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27 August 2026

Earlypay Limited (ASX:EPY)

FY26 Results - Stronger Earnings Base and Growth Expected in FY27

Earlypay Limited ("**EPY**", "**Earlypay**" or the "**Company**") today announces its financial results for the year ended 30 June 2026 ("FY26") and provides an update on business performance and outlook.

FY26 Financial Highlights

- **June 2026 Funds In Use[1] ("FIU"): $307.8m, up 23% on FY25**; the highest in more than three years, providing a materially stronger earnings base entering FY27
- **Net revenue[2]: $36.0m, up 7%; underlying NPAT[3]: $3.7m and underlying EPS: 1.4 cents per share ("cps")**, delivering revised guidance
- **Net tangible assets: $36.2m or 14.76 cps**, compared with a share price of 12.0 cps on 26 August 2026
- **FY26 final dividend: 0.18 cps fully franked**
- **FY27 guidance: underlying NPAT of $4.8m to $5.2m**, representing ~30% to ~40% growth on FY26 and underlying EPS of ~2.0 cps

FY26 earnings were below our original expectations despite strong portfolio growth and higher net revenue. The reduction in underlying earnings principally reflected higher Equipment Finance credit costs, lower than expected Invoice Finance FIU in the first half, and investment in product, distribution and the new Invoice Finance platform.

Earlypay nevertheless delivered its revised earnings guidance and finished FY26 with a materially stronger business. Trading strengthened through Q4 FY26 and that momentum has continued into FY27. The Company enters FY27 with a substantially higher FIU base, Invoice Finance back in growth, recurring income from a larger Equipment Finance portfolio, the major platform migration complete, flat to lower expected core operating expenses and fewer shares on issue. Together, these factors underpin the Company's FY27 earnings guidance.

Platform investment complete - shifting resources to growth

Earlypay completed the final migration of its Invoice Finance clients in August 2026, consolidating three legacy systems onto a single platform connected to Earlypay's client technology and cloud-accounting integrations.

The new platform reduces complexity, allows Earlypay to support more clients efficiently and allows the technology team to focus on growth, automation and improving the broker and client experience.

[1] FIU is the average daily FIU for the period
[2] Net revenue is Interest Income and Other Income less Interest Expense
[3] Underlying NPAT is statutory NPAT after adding back acquisition-related amortisation and notable one-off costs

Core operating expenses[4] are expected to be flat to lower in FY27 than FY26, despite more resources being directed towards growth.

Earlypay has also invested in its ability to develop internal applications quickly. AI-assisted development has substantially shortened development times, allowing Earlypay to build and improve internal tools in weeks rather than months. Recently developed internal applications are already helping credit, risk, settlements and collections, and development of a single credit assessment process for Invoice Finance, Trade Finance and Equipment Finance is underway.

Portfolio growth provides a stronger FY27 earnings base

June 2026 FIU increased 23% from June 2025 to $308m, with strong growth across Earlypay's core lending products.

Invoice Finance June 2026 FIU increased 7% to $134m, with growth strengthening towards year-end, supported by new client facilities, increased use of existing facilities and client attrition below historical levels. Margins remained strong, while Credit Loss Expense was 0.81% of FY26 FIU, broadly consistent with FY25. Confidential Invoice Finance is also enabling Earlypay to serve larger, stronger SMEs.

Equipment Finance June 2026 FIU increased 39% to $174m. Q4 originations of approximately $35m were the highest quarterly level in more than four years and, given typical five-year loan terms, provide a stronger recurring income base entering FY27. Credit Loss Expense increased to 1.53% of FY26 FIU from unusually low prior-period levels. Although elevated, this level of loss expense is consistent with the Company's through-the-cycle expectations.

Growing Invoice Finance through an expanding broker network

Invoice Finance remains Earlypay's highest-margin product and growing the portfolio is a major priority. Many broker relationships begin with Equipment Finance, and its strong growth has substantially expanded the number of Commercial Finance brokers who know and transact with Earlypay.

Earlypay is increasingly using broker loan submissions and data to identify SMEs who may also need working capital, rather than waiting for brokers to identify an Invoice Finance opportunity. The Company can then take those opportunities back to the broker, helping deepen existing relationships and generate more Invoice Finance business.

Trade Finance will be reactivated on a measured basis during H1 FY27 for selected Invoice Finance clients, providing additional working capital to suitable SMEs using existing systems and funding facilities.

[4] Core operating expenses are total expenses excluding credit impairment expense, recovery costs, commissions expense, amortisation and other items that are not representative of ongoing activities.

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Capital management and increasing dividend-paying capacity

During FY26, Earlypay deployed $4.9m through its on-market share buyback, reducing shares on issue by approximately 10%, from 272.2 million to 245.1 million. At 30 June 2026, NTA was 14.76 cents per share, compared with a share price of 12.0 cps on 26 August.

The gap between Earlypay's statutory and underlying earnings has limited retained earnings and therefore dividends in recent periods. The Timelio customer relationship amortisation concluded in May 2026 and the Invoice Finance platform migration is now complete. The material amortisation and implementation expenses associated with these items will therefore not recur in FY27.

As statutory earnings move closer to underlying earnings, retained earnings and dividend-paying capacity are expected to increase materially.

The Board has declared a fully franked final dividend of 0.18 cps, representing substantially all retained earnings. The Board will continue to balance attractive organic growth opportunities with shareholder returns, including use of the existing on-market buyback where appropriate, and expects to move towards paying approximately 70% of statutory NPAT as fully franked dividends.

FY27 Outlook & Guidance

Earlypay enters FY27 with:

- **Larger earnings base** - June 2026 FIU of $308m, the highest in more than three years, with Invoice Finance back in growth and strong Equipment Finance origination momentum
- **Growth through the broker network** - using expanded broker relationships and data to identify more working capital opportunities and grow Invoice Finance
- **More efficient growth** - increased capacity to support a larger portfolio, flat to lower expected Core operating expenses and resources redirected towards growth and automation
- **Higher dividend-paying capacity** - statutory earnings are expected to move closer to underlying earnings, materially increasing retained earnings and dividend-paying capacity
- **Strong momentum entering FY27** - strong trading momentum through Q4 FY26 has continued into FY27, supporting **underlying NPAT guidance of $4.8m to $5.2m, representing ~30% to ~40% growth on FY26 and underlying EPS of ~2.0 cps**

Further detailed results and reconciliations are outlined in the Earlypay FY26 Results Presentation and Appendix 4E Financial Accounts lodged with the ASX today.

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This release was authorised by the Board of Earlypay Limited.

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ABOUT EARLYPAY

Earlypay is an ASX-listed specialist working capital lender supporting Australian SMEs through Invoice Finance and Equipment Finance. Invoice Finance provides businesses with early access to cash tied up in unpaid invoices, while Equipment Finance supports capital expenditure and working capital requirements. Earlypay combines specialist SME finance with technology and an expanding Commercial Finance broker network to make working capital simpler and more accessible.

Earlypay has supported Australian SMEs since 2001.

Important Notice and Disclaimer

This announcement contains information about Earlypay Limited (EPY) and its activities that is current as at 27 August 2026, unless otherwise stated.

The information in this announcement is in summary form and should be read together with EPY's periodic and continuous disclosure announcements lodged with the Australian Securities Exchange. It is not intended to be relied upon as financial product or investment advice and does not take into account the objectives, financial situation or needs of any person.

Past performance is not necessarily indicative of future performance.

This announcement may contain forward-looking statements, including statements regarding EPY's expectations, strategies, outlook, guidance, forecasts and future performance. These statements are based on information and assumptions available at the date of this announcement.

Forward-looking statements are subject to risks, uncertainties and other factors, many of which are beyond EPY's control. Actual results may differ materially from those expressed or implied. Readers should not place undue reliance on forward-looking statements. Except as required by law or the ASX Listing Rules, EPY undertakes no obligation to update these statements.