

ASX Announcement (ASX: B4P)

26 November 2025

Chair Address to Annual General Meeting

The following is a transcript of the address by the Chair of Beforepay Group Limited (ASX: B4P), Mr Brian Hartzler, to the shareholders at today's 2025 Annual General Meeting.

Thank you all for attending today's meeting, whether you're here in person or joining us online.

I'm pleased to report that Beforepay delivered a strong performance in FY25, with net profit after tax of \$6.7 million – up 74% on the prior year. This result demonstrates both the scalability of our business model and the quality of our execution.

Revenue grew 14% to \$40.2 million, and while our active customer base increased 12% to 270,000 users. More importantly, our credit performance continued to improve, with net defaults falling from 1.4% to 1.1%. That's the result of ongoing enhancements to our risk algorithms and disciplined underwriting – not loosened credit standards.

This combination – growth with improving credit quality – is what sets us apart. Our net transaction margin increased 29% to \$25.1 million, which gave us the operating leverage to invest in strategic initiatives whilst maintaining profitability.

Strategic Progress

The Board focused this year on three priorities: strengthening our core pay-advance business, building our Carrington Labs analytics capability, and launching Personal Loans. I'm pleased to report that we made material progress on each.

Our core pay-advance business processed over \$800 million in advances during the year. That's real money helping working Australians manage short-term cash flow challenges without falling into revolving debt traps. The business model works – transparent pricing, no debt spirals, strong unit economics.

Carrington Labs gained genuine momentum. We signed our first US banking client, CCBank, and established partnerships with leading platforms including LendAPI, Oscilar, and Taktile. Subsequent to year-end, we added specialty lender Doc2Doc and announced a partnership with DigiFi. These are actual commercial relationships that validate our technology and open distribution channels.

The awards Carrington Labs won this year – Best AI Credit Risk Solutions, Most Trusted Credit Risk Solution – reflect market recognition of what we've built. More importantly, they help with customer acquisition in a crowded market.

On Personal Loans, we obtained our Australian Credit Licence in August 2024 and launched our first product to selected customers. It's early days, but the initial performance supports our thesis that we can extend customer relationships and capture additional wallet share with appropriate risk-adjusted returns.

Financial Discipline

On the balance sheet side, the Board remains focused on capital efficiency. We closed the year with \$14

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million in unrestricted cash and \$39.3 million in equity. Our debt facility provides flexibility – we're currently drawn \$31 million against a \$55 million limit, with a new \$7.5 million revolving sub-facility that lets us deploy excess cash more efficiently.

Our approach to growth investments remains disciplined: they must leverage our existing platform and risk capabilities, show clear evidence of market demand, and deliver acceptable returns. Carrington Labs and Personal Loans both meet these criteria.

Governance and Risk

On governance, the Board held sixteen meetings during the year, with full attendance from all directors. Our committee structure continues to function effectively – Patrick Tuttle chairs our Audit and Risk Committee, and I chair the Remuneration and Nomination Committee.

We continue to be proactive in our approach to regulatory engagement. Our wage-advance model operates within established frameworks, and we're monitoring potential regulatory developments whilst maintaining our customer-centric approach. The Personal Loans product required obtaining an Australian Credit Licence, which we did, and we're building our compliance capabilities appropriately.

Our risk management capabilities continue to evolve. This year's credit performance was strong, with net defaults of 1.1%, and we've made systematic enhancements to our algorithms, data, and credit decisioning processes. Going forward, we'll continue to refine our approach to credit limits—it's important to note that our goal is not to minimise losses, but rather to optimise the balance between growth and credit quality.

Board Membership

Today's meeting includes resolutions for the re-election of Danny Moss and Stefan Urosevic as directors. This is standard rotation under ASX governance requirements. Danny and Stefan bring valuable financial services and corporate advisory experience.

The Board's composition provides appropriate mix of skills given our stage as a company – we have deep financial services experience through Patrick and me, fintech and venture capital expertise through Danny and Stefan, and strong governance capabilities across the board.

We'll continue to evaluate our required skills as the business grows and may look to expand the board next year if needed, particularly in light of our overseas activities.

Looking Forward

Beforepay is well-positioned for continued growth. The pay-advance business has strong momentum and significant headroom in the Australian market. Personal Loans addresses a large adjacent opportunity. Carrington Labs has genuine global potential as lenders worldwide seek sophisticated cash-flow underwriting capabilities.

The three initiatives share a common technology platform and risk framework, which helps maximise returns on our infrastructure investments.

While changes in the regulatory environment is something we monitor closely, it hasn't fundamentally changed the opportunity.

In addition, our current capital position supports these growth initiatives. We generate positive cash flow,



have adequate debt capacity, and maintain financial flexibility to pursue our strategic priorities.

Shareholders will also have seen a significant run up in the company's market value over the last twelve months. While we remain cautious about our ability to forecast market movements, it is pleasing to see that the team's continued delivery is increasingly being recognised by both individual and professional investors.

Thanks

To that end, I want to conclude by acknowledging the contribution of several groups. First, Jamie and the executive team continue to execute well against clear strategic priorities. The operational performance this year – the credit quality improvements, the Carrington Labs client wins, the Personal Loans launch – reflects highly capable management.

Second, our team of 43 employees plus offshore contractors have delivered strong results. Building sophisticated risk models, launching new products, and winning international clients takes real talent, and I'm pleased that we've been able to attract and retain such a high performing team.

Third, our consumer customers and Carrington Labs clients trust us with their financial outcomes. That's a responsibility we take seriously, and their strong feedback and continued engagement validates our approach.

Finally, thank you to our shareholders for your ongoing support and trust as we build this fantastic business.

Closing

In closing, I'm pleased to report that Beforepay Group has delivered on its commitments. We've grown profitably, maintained strong credit quality, launched new products, and won international clients. The business model scales, the unit economics work, and we're building sustainable competitive advantages in risk analytics.

We enter FY26 with clear strategic priorities, adequate capital, and momentum across our three business lines. The Board remains confident in the management team's ability to execute and in the long-term potential of what we're building. Thank you.

This announcement has been authorised for release to the ASX by the Board of the Company.

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About Beforepay

Beforepay Group was founded in 2019 to support working Australians who have not been well-served by the traditional financial-services industry. Our lending arm, Beforepay, offers consumers an ethical, customer friendly way to help manage temporary cash-flow challenges through small pay advances, as well as offering personal loans.



Carrington Labs, our enterprise arm, enables banks, credit unions and fintechs to elevate their lending performance through deep credit risk insights that can help increase approval rates, cut defaults and grow margins.

For more information visit www.beforepay.com.au and www.carringtonlabs.com