Earlypay

H1 FY26 Results Presentation

26 February 2026

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Earlypay

Backing Australian businesses with flexible and reliable working capital finance.

Earlypay

H1 FY26 Financial Summary

Lower than expected Funds in Use and higher credit expense drive reduced earnings; capital position remains strong

$268m
Half-year end, Funds in Use
↑ 4% pcp[1]

13.8%
Net Revenue margin
↑ 3% pcp

$18.2m
Net Revenue
↑ 6% pcp

$13.1m
Operating Expenses (Underlying)[2]
↑ 7% pcp

$1.8m
Direct (Origination) Costs
↑ 30% pcp

$1.7m
Credit Impairment Expense & Recovery
↑ 164% pcp

0.57%
Credit Loss Expense[3]
↑ 24% pcp

$1.8m
Underlying NPAT[4]
↓ 32% pcp

0.7 cps
Underlying Basic EPS
↓ 31% pcp

~3.0 cps
Surplus capital at end of H1'26

Note: Refer Appendix 4D for full statement of accounts.

1. Prior corresponding period (H1 FY25)
2. Underlying with 'one-offs' added back
3. Credit Loss Expense reflects the specific provision expense (excluding general provision expense and recoveries of previously written off loans) divided by the average Funds in Use for the period
4. Underlying Proforma NPAT is Reported NPAT adding back acquisition related amortisation and one-off costs

H1 FY26 Earnings Outcome

Why guidance was withdrawn when it was

- FY26 guidance previously implied earnings approximately 15–20% above FY25 (~$6m NPATA)
- Following finalisation of November management accounts, it became clear that FY26 earnings would be below that level
- Primary drivers:
  - Invoice Finance customer utilisation declined in December, with FIU materially weaker than expected
  - Costs related to the implementation of the new Invoice Finance loan management system and expanded product and distribution capability increased in H1
  - Equipment Finance specific provisioning increased from low prior levels

What it means for H2

- Earnings in H2 are likely to be consistent with H1
- A lower starting IF FIU and typical seasonal softness provide a reduced baseline for H2 revenue
- While new business activity is very strong, existing customer utilisation remains low
- Higher cost base will persist in H2 as:
  - IF system implementation / migration continues (expected to complete around the end of FY26)
  - a result of higher investment in product and distribution
- Credit Loss Expense is assumed to be consistent with H1

H1 FY26 Results Presentation

H1 FY26
Statutory Results

H1 FY26 Summary – Reported P&L

Modest growth with improved margins; higher OpEx in the short term; solid credit performance despite higher credit expense

Profit and Loss ($m) 30 June Y/E	H1'25 Reported	H2'25 Reported	H1'26 Reported		*Δ pcp*
Year end FIU - IF, TF, EF[1]	**257.6**	**254.0**	**268.2**	1	**4%**
Average FIU	**255.1**	**247.8**	**261.7**		**3%**
Interest income	15.4	14.7	15.2		*(1%)*
Interest expense	(9.4)	(7.9)	(8.1)		*(14%)*
Net interest revenue	**6.0**	**6.8**	**7.1**		***18%***
Mgmt / Admin Fees	11.1	9.8	11.0		*(1%)*
Net revenue	**17.1**	**16.6**	**18.2**	3	***6%***
Operating expenses	(12.8)	(12.3)	(14.5)	4	*13%*
Direct Costs	(1.4)	(1.6)	(1.8)	5	*30%*
Credit Impairment Expense (CIE)	(0.1)	(0.6)	(1.1)	6	*694%*
Recovery Costs	(0.5)	(0.4)	(0.7)		*29%*
PBT	**2.2**	**1.7**	**0.1**		***(95%)***
NPAT	**1.3**	**1.6**	**(0.1)**		***na***
Amortisation	0.9	0.9	0.9	8	-
One-offs (tax affected)	0.5	(0.0)	0.9		*109%*
Underlying NPAT	**2.6**	**2.5**	**1.8**		***(32%)***
Underlying Basic EPS (cents per share)	1.0	0.9	0.7		*(31%)*
DPS (cents per share)	0.14	0.65	-		*na*
Net interest margin	*4.7%*	*5.4%*	*5.4%*		*15%*
Net revenue margin	*13.3%*	*13.3%*	*13.8%*	2	*3%*
Credit loss expense[2]	*0.46%*	*0.28%*	*0.57%*	7	*24%*
Underlying Cost to Income[3]	*74.2%*	*78.4%*	*77.3%*		*4%*

1. Total Year end Funds in Use ("FIU") up 4% on pcp:
   - Driven by growth in Equipment Finance
2. Net Revenue Margin averaged across all products increased to 13.8%, up 3% on pcp, due to improved IF and EF margins, albeit partially offset by FIU shift to tighter margin EF product
3. Net Revenue ($ value) increased to $18.2m, up 6% on pcp
4. Operating expenses increase includes:
   - $1.3m pre-tax "one-offs": loan management platform consolidation, staff restructuring, corporate activity costs;
   - transitory costs relating to platform consolidation; and
   - investment in product development and sales & marketing

   Opex normalisation commenced in Q3; further benefits will follow platform consolidation
5. Direct costs (commissions) increased due to strong EF originations
6. Credit Impairment Expense ("CIE") normalised from low base driven by Equipment Finance
7. Credit Loss Expense of 0.57% (annualised 1.1% vs ~1% general provision)
8. Timelio customer relationship amortisation ends in April 2026, underpinning increased statutory earnings and dividends

1. Year end FIU based on average FIU for last month of reporting period (i.e. December 2025)
2. Credit Loss Expense reflects the specific provision expense (excluding general provision expense and recoveries of previously written off loans) divided by the average Funds in Use for the period
3. Underlying Cost to Income calculated as (Opex + Direct Costs – Amort – One Offs) / Net Revenue

Product Segment: Invoice & Trade Finance (IF / TF)

Lower IF FIU (driven by H2'25 reduction) at higher margins; strong credit performance; higher OpEx in short-term

IF & Trade Reporting ($m)	H1'25	H2'25	H1'26		Δ pcp
Key Metrics					
Year end FIU - IF[1]	141.2	118.6	119.1	1	(16%)
Year end FIU - TF[1]	10.4	6.6	4.2	2	(60%)
Year end FIU - IF & TF[1]	**151.6**	**125.2**	**123.3**		**(19%)**
Average FIU[2]	155.5	130.0	125.2		*(20%)*
Invoices purchased (TTV)	1,371	1,119	1,158		*(16%)*
Interest income	9.8	8.2	7.5		*(24%)*
Interest expense	(5.3)	(4.1)	(3.6)		*(33%)*
Net Interest Revenue	**4.5**	**4.1**	**3.9**		***(14%)***
Mgmt / Admin Fees	9.4	8.4	9.4		*(0%)*
Net Revenue	**13.9**	**12.5**	**13.3**	4	***(5%)***
Operating expenses	(8.4)	(8.6)	(9.3)		*11%*
Direct Costs	(0.6)	(0.6)	(0.6)		*9%*
Credit Impairment Expense (CIE)	0.3	(0.2)	0.0	5	*(99%)*
Recovery Costs	(0.5)	(0.3)	(0.6)		*25%*
PBT	**4.7**	**2.8**	**2.7**		***(42%)***
One-offs	0.4	0.2	0.6		*52%*
Underlying PBT	**5.2**	**3.0**	**3.4**		***(34%)***
Net interest margin	*5.8%*	*6.2%*	*6.2%*		*7%*
Net revenue margin	*17.8%*	*19.0%*	*21.0%*	3	*18%*
Credit loss expense	*0.55%*	*0.24%*	*0.42%*	6	*(24%)*
Underlying Cost to income[3]	*61.7%*	*71.6%*	*70.3%*		*14%*

1. IF FIU:
   - Decrease compared to prior period largely driven by attrition in H2'25 creating a lower starting point for H1'26
   - FIU grew progressively through much of H1; however, customer utilisation declined materially toward the end of the period, resulting in lower year-end FIU. New originations in H1'26 were solid and attrition broadly as expected.
2. TF FIU reduction of large exposures outside risk appetite occurred mostly in H2'25
3. Net Revenue expansion from 17.8% to 21.0% due to:
   - Corporate debt repayment in H2'25; portfolio mix-shift to smaller, higher margin clients and exit of large, tight margin Timelio clients in H2'25 and fees generated from distressed customers exiting
4. Opex higher due to transitory loan platform consolidation costs, staff restructuring costs, investment in product development and sales & marketing
5. Write-back of recoveries offsets specific provisions; general provision change low due to flat FIU
6. Credit Loss Expense robust at 0.42% of Average FIU. Risk accounts lowest levels in 5+ years

1. Year end FIU based on average FIU for last month of reporting period (i.e. December 2025)
2. Average Funds In Use is a monthly average across the entire period
3. Underlying Cost to Income calculated as (Opex + Direct Costs – One Offs) / Net Revenue

Product Segment: Equipment Finance (EF)

Originations continued to accelerate throughout H1 FY26; network expansion supporting distribution of IF

EF Reporting ($m)	H1'25	H2'25	H1'26		Δ pcp
Key Metrics					
Year end FIU[1]	106.0	128.7	144.9		*37%*
Average FIU[2]	99.6	117.8	136.6		*37%*
Loan Originations	35.0	45.2	43.1	1	*23%*
Interest income	5.4	6.4	7.7		*42%*
Interest expense	(3.5)	(3.8)	(4.6)		*30%*
Net Interest Revenue	**1.9**	**2.6**	**3.1**		***65%***
Admin Fees	1.7	1.4	1.7		*(3%)*
Net Revenue	**3.6**	**4.0**	**4.8**		***33%***
Opex	(1.1)	(1.7)	(1.8)	3	*69%*
Direct Costs	(0.8)	(1.0)	(1.2)	4	*44%*
Credit Impairment Expense (CIE)	(0.4)	(0.4)	(1.1)	5	*156%*
Recovery Costs	(0.1)	(0.1)	(0.1)		*54%*
PBT	**1.2**	**0.9**	**0.6**		***(52%)***
One-offs	-	-	-		*na*
Underlying PBT	**1.2**	**0.9**	**0.6**		***(52%)***
Net interest margin	*3.8%*	*4.4%*	*4.6%*	2	*20%*
Net revenue margin	*7.2%*	*6.8%*	*7.0%*		*(3%)*
Credit loss expense	*0.32%*	*0.33%*	*0.71%*	6	*121%*
Underlying Cost to income[3]	*53.4%*	*66.7%*	*63.6%*		*19%*

1. Year end FIU based on average FIU for last month of reporting period (i.e. December 2025)
2. Average Funds In Use is a monthly average across the entire period
3. Underlying Cost to Income calculated as (Opex + Direct Costs – Amortisation – One Offs) / Net Revenue

1. 23% origination growth driving Year end FIU of $145m, up 37% pcp
   - $24m EF originations in Q2'26 delivering positive momentum heading into 2H'26
   - FIU portfolio growth supports income in future years given multi-year financing agreements
   - Growth highlights distribution capability and working capital finance solutions bundled with Invoice Finance
2. Strong NIM growth driven by repayment of corporate bond in H2'25, modest savings on EF warehouse refinance
3. Opex increased from H2'25 reflecting investment in growth and operations (product development, process improvement, sales and underwriting team capacity); leverage to materially scale FIU without requiring further cost base increases
4. Increase in Direct Costs relates to commissions on growth in loan originations
5. CIE increased due to general provision from FIU growth and higher specific provisions
6. Credit Loss Expense of 71bps for the half - increase after low prior periods. Arrears performance is robust and no structural concerns about portfolio quality

Consolidated Balance Sheet

Strong balance sheet, cash flow generation and funding structures for growth

Balance Sheet ($m)	30-Jun-25	31-Dec-25		Δ pcp
Cash and cash equivalents	37.6	35.9	1	*(3%)*
Receivables - Invoice Finance[1]	115.4	107.0		*(7%)*
Allowance for exp. credit losses - IF	(1.4)	(1.2)	2	*(12%)*
Receivables - Equipment Finance[2]	127.8	144.1		*13%*
Allowance for exp. credit losses - EF	(2.0)	(2.4)		*18%*
Intangible Assets	30.1	28.9		*(4%)*
Income tax receivable	0.0	-		*na*
Other	7.1	6.9		*(3%)*
Assets	**314.6**	**319.7**		***2%***
Trade Payables	1.9	1.9		*0%*
Borrowings[3]	234.9	244.3		*4%*
Other	3.8	3.4		*(11%)*
Liabilities	**240.6**	**249.6**		***4%***
Net Assets	**74.0**	**70.1**		***(5%)***
Total Equity	**74.1**	**70.1**		***(5%)***
Key Metrics				
NTA	**40.9**	**38.1**		***(7%)***
NTA per share (period end)	15.0	14.6	3	*(3%)*
Net Borrowings to Receivables	*96.6%*	*97.3%*		*1%*
Average Funds in Use	255.1	261.7		*3%*

1. Receivables – Invoice Finance figure combines both the gross Receivables and Payables balances
2. Receivables – Finance Leases figure combines both the Current and Non-Current balances
3. Borrowings combines both the Current and Non-Current balances

Balance Sheet

1 Cash position of $36m as of 31 December 2025

- – $13m corporate cash (not restricted cash held in trust for warehouse facilities)

2 Decrease in allowance for IF ECL reflecting write-off of provisions

3 NTA per share (period-end shares on issue) of 14.6 cps; reflecting continued buy-backs during the period.

Cashflow

- Operating cash flow of $2.8m in H1 (pcp $4.8m)
- Strong capital position with ~$8m of surplus capital

Funding

- New Equipment Finance warehouse was completed in Q1’26
- New IF and EF warehouses are capital efficient, cost effective, flexible and fit-for-purpose to grow our core products

H1 FY26 Results Presentation

Capital Management & Outlook

Capital Management

Ongoing commitment to enhancing shareholder value

Capital Management

- Over the past two years, $28m+ of capital released via refinancing of funding structures, reduction in balance sheet funded receivables and re-deployed into capital management initiatives
- Earlypay currently has **$8m (~3.0 cents per share)** of surplus capital available for capital management initiatives
  - Payment of fully franked dividends to the extent there are retained profits
  - On-market share buy-back
  - Retention to support accelerated organic growth
  - Bolt-on acquisitions

Dividends

- Payment of an interim dividend is constrained by the amount of Retained Earnings
- While the business has surplus capital, and subject to other capital management initiatives, the Board is likely to pay a high proportion of retained earnings as fully franked dividends to shareholders

Date	Capital Management Initiative (Use of Funds)	Amount
Acquisitions		
Jun-24	Timelio Purchase (cash component)	$1.3m
Debt Reduction		
Jul-24	Corporate Bond Repayment	$10m
Dec-24	Corporate Loan Repayment	$5m
Apr-25	Corporate Loan Repayment (final balance)	$5m
Share Buy-backs		
FY24	Buy-back	$4.4m
FY25	Buy-back	$0.1m
H1 FY26	Buy-back	$2.7m[1]
Total		**$28.5m**

1. Including transactions executed before and settled after 31 December 2025

Growth & Operational Highlights

Enhancements to support sustainable growth

- Our experience over the past 12 months has reinforced our view that consistent growth requires broader product capability and deeper penetration of the mid-market segment
- **Product**
  - Launched a fit-for-purpose Confidential Invoice Finance product for larger, stronger SMEs, broadening market reach across both small and medium sized businesses
  - Updated risk-based pricing framework to better align pricing with credit quality
  - Reposition Equipment Finance offering to focus on our strength in capital raises, mid-term refinancing as well as the purchase of new and used assets
- **Distribution**
  - Expansion of distribution capability, including specialist hires and broader geographic coverage

Operational efficiency and platform consolidation

- Consolidation of Invoice Finance loan management systems is well underway
- Migration to a single platform is expected to complete around the end of FY26
- A unified platform and standardised processes are expected to:
  - extend the customer experience of Earlypay's proprietary platforms across all customers
  - lead to significant operational efficiencies and lower cost-to-serve
- Initial process improvements are being realised, with most benefits to be extracted following full migration
- Equipment Finance process improvements and automation are progressing to support scalable growth

Outlook

- H1’26 ending IF Funds in Use and seasonality provide a lower baseline for H2’26 FIU and revenue
- New business activity and originations for both IF and EF are much stronger than usual at this time of the year
- Margins are strong and credit performance is in line with general provisioning
- Ongoing investment in product and distribution is necessary to support sustainable FIU and revenue growth
- Costs related to the IF system migration will persist in H2’26 and OpEx benefits will follow thereafter
- H2’26 earnings are expected to be in line with H1’26
- Focus is on FIU growth momentum to have a strong revenue baseline to start FY27, and to complete system migration to extract productivity gains

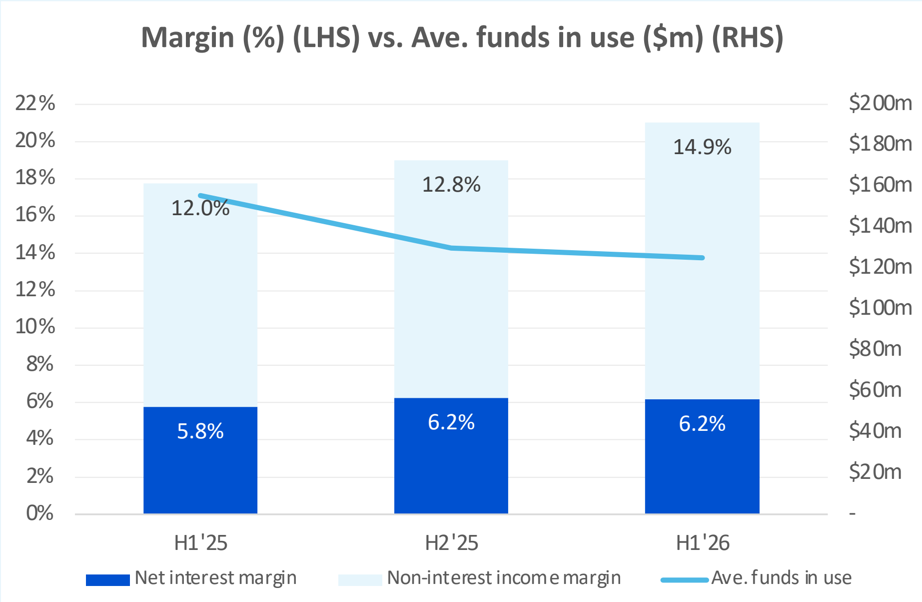
Guidance

- FY26 Underlying Earnings Per Share is expected to be ~1.4 cents per share
- The Board intends to pay all Retained Earnings at year-end as a fully franked dividend

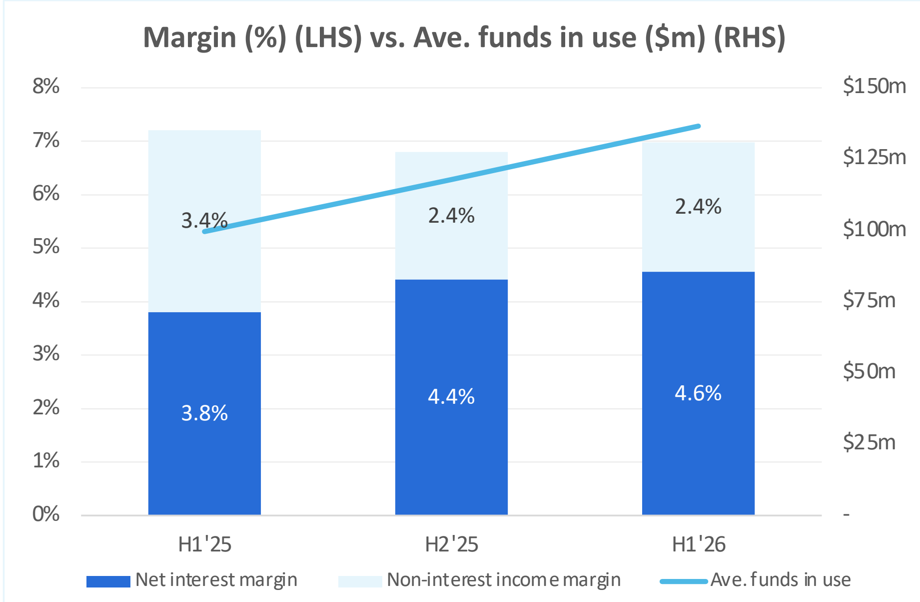
Appendix

Product Segment Dashboard

Invoice & Trade Finance



Equipment Finance

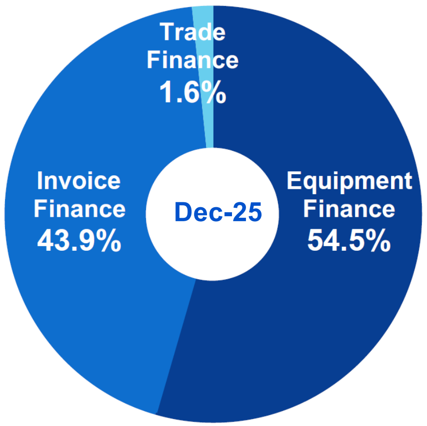


1. [ ]

Portfolio Composition

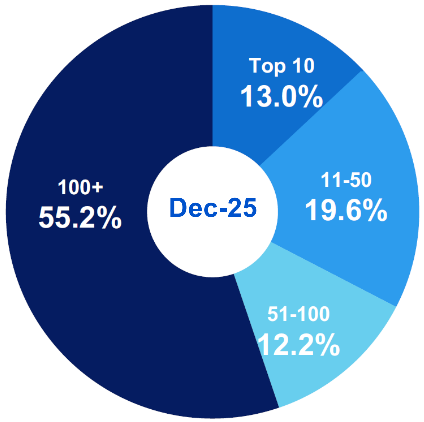
Product Mix

- **TF:** targeted reduction: Jun-24: $23m, Jun-25: $6.6m, Dec-25: $4.2m
- **IF:** more diversified and better-quality portfolio
- **EF:** primarily wheel-based assets: trucks / trailers, vehicles, earth moving etc; strong growth delivered over last 12 months



Client Concentration

- Portfolio diversification
  - No single exposure greater than $10m
  - Target client FIU ($250k - $5m)
  - Top 50 clients now 32.6% total FIU vs 34.1% in Jun-25 and 45% in Jun-24



Funding for Growth

Optimal capital structures now in place

Structure	Facility Size	Cost of Funds
Invoice Finance & Trade Warehouse		
Warehouse Facility – Senior	$185m	1.75% + BBSY
Warehouse Facility - Mezzanine	$10m	6.5% + BBSY
Equipment Finance Warehouse (Existing)		
Warehouse Facility - Senior	$135m	2.05% + Swap
Warehouse Facility - Mezzanine	$36m	6.5% + BBSY
Total Warehouse Facilities	**$366m**	**Ave. ~2.4% margin**

IF & EF Warehouses

- Senior funding provided by Tier 1 Australian banks
- Single mezzanine provider across both warehouses
- Attractive pricing enables competitive customer pricing
- IF warehouse tailored to provide intra-month funding flexibility
- EF portfolio parameters allow for growth in key asset classes
- Headroom for growth and scope to increase further with supportive lenders
- ~5% ‘first-loss’ equity contribution for capital efficient growth
- All debt is against receivables in warehouses; no debt at a corporate level

Product Segment: Corporate Only

Corporate Reporting ($m)	H1'25	H2'25	H1'26	*Δ pcp*
Interest income	0.1	0.1	0.0	*(76%)*
Interest expense	(0.6)	-	- 1	*(100%)*
Net Interest Revenue	**(0.4)**	**0.1**	**0.0**	***nm***
Admin Fees	-	-	-	*nm*
Net Revenue	**(0.4)**	**0.1**	**0.0**	***nm***
Opex	(2.4)	(1.1)	(2.3)	*(3%)*
Credit Impairment Expense (CIE)	-	-	-	*nm*
Depreciation & Amortisation	(0.9)	(0.9)	(0.9)	-
PBT	**(3.7)**	**(1.9)**	**(3.2)**	***(14%)***
Amortisation	0.9	0.9	0.9	*na*
One-offs	0.0	(0.3)	0.3	*na*
Underlying PBT	**(2.8)**	**(1.3)**	**(2.0)**	***(29%)***

1 Interest expense relates to early repayment / termination costs / fees for warehouse facilities including the corporate bond.

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Earlypay

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