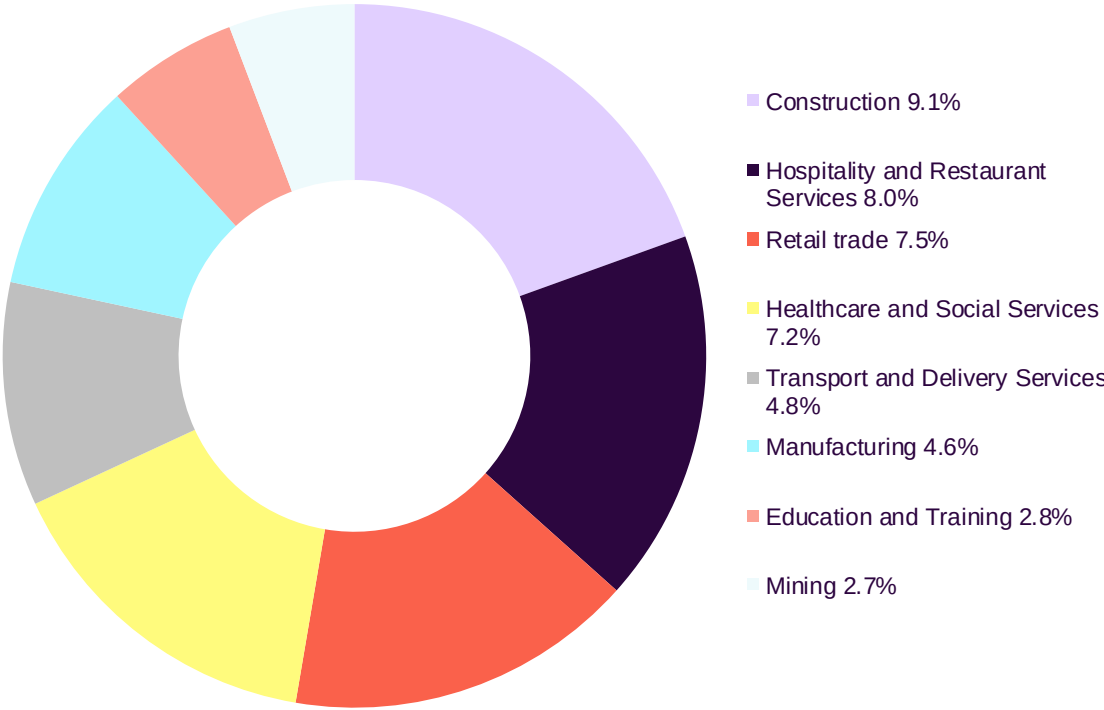
as at 31 December 2024

The average Beforepay customer is 35 years old with an annual gross income of \$63,976¹.

Location²



Top Employment Industries³



Figures are rounded.

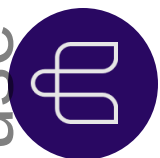
1. The average annual individual customer gross income has been derived from all customers who borrowed in the half year ending 31 December 2024 (counting only the main source of income). Beforepay’s pay cycle detection tool identifies the annualised net income, which is then grossed up using the ATO tax tables. Therefore, Beforepay’s average annual individual customer gross income figure may be understated due to ignoring any secondary sources of income.

2. Location is based on users who had an active cash out in H1 FY25, based on the latest KYC data collected up to 31 December 2024.

3. Industry is based on users who had an active cash out in H1 FY25, based on the latest selfreported employment data collected up to 31 December 2024.

Revolutionising Lending with AI:

Our B2B Solution for Lenders



We train proprietary AI models on a massive dataset to identify hidden risks and opportunities.

This enables us to generate accurate alternative risk scores and optimal lending limits. Traditional credit scoring methods fall short of providing a full picture of customers.

Leveraging AI, we build a comprehensive financial profile of loan applicants, incorporating non-traditional data points.



Carrington Labs is at the forefront of transforming lending with advanced AI technology.

Our Carrington Labs business is built upon the risk models and technology that power the Beforepay consumer brand. It is our B2B solution that empowers lenders to:

- Enhance credit risk assessment: Identify hidden risks and opportunities through comprehensive financial profiling.
- Increase profitability: Optimise lending decisions, reduce defaults, and improve loan portfolio performance.
- Expand customer base: Make faster, more informed, and inclusive lending decisions.
- Personalise offerings: Tailor loan products to individual customer needs.

Limit recommendations

- Optimal lending limits based on default probability analysis and expected elasticity
- Analyses default probabilities at different limit sizes
- Maximises dollar contribution to margins while minimising risk
- Often leads to opportunities to increase revenue meaningfully

Enhanced credit risk modelling

- Identifies latent predictors of credit risk
- Incorporates non-traditional data points
- Uncovers hidden risks and opportunities



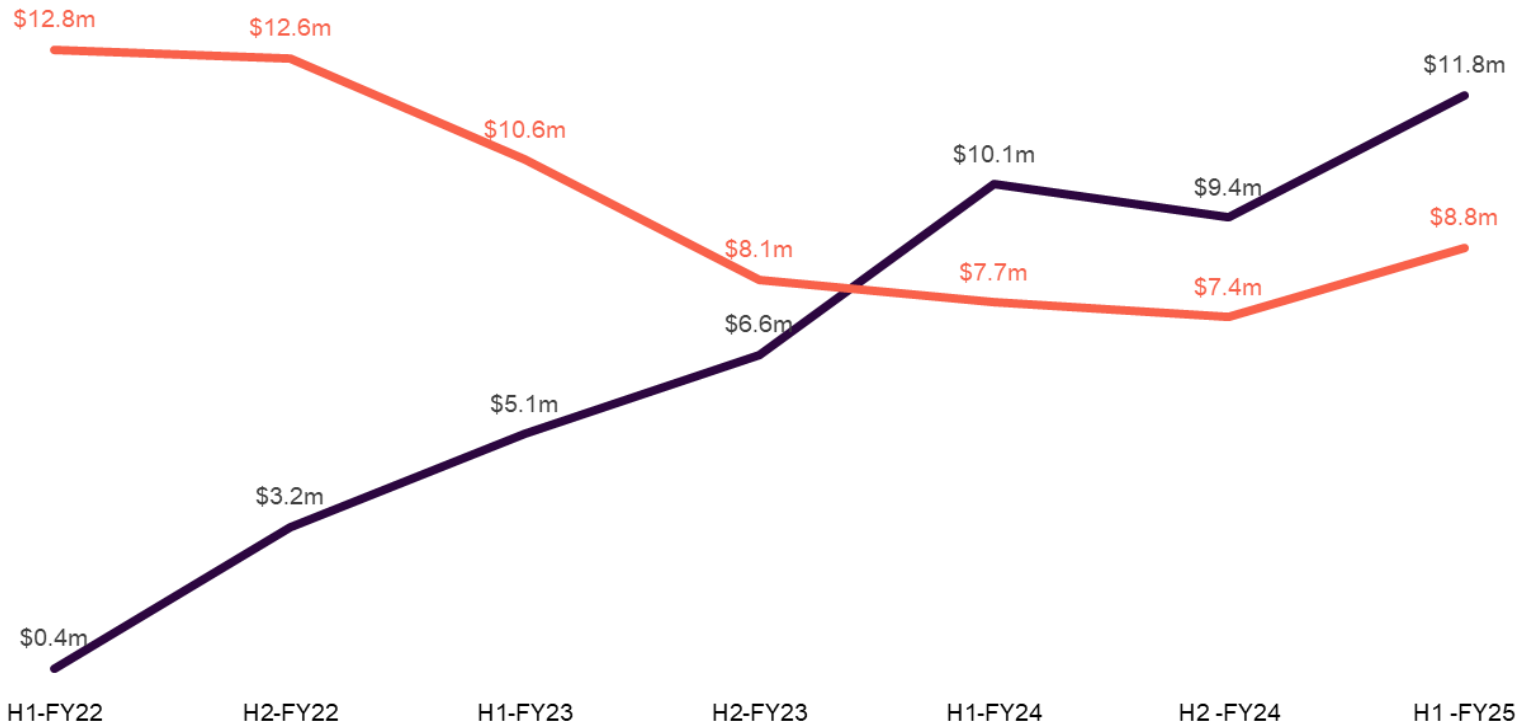
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Business Update

Strong Growth in Net Transaction Margin

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Net Transaction Margin
up 18% to \$11.8m in H1 FY25
from \$10.1m in H1 FY24

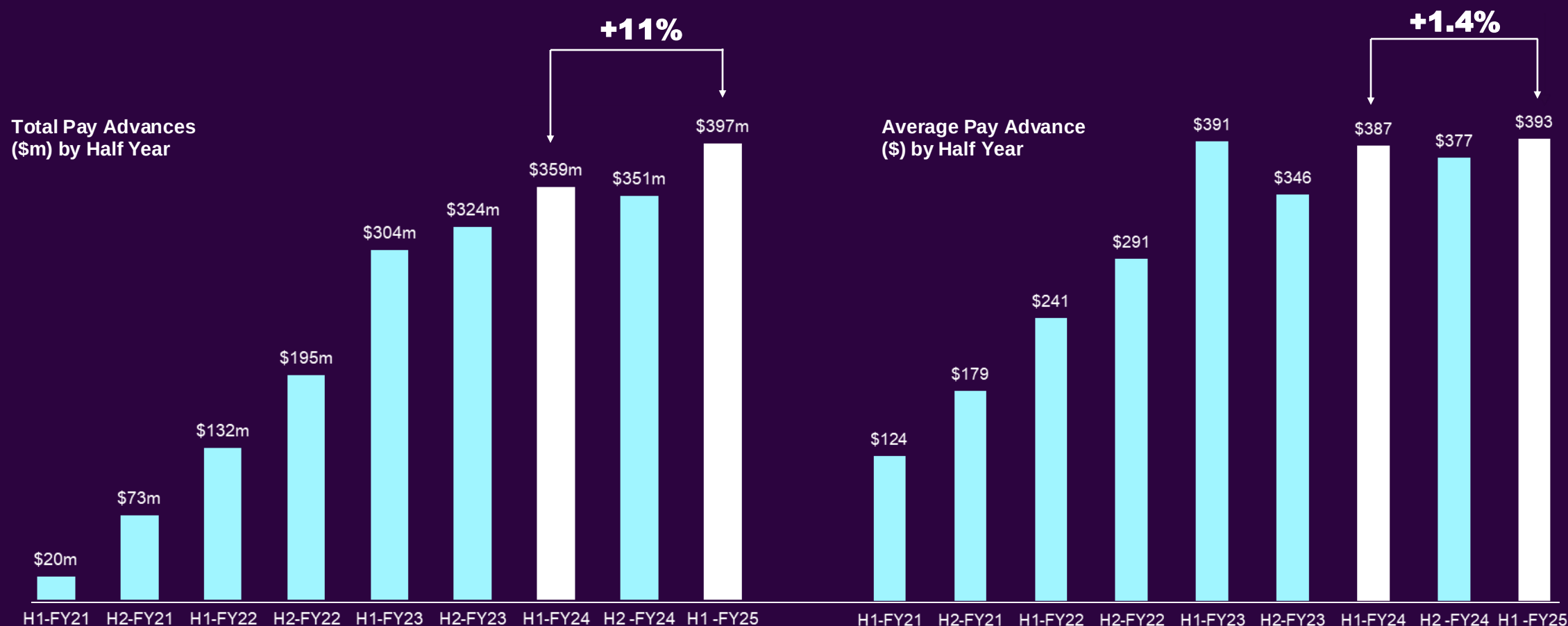


Operating Expenses
up 14% to \$8.8m in H1 FY25
from \$7.7m in H1 FY24

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Total and Average Pay Advances

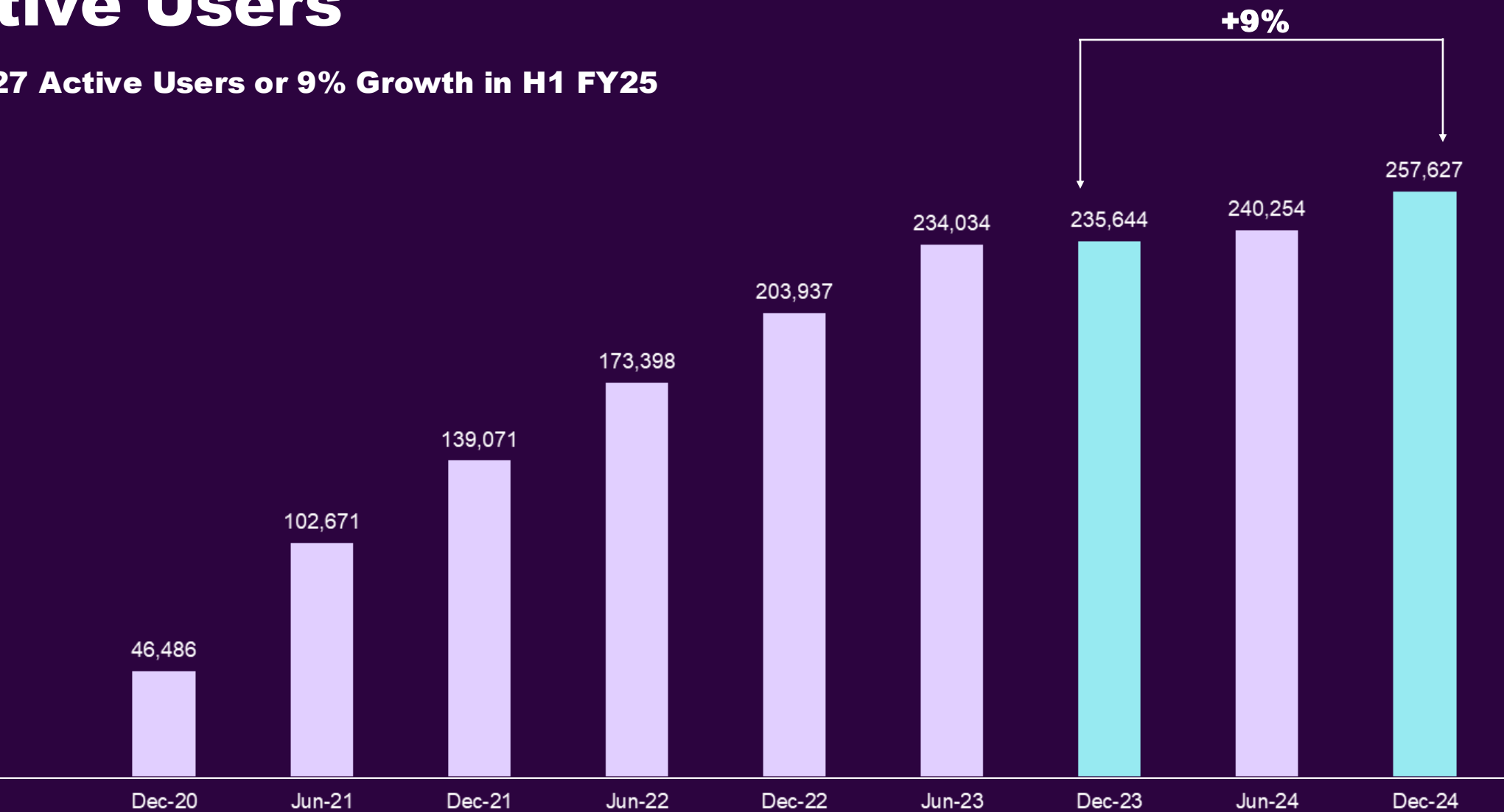
Incremental Growth in Pay Advances



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Active Users

257,627 Active Users or 9% Growth in H1 FY25

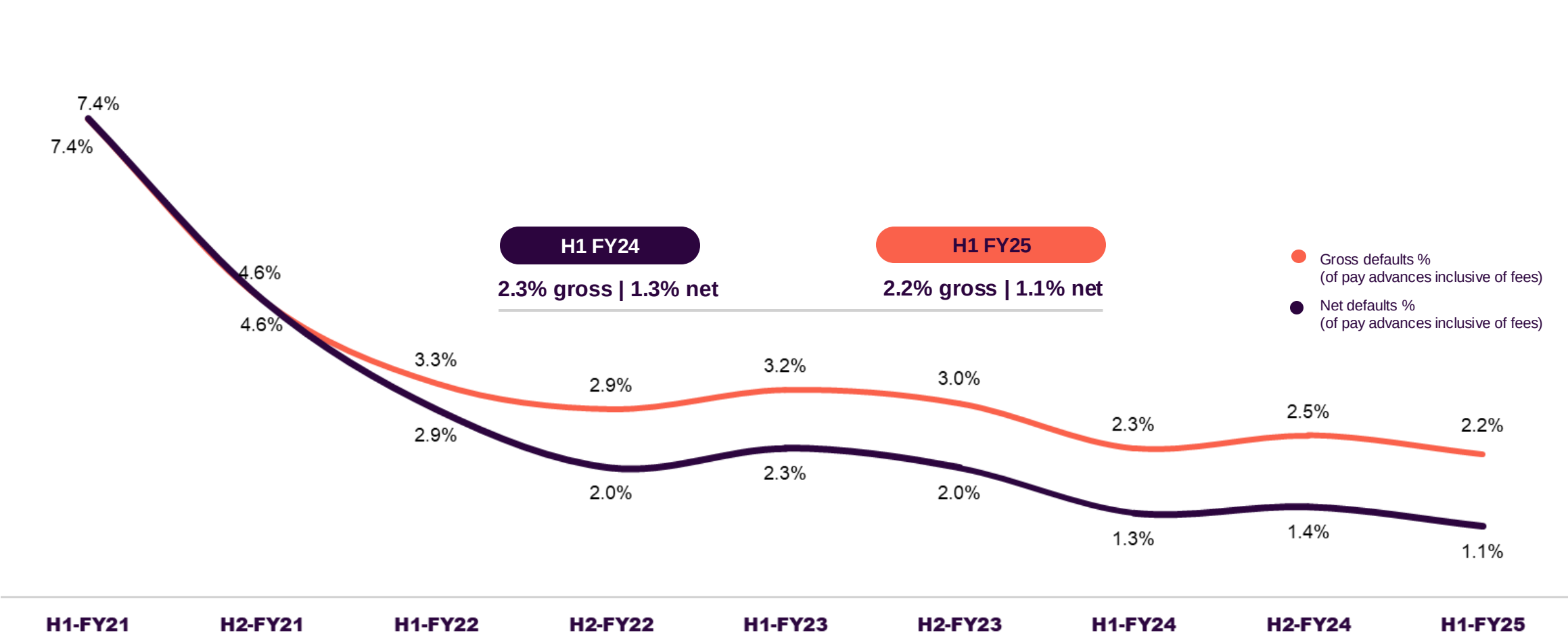


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Declining Trend in Loan Defaults

Demonstrating Consistent Improvement in Credit Quality

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Funding Costs – Debt Facility

The short duration of our pay advances keeps funding costs low.

26 days

(0.07 years)
Average duration

X

15.31%

Cost of external
debt facility

X

80%

Maximum loan-to-
value ratio of external
debt facility

=

~87 bps

Third party funding
costs % based on
average duration*

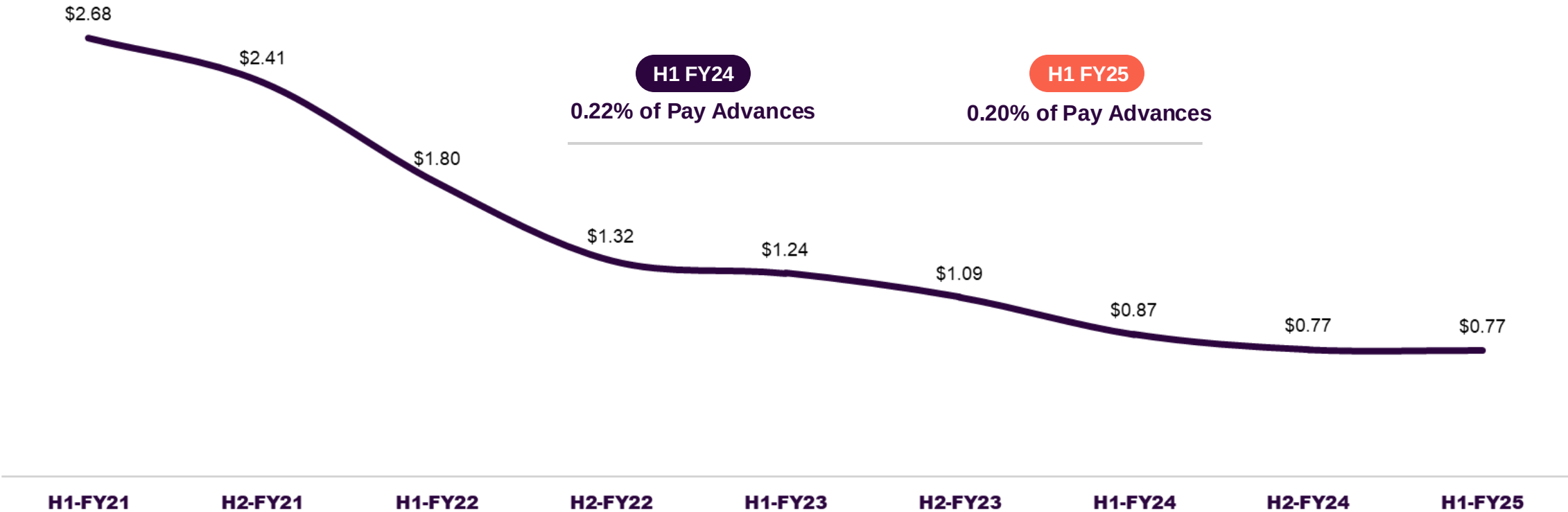
* The actual realised funding costs may vary below this level based on the rate of utilisation of the facility.

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Direct Service Costs¹

Continue to be Tightly Managed

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1. Direct service costs include the costs in facilitating advances to customers: data collection, transaction categorisation, direct credit and direct debit.
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NTM & Profit/(Loss) by Half Year

	H1 FY25	H2 FY24	H1 FY24	H2 FY23	H1 FY23
Active users (no. of users)	257,627	240,254	235,644	234,034	203,937
Average pay advance (\$)	393	377	387	346	391
Pay Advances (\$m)	396.7	351.0	358.6	324.1	303.9
Revenue ¹ % (of pay advances)	5.0%	5.0%	4.9%	5.0%	4.8%
Net defaults % (of pay advances plus fees)	(1.1%)	(1.4%)	(1.3%)	(2.0%)	(2.3%)
Funding costs % (of pay advances)	(0.7%)	(0.7%)	(0.6%)	(0.6%)	(0.5%)
Direct costs % (of pay advances)	(0.2%)	(0.2%)	(0.2%)	(0.3%)	(0.3%)
Net transaction margin % (of pay advances)	3.0%	2.7%	2.8%	2.1%	1.7%
Net transaction margin (\$m)	11.8	9.4	10.1	6.7	5.1
Advertising & marketing expenses (\$m)	(2.3)	(2.1)	(1.4)	(1.8)	(3.5)
Employee, G&A and other operating expenses (\$m)	(6.5)	(5.3)	(6.3)	(6.4)	(7.1)
Operating expenses, excluding one-off and/or significant items (\$m)	(8.8)	(7.4)	(7.7)	(8.2)	(10.6)
Other income and interest revenue (\$m)	0.1	0.0	0.0	0.0	1.4
Depreciation & amortisation expenses (\$m)	(0.3)	(0.3)	(0.2)	(0.2)	(0.3)
Non-operating expenses, and one-off and/or significant items (\$m)	(0.0)	(0.0)	(0.0)	(0.5)	(0.0)
Net Profit/(Loss) Before Tax (\$m)	2.8	1.7	2.2	(2.2)	(4.4)

1. The Group consistently charges 5% on the amount advanced. The percentages differ slightly due to timing of the pay advances.

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Balance Sheet

Strong Cash and Equity Position

\$m	H1 FY25	FY24	\$ Change	% Change	Commentary
Cash position ¹	18.3	19.2	(0.9)	(5%)	
Receivables	54.3	50.2	4.1	8%	Reflects growth in loan book and level of advances
Other assets	5.5	4.1	1.4	37%	Reflects capitalisation of software development costs in H1 FY25
Total assets	78.1	73.5	4.6	6%	
Borrowings	37.8	36.4	1.4	4%	Reflects debt facility utilisation to finance receivables
Other liabilities	4.7	6.6	(1.9)	(28%)	Reflects decreases in trade and other payables
Total liabilities	42.5	43.0	(0.5)	(1%)	
Equity position	35.6	30.5	5.1	17%	
<i>Total debt facilities</i>	<i>38.4</i>	<i>37.3</i>	<i>1.1</i>	<i>3%</i>	<i>As at 31 December 2024, total drawdown in third party debt facility is 38.4m (70% utilised), comprising of \$35m from Balmain (Facility B) and \$3.4m from Longreach Lender (Facility A)</i>
<i>Undrawn facilities</i>	<i>16.6</i>	<i>17.7</i>	<i>(1.1)</i>	<i>(7%)</i>	<i>The total facility limit of the debt facility agreement is \$55m (\$35m from Balmain Group and \$20m from Longreach Lender), expiring in October 2026</i>

1. The cash-on-hand figure of \$18.3m excludes \$5.8m in cash held by third parties to fund customer pay advances (2024: \$19.2m excludes \$6.0m in cash held by third parties to fund customer pay advances).

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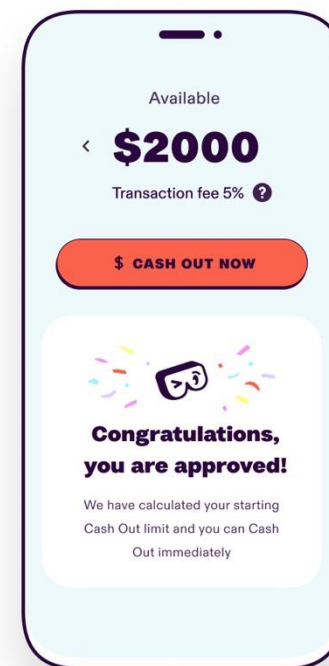
Cash Flow Statement

Operating, Investing and Financing Activities

\$m	H1 FY25	H1 FY24
Receipts from repayment of customer advances	388.3	355.1
Receipts of revenue	19.3	12.0
Payments to suppliers and employees	(8.7)	(7.9)
Advances to customers	(396.7)	(358.6)
Interest and other finance costs paid	(2.4)	(1.9)
Net cash used in operating activities	(0.2)	(1.3)
Capitalised employee costs for software development	(1.8)	–
Net cash used in investing activities	(1.8)	–
Proceeds from issue of shares	–	0.1
Proceeds from borrowings	1.2	32.9
Borrowings transaction costs	–	(1.1)
Repayment of lease liabilities	(0.1)	(0.2)
Repayment of borrowings	–	(33.3)
Net cash from/(used in) financing activities	1.1	(1.6)
Net decrease in cash and cash equivalents	(0.9)	(2.9)
Cash and cash equivalents at the beginning of the financial period	19.2	21.8
Cash and cash equivalents at the end of the financial period	18.3	18.9

 **Cash**
\$18.3m

Cash and Cash Equivalents
at 31 December 2024.



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Expansion and New Growth



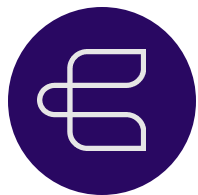
Pay advance

- Continue growth momentum
- Continue to refine risk models and limits
- Maintain cost focus



Personal loans

- Continue to refine risk models and processes
- Prepare to scale
- Identify additional sources of debt funding



Carrington Labs

- Invest to accelerate growth
- Sign and onboard more clients, with a focus on the US
- Continue to improve the product

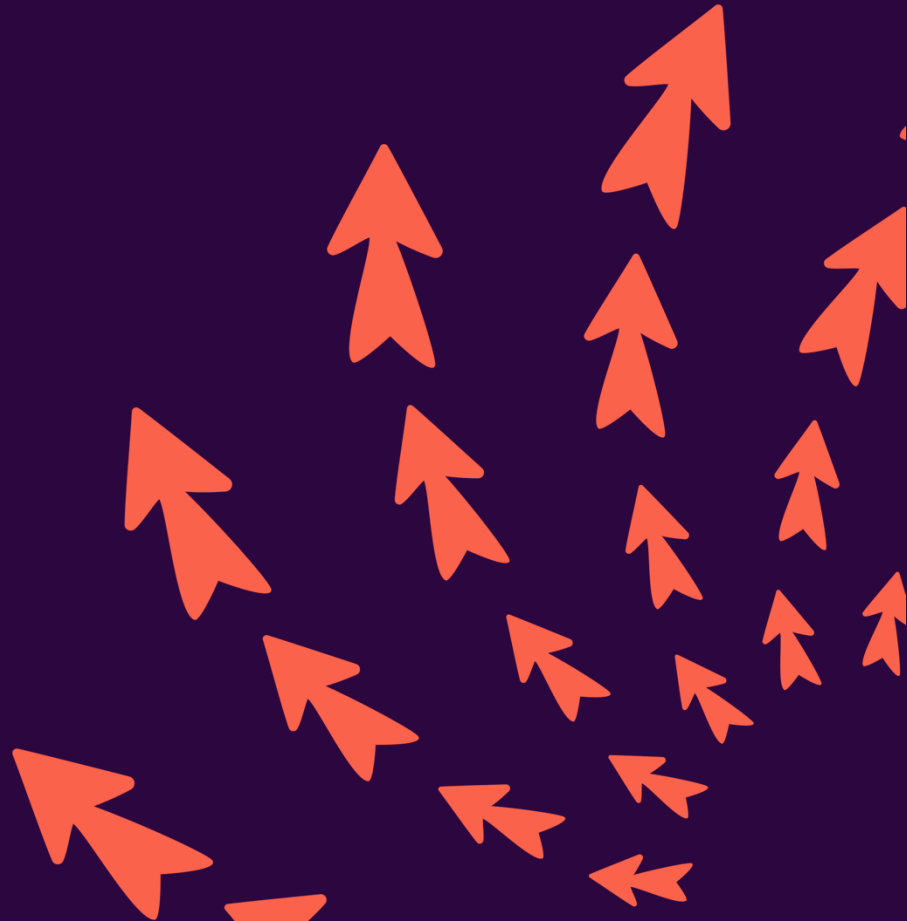
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Q&A



Appendix



H1 FY25 Management Profit & Loss (P&L)

A\$, unless otherwise stated	H1 FY25
Revenue	19,672,701
Gross defaults	(9,048,284)
Gross defaults % (of advances inclusive of fees)	(2.2%)
Recoveries (net of costs)	4,335,967
Recoveries % (of gross defaults)	47.9%
Net defaults	(4,712,317)
Net defaults % (of advances inclusive of fees)	(1.1%)
Third party funding costs	(2,337,539)
Third party funding costs % (of advances)	(0.7%)
Direct service costs	(774,372)
Direct service costs % (of advances)	(0.2%)
Net transaction margin (NTM)	11,848,473
Net transaction margin % (of revenue)	60.2%
Employee benefits expenses	(3,767,975)
G&A and other expenses	(2,690,355)
Advertising and marketing expenses	(2,331,319)
Total non-operating expenses	(10,223)
Other income and interest revenue not recognised in NTM	86,562
Add back: Third party funding costs deducted from NTM	2,337,539
EBITDA, excluding one-off and/or significant items	5,472,702

A\$, unless otherwise stated	H1 FY25
EBITDA, excluding one-off and/or significant items	5,472,702
Depreciation & amortisation expenses (D&A)	(257,253)
Removal of D&A related to lease accounting already recognised in occupancy expense in EBITDA	213,176
Finance costs	(2,612,434)
Total one-off and/or significant items	–
Profit before income tax	2,816,191

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H1 FY25 NTM Reconciliation to Statutory P&L

Management P&L – Revenue to Net Transaction Margin

A\$, unless otherwise stated	H1 FY25
Revenue	19,672,701
Gross defaults	(9,048,284)
Gross defaults % (of advances inclusive of fees)	(2.2%)
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Recoveries % (of advances inclusive of fees)	1.0%
Net defaults	(4,712,317)
Net defaults % (of advances inclusive of fees)	(1.1%)
Third party funding costs	(2,337,539)
Third party funding costs % (of advances)	(0.7%)
Direct service costs	(774,372)
Direct service costs % (of advances)	(0.2%)
Net transaction margin	11,848,473
Net transaction margin % (of advances)	3.0%

Reference to Statutory Profit and Loss

- 1 Revenue
- ← Equal to expected credit losses expense, before the benefit of recoveries
- 2 Expected credit losses expense
- 3 Part of the \$2.6m of finance costs related to funding advances
- 4 Direct service cost

Statutory Profit and Loss

A\$, unless otherwise stated	H1 FY25
Revenue	
Revenue from contracts with customers	19,672,701
Interest and other income	86,562
Expenses	
Direct service cost	(774,372)
Employee benefits expense	(3,767,975)
Depreciation and amortisation expense	(257,253)
Other non-operational expenses	(10,223)
Expected credit losses expense	(4,712,317)
Occupancy expenses	(53,029)
Advertising and marketing expenses	(2,331,319)
Professional and consultancy expenses	(939,281)
Software licences	(34,972)
Technical suppliers	(703,410)
Other expenses	(746,487)
Finance costs	(2,612,434)
Profit before income tax expense	2,816,191
Income tax expense	–
Profit after income tax expense for the year attributable to the owners of Beforepay Group Limited	2,816,191
Other comprehensive income for the period, net of tax	–
Total comprehensive income for the year attributable to the owners of Beforepay Group Limited	2,816,191

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H1 FY25 EBITDA Reconciliation to Statutory P&L

Management P&L – Net Transaction Margin to EBITDA

A\$, unless otherwise stated	H1 FY25
Net transaction margin	11,848,473
Net transaction margin % (of revenue)	60.2%
Employee benefits expense	(3,767,975)
G&A and other expenses	(2,690,355)
Advertising and marketing expenses	(2,331,319)
Total operating expenses	(8,789,649)
Total non-operating expenses	(10,223)
Other income and interest revenue not recognised in NTM	86,562
Add back: Third party funding costs deducted from NTM	2,337,539
EBITDA, excluding one-off and/or significant items	5,472,702

Reference to Statutory Profit and Loss

- 1 Employee benefits expense includes one-off share-based payments
- 2 Advertising and marketing expenses
- 3 Other non-operational expenses
- 4 Interest and other income
- 5 Add back \$2.3m of finance costs deducted from NTM

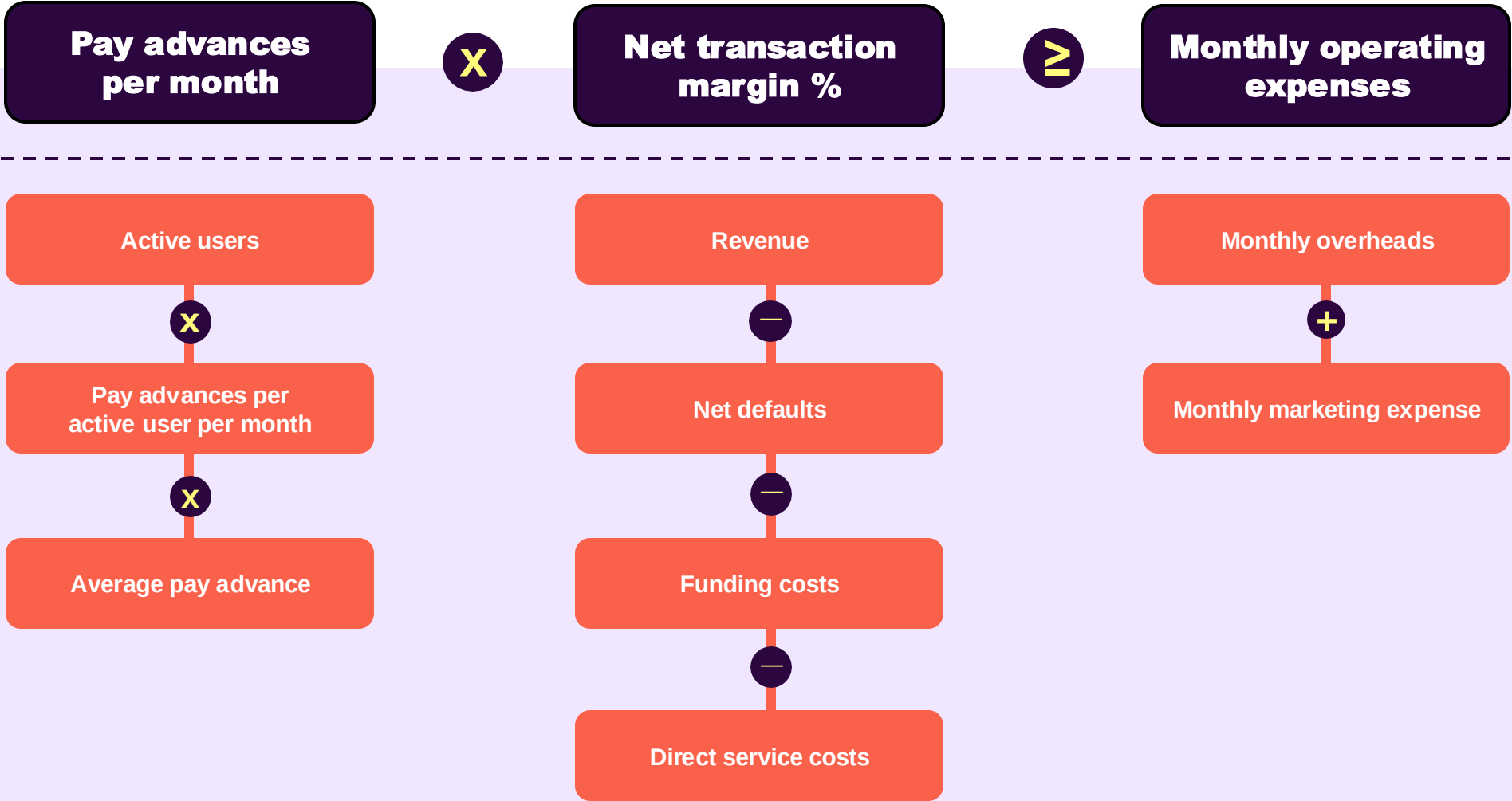
Statutory Profit and Loss

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Total comprehensive income for the year attributable to the owners of Beforepay Group Limited	2,816,191

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Pay Advance Business Model

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Glossary

Term	Definition
Active Users	A customer of Beforepay, who has taken out a pay advance in the previous 12 months from the date of the relevant information. This includes customers who have not repaid their most recent cash out and are not eligible to re-borrow until they have done so. The figures presented on Active Users are unaudited.
Average Pay Advance	Total dollar volume of pay advances in a period divided by the number of pay advances in that period. The figures presented on Average Pay Advance are unaudited.
Cash Out or Pay Advances	An advance made or offered by Beforepay to a user.
Direct Costs or Direct Service Costs	Direct service costs include the cost of services involved in facilitating pay advances to customers: data collection, transaction categorisation, direct credit, and direct debit.
Direct Costs % (of pay advances)	Direct costs in facilitating pay advances to customers divided by pay advances.
EBITDA	Earnings before interest, taxation, depreciation and amortization (adjusted). The figures presented on EBITDA are unaudited.

Term	Definition
Finance Costs	Finance costs are related to the debt facility with Longreach and Balmain Group (together 'Lenders') and interest on lease liability.
G&A and Other Expenses	Occupancy expenses, professional and consultancy expenses, software licenses, technical suppliers, and other expenses (all from the full-year FY2023 statutory financial statements).
Gross Defaults	Expected credit loss expense excluding recoveries.
Gross Defaults %	Gross defaults as a percentage of pay advances plus fees. The figures presented on Gross Defaults % are unaudited.
Lenders	AMAL Trustees Pty Ltd as trustee for AMAL Security Services Pty Ltd as trustee for LCI Funding Trust 1 ("Longreach") and Australian Commercial Mortgage Corporation Pty Ltd as trustee for the Australian AB Finance Trust ('Balmain Group').
Net Defaults	Actual and expected credit losses (net of recoveries). It comprises customer defaults plus current pay advances provisioned during the period. The figures presented on Net Defaults are unaudited.
Net Defaults %	Net defaults as a percentage of pay advances plus fees. The figures presented on Net Defaults % are unaudited.
Net Transaction Margin	Comprises of income (being pay advance fee income) less the variable costs associated with facilitating the pay advance transaction (net of recoveries). Variable costs include net defaults, third party funding costs and direct service costs. Net transaction margin is a management metric used to measure the gross margin on pay advances. The figures presented on Net Transaction Margin are unaudited.

Glossary

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Term	Definition
Net Transaction Margin %	Net transaction margin as a percentage of pay advances. The figures presented on Net Transaction Margin % are unaudited.
Non-IFRS Financial Information	The term non-IFRS financial information – or ‘alternative performance measures’ (APMs) – captures any measure of past or future financial position, performance or cash flows that is not prescribed by the relevant accounting standards. Examples are adjusted earnings (or adjusted profit), normalised or underlying earnings, constant currency revenue growth (like-for-like earnings), net debt, and return on capital employed.
Pay Advances or Total Pay Advances	The aggregate dollar value of cash outs in a specified period to a user. The figures presented on Pay Advances are unaudited.
Recoveries	Monies repaid by customers after an advance has defaulted at 62 days after the date of issuance (net of costs) of the recovery.
Recoveries %	Recoveries divided by gross defaults

Term	Definition
Revenue	The transactions fees charged to customers on pay advances. Revenue is calculated and charged based on a fixed percentage (5%) of the amount advanced. Revenue includes other income and interest income.
Third-Party Debt Facility	The third-party debt facility agreement with the Lenders, The \$55 million facility (\$20 million from Longreach and \$35 million from Balmain Group) is for 3 years to 15 October 2026 with the potential to extend the total facility size in a future period. The maximum commitment increases in non-linear increments over time to \$55 million by 14 June 2025.
Third Party Funding Costs or Cost of External Debt Facility	Third party financing costs related to the cash interest costs of funding pay advances through drawing on the third-party debt facility.
Third Party Funding Costs % (of Pay Advances)	Third party funding costs divided by total pay advances.



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Thank You

