Beforepay

Target Market Determination

For Beforepay Finance Pty Ltd
ACN 636 670 525

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1. About this document

The purpose of this Target Market Determination ("TMD") is to offer consumers, distributors and staff an understanding of the class of consumers for which this product has been designed, having regard to the objectives, financial situation, and needs of the target market.

This TMD is not to be treated as the entire set of product terms and conditions and is not intended to provide financial advice. Consumers should refer to the product Terms of Service and supplementary documents which outline the terms and conditions that apply to the product when making a decision about this product.

Terms of Service to which this Target Market Determination applies

This TMD applies to the short term credit product ("Beforepay pay advance") offered by Beforepay Finance Pty Ltd. The Beforepay pay advance is governed by the following terms and conditions:

- Beforepay Finance Pty Ltd Terms of Service; and

- Beforepay Finance Pty Ltd Loan Agreement.

Date from which this target market determination is effective

- 5th May 2025

2. Class of consumers that fall within this target market

The information below summarises the overall class of consumers that fall within the target market for the Beforepay pay advance based on the product's key attributes and the objectives, financial situation and needs of consumers that it has been designed to meet.

The Beforepay pay advance has been designed for consumers whose likely objectives, financial situation and needs (as listed below) are aligned with the product (including the key attributes).

The Beforepay pay advance has been designed for individuals who:

- Are an Australian resident and receive their income paid into an Australian bank account.
- Earn a wage, and not earn more than 51% of their total income from Centrelink.
- Are 18 years of age or older.
- Are not experiencing financial hardship.
- Are seeking a low cost, fixed fee, short-term credit product that is not revolving.
- Need on-demand access to cash in order to resolve a temporary financial need, such as life events, medical expenses, paying rent and bills, shopping, travel, entertainment, and vehicle expenses.
- Need to manage the timing of personal finances, including unexpected expenses and/or expenses beyond the affordability of their pay cycle(s).

Product description

The Beforepay pay advance is a fixed cost short-term credit product that allows consumers to access cash on-demand via the Beforepay mobile or web-based app, with a one-off, fixed 5% transaction fee, and with no interest or late fees. The repayment schedule of the Beforepay pay advance will typically be aligned to a consumer's pay cycle, which may be weekly, fortnightly or monthly, or be aligned to a

repayment schedule Beforepay and the individual agree to. The term of the Beforepay pay advance as set out in the loan agreement is a maximum of 62 days.

Key Eligibility Requirements

To be eligible for a Beforepay pay advance, new Beforepay consumers must meet the following eligibility requirements:

- Be 18 years or older and an Australian resident;
- Have a current driver's licence (Australian only), passport or Medicare card (or otherwise pass the identification criteria set out by Beforepay);
- Be employed - employment may include self-employment, provided that the applicant is an individual and all other eligibility criteria is met;
- Not earn more than 51% of their total income from Centrelink.

Key Product Attributes

The Beforepay pay advance has the following key attributes:

- Consumers who are approved for a Beforepay pay advance can access a maximum of $2000 per advance, depending on their net income, spending,repayment behaviour, and creditworthiness determined by Beforepay;

- Beforepay charges the consumer a fixed transaction fee of 5 percent of the amount of credit extended. Beforepay does not charge the consumer any interest or other fees for the pay advance;

- Consumers repay the Beforepay pay advance in installment(s) which are typically aligned with the consumer's pay cycle as detected by Beforepay's system (weekly, fortnightly or monthly). In certain circumstances, consumers may request repayment dates that are not aligned with their pay cycle.);

- Consumers typically have the ability to defer repayments to manage unforeseen circumstances. Additional deferment requests will be managed in accordance with Beforepay's Hardship Policy;

- The term of the Beforepay pay advance is specified in the loan agreement up to a maximum of 62 days.

- Beforepay does not offer revolving credit facilities and each Beforepay pay advance must be fully settled prior to a new application being accepted;

- An existing consumer who wishes to apply for an additional Beforepay pay advance may only do so if they have successfully repaid all prior loans. An existing consumer that was previously in default under the loan but has now cured their loan in full may apply for a new loan;

Objectives, financial situation, and needs

The Beforepay pay advance has been designed for individuals:

- Who meet the eligibility requirements listed above at the time of first use of the product;
- Who have the objective of obtaining a low cost, fixed fee, short-term credit product that is not revolving;
- Who need on-demand access to cash in order to resolve a temporary financial need or manage the timing of personal finances;
- Who are able to repay the principal balance of the Beforepay pay advance;
- Who are able to pay the 5% transaction fee.

Consistency between target market and the product

Beforepay has assessed and tested the Beforepay pay advance and formed the view that the product is consistent with the target market on the basis that:

- The eligibility criteria of the Beforepay pay advance have been specifically developed to align with the characteristics of the target market. Consumers who do not meet the eligibility criteria are unable to access the Beforepay pay advance; and
- The key attributes of the Beforepay pay advance have been specifically designed to meet the likely objectives, financial situation and needs of consumers in the target market described above.

Excluded class of consumers

This product has not been designed for individuals who at the time of first application:

- Are under 18 years of age;
- Are non-Australian residents;
- Do not earn at least 50% of their income from employment. Employment may include self-employment provided that the applicant is an individual and all other eligibility criteria is met.
- Who do not have a regular income (at least two income payments from an employer(s) within the last period) from an employer;
- Are seeking sums above $2000, revolving, or longer term finance.

3. How this product is to be distributed

Distribution channels

This product is designed to be distributed through digital means via a mobile and web-based application, with marketing and advertising conducted via partnerships, sponsorships, referrals, social media and digital marketing channels.

Distribution conditions

This product should only be distributed under the following circumstances:

- To individuals who meet the eligibility requirements described above at the time of first application;
- To individuals that have the financial capacity to repay the principal balance of the Beforepay pay advance;
- To individuals who are able to pay the fixed 5% transaction fee; and
- To individuals who are approved for Beforepay's pay advance in accordance with Beforepay's internal policies and procedures and applicable laws and regulations.

Adequacy of distribution conditions and restrictions

Beforepay has assessed the adequacy of the distribution conditions and restrictions of the Beforepay pay advance and formed the view that they are appropriate for the following reasons:

- The Beforepay pay advance is distributed through digital means to allow Beforepay to meet the consumer need of on-demand access to a portion of their pay in advance. Digital technology, including mobile and web-based applications, are primary product access points for Australian consumers, and a primary method through which Australian consumers manage their finances; and

- The marketing and distribution channels for Beforepay's pay advance are selected based on an assessment of the distribution conditions and restrictions to determine that they are appropriate and will assist distribution in being directed towards the target market for whom the product has been designed.

6.   Reviewing this target market determination

We will review this target market determination in accordance with the below:

Initial review	Within 12 months of the effective date.
Periodic reviews	At least every three years from the initial review.
Review triggers or events	Any event or circumstances arise that would suggest the TMD is no longer appropriate. This may include (but not limited to): ● A material change to the design or distribution of the product, including related documentation; ● Distribution conditions found to be inadequate; ● External events such as adverse media coverage or regulatory attention; ● Significant changes in metrics, including, but not limited to, the number and nature of complaints and feedback, and complaint trends. ● Significant changes to the nature of users who use our product e.g. creditworthiness; ● Changes to economic conditions such as economic downturn; ● Changes to pricing, including any introduction of interest, late fees or other modifications to the Beforepay product; ● Material increases or decreases in default and dishonour rates; ● Material changes to the onboarding flow including changes to KYC/AML, requirements, the connection of bank accounts and standard of contact information required; ● Material changes to the terms and conditions of loan contracts; ● Material changes to credit assessment practices; and ● The introduction of credit reporting or checking. ● Material changes to the regulatory framework governing the product

Where a review trigger has occurred, this TMD will be reviewed within 10 business days.