



DelayPay Holdings Pty Ltd

Crowd sourced funding offer document

Offer of fully paid ordinary Shares in DelayPay Holdings Pty Ltd at AU\$1,000 per share to raise a maximum of AU\$500,000.

Dated Monday 21st August 2023
Issuer DelayPay Holdings Pty Ltd (ACN: 652 611 400)
Intermediary Swarmer Pty Ltd (AFSL: 507867)

Important Information

This crowd-sourced funding (CSF) offer document relates to the Offer of fully paid ordinary Shares in DelayPay Holdings Pty Ltd. This Offer is made under the CSF regime in Part 6D.3A of the Corporations Act 2001 (Corporations Act).

Intermediary



Contents.

	Page
1 Risk warning	03
2 Information about the Company	04
Letter from the Founder	05
Company details	07
Description of the business	08
Description of the industry	14
Financial Information	17
Risks facing the business	20
Directors and senior managers	22
Capital structure	23
3 Information about the Offer	25
Terms of the Offer	26
Uses of funds	27
Rights associated with the Shares	33
Details of previous CSF offers	34
4 Information about investor rights	35
Cooling-off rights	36
Communication facility for the Offer	37
Proprietary company corporate governance obligations	38
5 Glossary	40

Section 1: Risk warning.

Crowd-sourced funding is risky. Issuers using this facility include new or rapidly growing ventures. Investment in these types of ventures is speculative and carries high risks.

You may lose your entire investment, and you should be in a position to bear this risk without undue hardship.

Even if the Company is successful, the value of your investment and any return on the investment could be reduced if the Company issues more Shares.

Your investment is unlikely to be liquid. This means you are unlikely to be able to sell your Shares quickly or at all if you need the money or decide that this investment is not right for you.

Even though you have remedies for misleading statements in the offer document or misconduct by the Company, you may have difficulty recovering your money.

There are rules for handling your money. However, if your money is handled inappropriately or the person operating the platform on which this offer is published becomes insolvent, you may have difficulty recovering your money.

Ask questions, read all information given carefully, and seek independent financial advice before committing yourself to any investment.

2

Information about
the Company

2.1 Letter from Founder

Dear Investors,

On behalf of the Board and the team, it is with great pleasure to invite you to become a Shareholder in DelayPay. DelayPay has grown to become a leading agricultural dedicated cashflow funding solution, supporting 918 farming customers make AU\$73.1 million in agricultural purchases. The Company has received support from its existing lender to potentially increase its facility by AU\$15 million, providing suitable growth funding into the future.

DelayPay is led by an experienced team with diverse backgrounds in banking, credit management, corporate finance and importantly first-hand-farming and agriculture. The team recognised early that our most important asset is our people, so we operate a fully remote and fully accountable operating rhythm, where individuals are responsible for all aspects of a credit file, including management, assessment and recovery.

An investment made into DelayPay is an investment in our culture, our people and the services that we provide to support Australian farmers in better management of their cashflow.

Our business has grown from strength to strength. Since our series A capital raise of AU\$0.9 million in November 2021, we have generated AU\$38.9 million in additional sales increasing growing the cumulative basis Merchandise Value by 113.7% and increasing to 918 customers onboarded.

Today, DelayPay represents 0.8% market share of an estimated AU\$3.0 billion market opportunity and up to 30,000 Australian farming and agricultural businesses.

Key Highlights

- Transforming access to capital: DelayPay is revolutionising access to capital by providing fast and easily accessible funding to Australian farmers, bridging a gap left by traditional banks.
- Growing and recurring customer base: The Company has achieved continuous customer growth since inception, with over 75% of customers returning throughout the season, highlighting a growing and recurring customer base.
- High-quality receivables book: With a commitment to maintaining a high-quality receivables book, DelayPay boasts 0.07% write-offs as a percentage of cumulative merchandise sold since inception.
- Investing in growth: The Company has made significant investments, achieving over AU\$73.1 million in Merchandise Value and successfully onboarding 918 customers, demonstrating a strong focus on growth.

Unique and innovative product: DelayPay offers a unique and innovative product, enabling a quick 48 hour turnaround from limit request to cash funding. DelayPay is pleased to be working alongside Swarmer to provide a crowdfunding campaign to enable our network of customers, existing Shareholders, suppliers, friends and

family to become Shareholders and join us in transforming agricultural cashflow funding and better servicing Australian farmers.

Within this offer document, we have endeavoured to provide a comprehensive view of potential risks associated with an investment in DelayPay, our business success to date, its operations and our strategy to support Australian farmers into the future.

I encourage you to read the Offer document carefully and in its entirety before making an investment decision and further recommend that you seek professional advice from your accountant, financial adviser, lawyer or other professional advisor if required.

On behalf of the Board and team, I look forward to welcoming you as a Shareholder.

Kind Regards



Kelsey Miller
Co-Founder and Chief Executive Officer



Dwain Duxson
Co-Founder and Chairman

2.2 Company details

This Offer of Shares is made by the following Company:

Company name	DelayPay Holdings Pty Ltd (ACN: 652 611 400)
Company type	Private Unlisted Company
Date of incorporation	6 th day of August 2021
Registered office and principal place of business	Level 42, 600 Bourke Street, Melbourne VIC 3000
Board of Directors and Executives	Kelsey Miller, Chief Executive Officer and Director Dwain Duxson, Chairman and Director
Intermediary	Swarmer Pty Ltd (AFSL: 507867)
Accountant	Findex Pty Ltd
Website	www.delaypay.com.au
Subsidiaries	DPY Operations Pty Ltd, 100% owned subsidiary DPY Agriculture Pty Ltd, 100% owned subsidiary

2.3 Description of the business

2.3.1 Who is DelayPay?

DelayPay, is an Australian owned and operated cashflow funding platform, transforming how farmers buy and sell on-farm goods. DelayPay delivers essential cashflow solutions by simplifying an often-over-complicated application process and expediting credit decisions.

Our technology driven process reduces intrusive questioning, applies risk appropriate security and unlocks available cashflow in on-farm assets either owned or being purchased, an offering where we believe traditional Australian banks are failing farmers and small regional business.

Fully remote and digital operations, empowers DelayPay to support Australian farmers with credit approvals in less than 48 hours. By providing as little as an Australian Business Number, trading name, and a copy of a driver's licence or identification. Cashflow funding, up to AU\$500,000, with in 48 hours enables farmers to stay focused on their job while DelayPay takes care of the purchase.

Founded by farmers for farmers, DelayPay understands the complex nature of farm funding and the seasonality of cashflows. With this in mind, DelayPay provides a simple and transparent fee and payment terms of up to 180 days with no hidden application, processing or transaction fees.

2.3.2 Company timeline

2018	Conceptually DelayPay is founded by Dwain Duxson and Kelsey Miller initially as a business unit within Farm Tender.
2019	Proven business model is established, now carved-out as a standalone entity trading as DelayPay.
2020	Provides funding for its 100 th customer and generated AU\$6.0 million in cumulative customer sales since inception. Longreach Credit Investors provides AU\$20.0 million in borrowing.
2021	DelayPay hires its first external employee focussed on credit assessments and operational processing. Series A capital raise is finalised securing investment of AU\$900,000
2022	Provides funding for its 600 th customer and generated AU\$60.0 million in cumulative customer sales since inception.
2023	Anton Phillips joins the business to assist in financial compliance, strategy and delivering on its growth objectives. Longreach Credit Investors provides term sheet for an additional AU\$15.0 million in borrowings.

2.3.3 What is DelayPay's business strategy?

DelayPay's strategy is to build and manage a strong performing business built on supporting quick and convenient farming purchases of livestock, machinery and equipment, crop inputs and stockfeed

Through strategic marketing and targeted outreach, DelayPay aims to attract more farmers, solidifying its stature as a leading cash flow funding platform. Achieving scale and maintaining underlying cost structures is essential to maximising value and returns.

DelayPay success to date is attributed to;

- Provide market leading innovative product and service that supports farmers as traditional lenders have retracted from the agricultural market
- Leveraging technology for efficient customer assessments and transactional processing;
- Linking proprietary processes with off-the-shelf digital tools to develop a network of loyal repeat customers and trusted suppliers;
- Successfully managing risk associated with operating a scaling receivables book and maintaining diversified spread of customers and underlying receivables book assets.

2.3.4 What are DelayPay's pillars to success?

Capital	DelayPay prioritizes a solid financial base for its lasting goals. Strategic capital management, expense monitoring, and cost-saving actions boost profitability and efficiency. This sustains a robust capital position, enabling swift innovation, adaptation to customers, and seizing growth chances.
People	DelayPay prioritizes a skilled team, recruiting those versed in farming and Australian credit. Intensive training equips members for excellent customer service. This builds a customer-focused culture, making DelayPay a reliable farmer partner for tailored financial solutions and lasting relationships.
Growth	DelayPay prioritizes stable growth, valuing meaningful customer connections beyond market share. Seeking partnerships with buyers and sellers expands reach, accesses new segments, and enhances services. Committed to innovation, DelayPay introduces cutting-edge products, meeting evolving farmer needs, securing relevance in agricultural finance through pioneering solutions.

2.3.5 Company highlights

Since its inception, DelayPay has helped Australian farmers, providing swift and efficient funding solutions. With 918 successful transactions totalling AU\$73.1 million in purchases facilitated, DelayPay has shown its commitment to meeting the financial needs of its customers promptly.

In the last financial year 2023, the platform delivered AU\$23.1 million in merchandise sold supporting agricultural businesses, exemplifying its dedication to serving the farming community.

DelayPay's financial performance is evident in the 14.1% growth in its receivables book, resulting in receivables amounting to AU\$15.3 million. This growth reflects the trust and confidence farmers place in the platform to address their cash flow requirements effectively.

Exceptional business growth having achieved a compound annual growth rate of Income from sales with customers since 2020 of 64.6%, DelayPay has consistently expanded its reach and made a significant impact on the agricultural sector.

Despite its success, DelayPay remains focused on growth. The Company's total consolidated total operating income has reached AU\$3.08 million, marking a notable 10.1% increase compared to the previous fiscal year. DelayPay's cumulative Merchandise Value reaching AU\$73.1 million, highlights the impact it has had on the agricultural sector.

To further extend support to more farmers, DelayPay secured an offer of an additional AU\$15.0 million in debt funding from an existing lender. This commitment will bring the total available funding to AU\$35.0 million, ensuring the Company's stability and capacity to serve its customers efficiently through 2025.

Maintaining a 4.4% gross margin as at June 30, 2023, DelayPay emphasises prudent financial management without compromising its commitment to providing essential funding to the agricultural community.

DelayPay has demonstrated exemplary risk management practices, evident in the low level of net write-offs. With only 0.07% write-offs as a percentage of cumulative merchandise sold since inception, the Company showcases its ability to assess risk effectively and maintain a healthy and sustainable receivables book.

2.3.6 What is DelayPay's business model?

DelayPay has invested in the development of purpose-built process architecture, ensuring speed and convenience to farming customers. The funding and collections process is designed for consistency and provides sufficient scope for automation and scalability as the business continues on its growth objectives.

Figure 1: operating model from client opportunity to goods deliver.



2.3.7 How does DelayPay generate income?

DelayPay generates income by providing extended payment terms to buyers of agricultural related goods for a fee. This fee is charged upfront based on the

desired period of extension, as-well as an accrued monthly late payment fee based on the number of days over-due.

Figure 2: Simple and transparent fee structure as June 30, 2023.

	60 days	90 days	180 days
No application fee	\$0	\$0	\$0
No management fee	\$0	\$0	\$0
No servicing and payment fee	\$0	\$0	\$0
Fixed period margin charged	5.4%	7.4%	12.5%
Implied annual margin charged	32.9%	30.0%	25.3%

Note 1 Early repayment will result in a cash-back rebate of an equivalent to 1.0% per month on all amounts repaid early.

Note 2 Late payments will incur a late payment charge equivalent to the 180-day margin, assumed to be 2.1% per month and where a limit exceed 90 days overdue an additional process and recovery fee equivalent to 2.5% of all outstanding amounts.

Note 3 From time to time, DelayPay may offer special pricing or varying pricing to its customers as part of increasing awareness and growing its underlying receivables book.

Note 4 DelayPay customers may utilise a credit limit to purchase 100% of the total invoice amount of any agricultural goods purchase, which may include, crop inputs, livestock, machinery, equipment and stockfeed.

2.3.8 How does DelayPay fund its operating activities?

DelayPay is fully funded by a leading Australian private credit and opportunities fund, Longreach Credit Investors. Longreach have provided a AU\$20.0 million borrowing base facility which is variable based on the level of receivables book achieved in any given month by DelayPay.

As part of the growth objectives of DelayPay, Longreach have provided indication of their intention to increase the total borrowing facility to AU\$35.0 million through to 2025, on similar terms.

Refer to section 2.8.3 for more information on the funding.

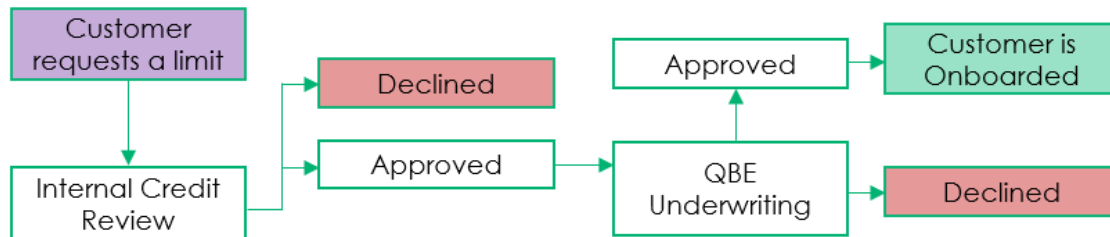
2.3.9 How does DelayPay assess its customer Credit limits?

DelayPay has developed a comprehensive credit assessment process by integrating third-party and off-the-shelf software to conduct credit assessments. Systems such as QBE trade credit database, Creditor Watch and Global Data are used to ensure a rigorous underwriting process supported by third-party validation via QBE.

- Credit, ID and individual character checks on all new applications.
- Substantive downside protections against customer default, asset registrations and fraud.

- Low risk customer demographics with high-asset-capital and a seasonally 'lumpy' cash profile.

Figure 3: Credit Assessment Profile including underwriting.



2.3.10 How does DelayPay manage risk and underwrite its operating activities?

DelayPay provides insurance coverage on its Receivables book by operating under a globally underwritten trade-credit-insurance policy of up to AU\$27.0 million in annual merchandise sold with QBE. Meaning 100% of the transactions engaged into by DelayPay are covered under the policy.

In addition to trade credit insurance, DelayPay seek director guarantees on all facilities and lodge a PPSR registration with each purchase.

2.3.11 How does DelayPay manage its receivable recoveries?

DelayPay has built a culture of group accountability, meaning our team is equally responsible for the full-life cycle of the customers, this includes, making appropriate decisions based on the credit policy.

Our team is supported by Complete Credit Management Services who engage with us on a daily basis, providing customer character checks, director checks and support and expertise in receivables recovery.

Figure 4: Typical collections and recoveries profile.

Up-to 180 days extended payment terms	Customer communications (Email, SMS, Call)	Collections Agent Formerly Engaged	Legal Process is Initiated	QBE Trader Credit Insurance Claim Initiated
Current	1 days overdue	45 days overdue	75 days overdue	120+ days overdue

2.3.12 Overview of the Mission statement of growth objectives

DelayPay was established by farmers for farmers. DelayPay's primary Company objective is to provide farmers with the funding support they need to take the opportunities that will help to maximise farm returns.

DelayPay aims to deliver convenience, speed, and price competitiveness in its services, understanding the unique needs and circumstances of the agricultural community.

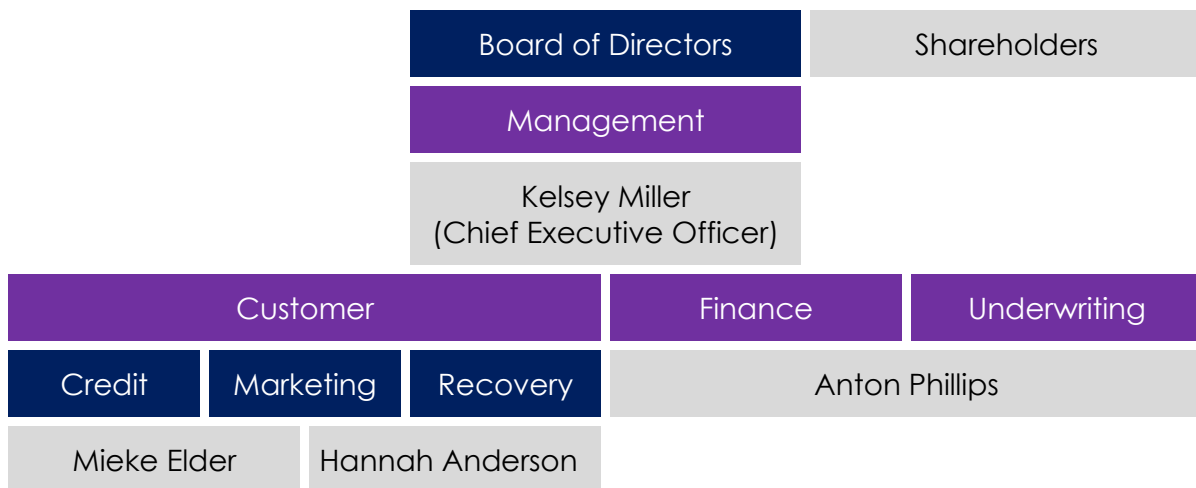
An investment in DelayPay will enable us to:

- Continue to operate an already successful receivables book;
- Increase market share of existing products;
- Develop new products, which may include longer term facilities, dedicated to livestock, crop inputs or farm machinery;
- Improve the cost of capital and access to operate in larger markets with additional headroom; and
- Better service new and existing customers with more price competitive offerings and with continued focus on speed and convenience.

2.3.13 What does our organisation look like?

DelayPay operates a flat and accountable organisational structure, with all staff having involvement in day-to-day activities, accountability on customer success outcomes and the end-to-end sales and recovery process.

Figure 5: Organisational Structure for Related parties



As shown in Figure 1, Kelsey Miller and Dwain Duxson are the Co-Founders and Executive senior managers.

- Mieke and Hannah have a flat-operating responsibility which revolves around customer interaction, including, credit assessment, business development and recovery of funds.
- Anton Phillips is responsible for capital management including financial reporting, analysis, budgeting and stakeholder engagement (Shareholders, Financiers and Underwriters).

2.3.14 Legal or disciplinary actions against the Company

There are no legal or disciplinary actions against the Company.

2.4 Description of the industry

2.4.1 What industry does DelayPay operate in?

DelayPay provides its products and services to Australian agricultural businesses, including Australian farmers with revenues typically less than AU\$500,000 per annum and agricultural supplies business including; machinery resellers, auction houses, chemical and fertiliser supplies and stock agents.

2.4.2 Who are DelayPay's competitors?

DelayPay has developed a product that is capable of competing with a broad range of financiers including the Traditional Banks, Buy Now and Pay Later, Bridging Lenders, Credit Cards, Personal Loans, Dedicated Asset lenders (Livestock, Machinery, Commodity and Trade Finance) and Extended Payment terms provided by a Seller.

While DelayPay competes on an individual basis, with many of the above, the Company provides an all-encompassing and flexible solution that is quick, convenient and independent. Meaning the decision to acquire on extended terms is made by the buyer and not the seller.

Some key market participants we work-alongside and from time-to-time compete with include; Ottley Capital, Agrifunder, NPay, Rural Bank and StockCo.

2.4.3 What are DelayPay's competitive advantages?

DelayPay has developed an industry-leading application and recovery process, effectively mitigating credit risks and establishing a profile of dependable, trustworthy, and recurring customers.

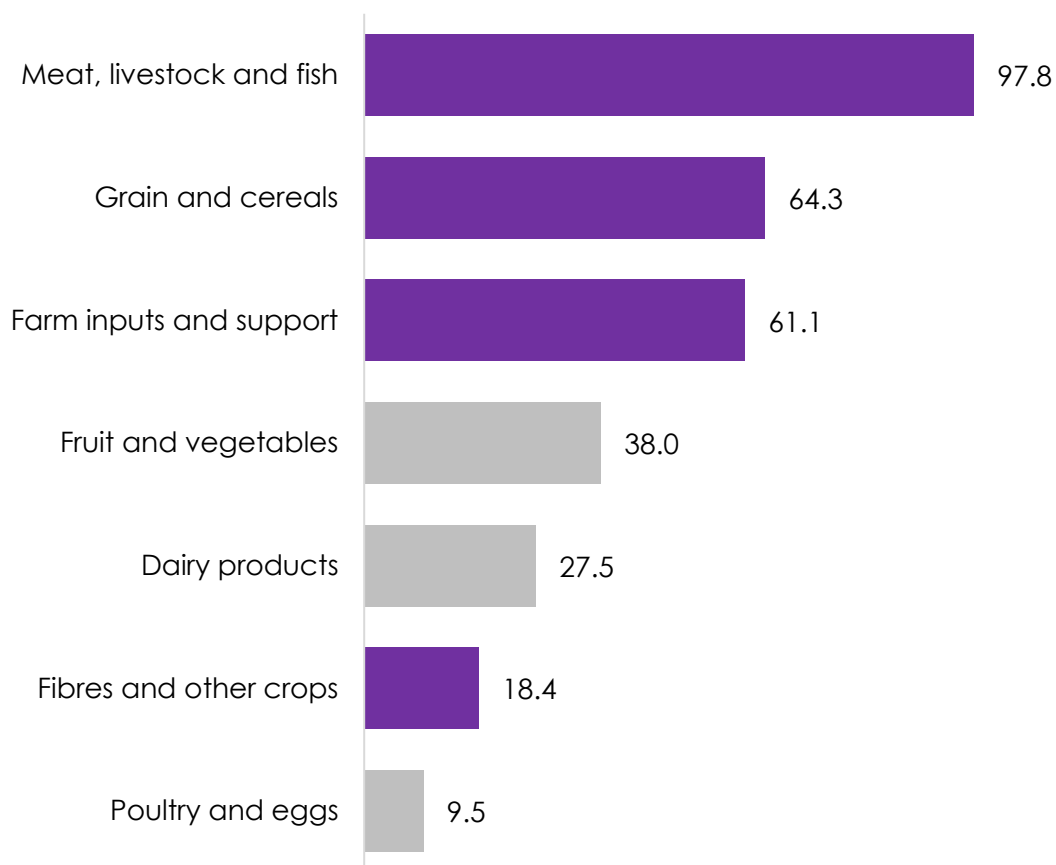
- ✓ **Quick and convenient process:** conducting credit assessments and onboarding within 48 hours.
- ✓ **Underwritten by a global insurer:** The Company's principal is fully underwritten by a global insurer, providing complete assurance for the recovery of its receivables book in the event of unforeseen circumstances.
- ✓ **Additional default safeguards:** To minimise fraud and ensure effective loss protections, security is taken with Director Guarantees and PPSR registrations.
- ✓ **Favourable customer demographics:** DelayPay benefits from favourable customer demographics, as Australian farmers are renowned for their high asset backing. The Company is dedicated to bridging the gap between irregular farmer incomes and the essential purchases.
- ✓ **Diverse customer base & underlying assets:** The underlying assets associated with DelayPay transactions are diverse. This enables DelayPay to spread concentration risk across range of different farmers (eg livestock and broadacre cropping) and geographies minimising impact of events such as drought or change in commodity pricing.

2.4.4 How big is the market opportunity?

Based on the latest census results conducted by the ABS, there is an estimated 90,000 agricultural enterprises with 40% of these representing revenues in excess of AU\$500,000 annually. DelayPay has estimated there are 30,000 farming and agri-businesses who are likely to have capacity to utilise a DelayPay product, which represents a market opportunity of no less than AU\$3.0 billion.

Supporting this Captive Addressable Market is a AU\$145.0 billion Australian agricultural industry, which DelayPay has capacity to fully service and is presently seeing increased traction in Livestock, farming inputs and cropping.

Figure 6: 2023 Agricultural Industry Market Size in (AU\$' billion)



Source: *Agribusiness in Australia, Strong demand from export markets has cultivated sector revenue growth* by Joshua Treisman (IBISWorld, March 2023)

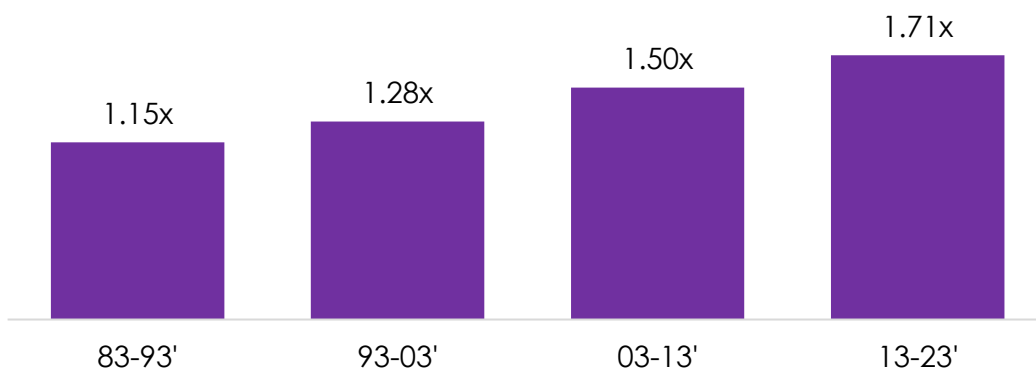
2.4.5 What factors influence industry growth?

Australian agriculture as a whole is experiencing remarkable growth, driven by factors such as increasing land values, rising commodity prices, favourable weather conditions, and growing interest from institutional investors seeking high-quality assets.

2.4.6 What is the influence of population growth on agriculture?

Over the past 40 years, the Australian population has increased 1.71 times, exceeding 26.0 million people. This upward trend is projected to persist and expand in the future. Such growth has posed considerable challenges in terms of available land, particularly in the agricultural sector. This has resulted in a reduction of suitable farmland and subsequent price increases.

Figure 7: Population of Australia (1983 - 2023)

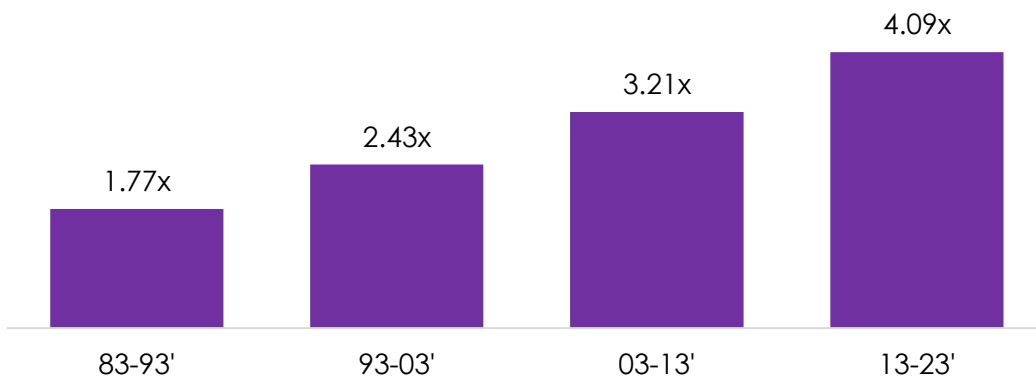


Source: Australian Bureau of Statistics 3101.0, National, State and Territory Population (ERP) of Australia (ABS, June 2023)

2.4.7 How is the Australian food index impacted?

The food and non-alcoholic beverage index in Australia has witnessed a 4.09 times increase over the past 40 years. This surge can be attributed to multiple factors, including population growth, heightened input pricing, and limited availability of resources. These combined forces have resulted in substantial pricing pressure on input goods in the sector.

Figure 8: Consumer Price Index for Food and Non-alcoholic Beverages in Australia (1983 - 2023)



Source: Australian Bureau of Statistics 6401.0, Consumer Price Index, Food and non-alcoholic beverages in Australia (ABS, June 2023)

2.5 Financial Information

The financial information of DelayPay contained within this section includes Historical Financial Information for the financial years ended 30 June 2022 (FY2022) and 30 June 2023 (FY2023).

2.5.1 Basis of preparation of the Financial Information

The Financial Information included in this Offer document is intended to present potential investors with information to assist them in understanding the historical financial performance, cash flows and financial position of DelayPay.

The Financial Information is unaudited and has been prepared with recognition and measurement principles of the Australian Accounting Standards.

Information is produced on a consolidated basis of all operating and holdings entities of DelayPay with inter-Company eliminations accounted for, including:

- 100% of DelayPay Holdings Pty Ltd
- 100% of DPY Operations Pty Ltd
- 100% of DPY Agriculture Pty Ltd

2.5.2 Historical statement of profit and loss (Income)

	FY2022	FY2023
Merchandise Value	22,121,455	23,101,930
Income from sales with customers	2,404,934	2,469,100
Admin and late fee income	279,221	518,936
Other and recovery income	117,342	97,791
Total operating income	2,801,497	3,085,827
less: Rebates and write-offs	(158,907)	(153,673)
Less: Recoveries and underwriting	(208,117)	(363,176)
Less: Interest costs and fees	(1,200,630)	(1,546,296)
Total cost to serve	(1,567,654)	(2,063,145)
Consulting and professional fees	(192,319)	(88,410)
Employee benefits	(402,030)	(588,790)
Marketing and advertising	(226,492)	(267,022)
Office and consumables	(3,390)	(4,477)
Total operating expenditure	(824,231)	(948,698)
Net operating profit before tax	409,612	73,984
Depreciation and amortisation	(285,944)	(314,903)
Non-operating and one-offs	(27,967)	(11,254)
Net profit before tax	95,701	(252,173)

2.5.3 Historical statement of financial position (Balance Sheet)

	FY2022	FY2023
Cash and cash equivalents	1,518,791	2,973,821
Receivables book	13,434,122	15,325,021
Prepayments and other assets	642,347	447,138
Property, plant and equipment	55,230	62,847
Less: Accumulated depreciation	(55,230)	(55,230)
Total assets	15,595,260	18,753,597
Trade and other payables	390,894	308,493
Loans and borrowings	13,900,000	17,399,900
Provisional liabilities	(2,803)	(2,803)
Other liabilities	(391)	4,084
Total liabilities	14,287,701	17,709,674
Issued capital	900,300	900,300
Accumulated profit or (loss)	407,259	143,622
Total equity	1,307,559	1,043,922

2.5.4 Historical statement of cashflows

	FY2022	FY2023
Cash receipts from customers	22,263,144	26,838,239
Payments to suppliers and employees	(27,035,920)	(28,594,463)
Cash receipts from other operating activities	(685,966)	(560,270)
Net cashflows from operating activities	(5,458,742)	(2,316,494)
Proceeds from sale or property, plant and equipment	33,480	-
Payment for property, plant and equipment	(33,480)	(6,451)
Other cash items from investing activities	58,004	195,017
Net cashflow from investing activities	58,004	188,566
Other cash items from financing activities	6,011,172	3,582,958
Net cashflows from financing activities	6,011,172	3,582,958
Opening cash and cash equivalents	908,057	1,518,491
Net changes in cashflows	610,434	1,455,029
Closing cash and cash equivalents	1,518,491	2,973,521

2.5.5 Changes in Shareholder equity

	FY2022	FY2023
Opening total equity	1,231,423	1,307,559
Current year earnings	95,701	(252,173)
Income tax and changes in retained earnings	(19,564)	(11,464)
Closing total equity	1,307,559	1,043,922

2.6 Risks facing the business

An investment in the Company should be seen as high-risk and speculative. A description of the main risks that may impact our business is below. Investors should read this section carefully before deciding to apply for Shares under the Offer.

There are also other, more general risks associated with the Company (e.g. risks relating to general economic conditions or the inability to sell our Shares).

2.6.1 Main risks

<p>Environmental Conditions</p>	<p>Factors such as weather conditions and crop prices may impact farmers demand for DelayPay.</p> <p>This could impact the ability for DelayPay to continue growing.</p>
<p>Macroeconomic Conditions</p>	<p>Factors such as unemployment, under-employment, interest rates, lack of income growth, government policy and currency markets have a meaningful impact on the business.</p>
<p>Risks Associated with Funding Facility</p>	<p>DelayPay funding platform comprises of a AU\$20.0 million line of credit provided by a single private credit investor.</p> <p>A loss or adverse impact on this facility would have a detrimental impact on DelayPay if it were unable to secure appropriate replacement funding.</p>
<p>Credit Risk</p>	<p>DelayPay completes a series of front-ended credit checks to determine creditworthiness prior to providing a facility to our customers, however DelayPay is exposed to the risk that its customers do not meet their financial obligations or become insolvent.</p> <p>Customer default is attributed to a reduction or delay in income and may either be a short-term or meaningful default event.</p> <p>Failure to recover funds will result in a loss or material adverse impact on the business.</p>
<p>Underwriting and Insurer Risk</p>	<p>DelayPay is exposed to a single underwriter providing underwriting on all transactions undertaken by a customer.</p> <p>Suppose the default rate increases and DelayPay is required to increase its claims.</p> <p>In that case, it may not be able to renew this facility or may not be able to secure a replacement facility, resulting in a material adverse impact on the business.</p>
<p>Increasing Cyber Threats</p>	<p>DelayPay operates in a fully remote setting and on a series of technology platforms in order to assess</p>

	<p>customers, provide reliable services and accurately report on its customers.</p> <p>Distribution to this platform or loss of information may have a material adverse impact on the business.</p>
Regulatory and Compliance Risk	<p>DelayPay intends to operate within regulated markets that are subject to a range of legislative and compliance requirements.</p> <p>If DelayPay is unable to meet, change or adapt to new legislation it may have a material adverse impact to the business.</p>

2.7 Directors and senior managers

2.7.1 Directors, Management and Operational Team



Dwain Duxson

Co-founder

Founder and CEO of Australia's leading marketplace, FarmTender. Achieved 68,000 members, AU\$100.0 million in annual Merchandise Value and employs 14 staff. Proven track record of influencing agricultural innovation with 30+ years of industry experience.



Kelsey Miller

Co-founder and Chief Executive Officer

Transformational banking experience and business development executive at NAB for 12+ years. Fast Moving Consumer Goods and manufacturing business improvement consultant for 7+ years. Active involvement in family beef production assets in North Eastern Victoria.



Anton Phillips-Chantelois

Finance, Capital and Strategy

Investment banking experience in mergers, equity and debt capital markets, IPO's and strategic advisory. 10+ years of experience at Findex, Platinum Asset Management and Deloitte.



Hannah Anderson

Customer Service

Business development and sales roles at FarmTender, StockCo and Agribusiness Analytics at NAB. Well-credentialed with additional qualifications in Communications and Management from AICD and AIM.



Mieke Elder

Client Engagement

15+ years in credit assurance and assessments with the Queensland Rural and Investment Authority. As well as customer engagement and agricultural banking roles at ANZ.

2.7.1 Legal or disciplinary Actions

No legal or disciplinary actions against Company directors and senior managers.

2.8 Capital structure

2.8.1 Issued Capital

As at the date of this CSF Offer document, the Company has 10,900 Ordinary Shares and Nil options on issue. As set out in Figure 9 below, the 5,000 Shares are held by two of the Company's Executive Directors, Dwain Duxson (Chairman of Board) and Kelsey Miller (Chief Executive Officer).

Figure 9: Issued capital of the Company before the Offer

Shareholder	Type	Shares	%
The Farm Trader Australia Pty Ltd associated with Dwain Duxson (Chairman of Board)	ORD	5,000	45.9%
Duxson Family Super Pty Ltd associated with Dwain Duxson (Chairman of Board)	ORD	2,500	22.9%
Michaela Willet associated with Kelsey Miller (Chief Executive Officer)	ORD	2,500	22.9%
Remaining Shareholders	ORD	900	8.3%
Pre-money Shares on issue		10,900	100.0%

Note: The Farm Trader Australia Pty Ltd is 47.8% owned by Dwain Duxson and his associated entities, implying an indirect ownership of 44.8% in DelayPay.

Figure 10: Issued capital of the Company after the Offer

	Minimum Subscription AU\$250,000		Maximum Subscription AU\$500,000	
	Shares	%	Shares	%
Director and related parties Shareholders	5,000	44.3%	5,000	43.4%
Other remaining existing Shareholders	5,900	52.3%	5,900	51.2%
Convertible instruments	125	1.1%	125	1.1%
Offer Shares	250	2.2%	500	4.3%
Post-money Shares on issue	11,275	100.0%	11,525	100.0%

2.8.2 Rights associated with ordinary Shares

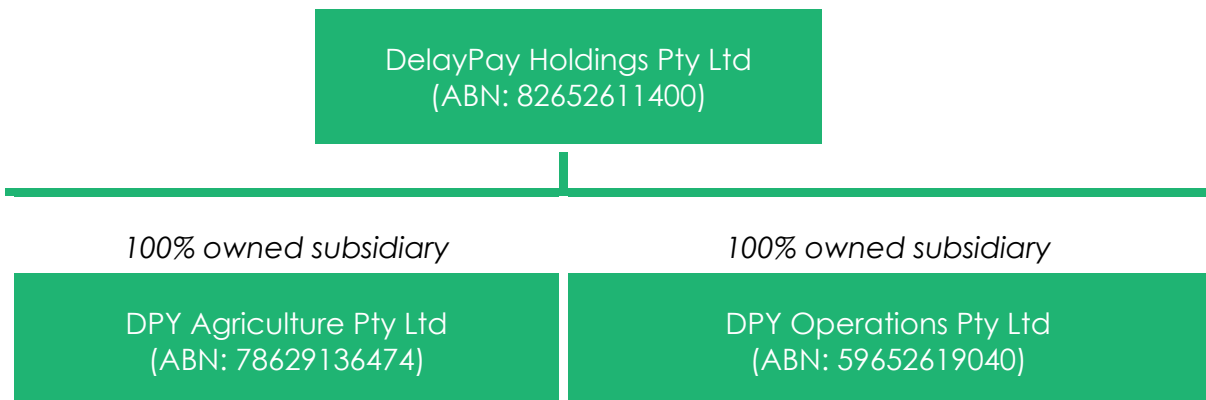
All Shares in the Company are Ordinary Shares. For rights associated with Shares please see section 3.3 or refer to the Company's constitution located on the Swarmer Offer page.

2.8.3 Debt Funding and Other Sources of Funding

To date, the business has been funded primarily by Shareholder equity and is supported by a borrowing base debt facility, as follows;

Third-party loans and Borrowings	Longreach Credit Investors has provided DelayPay with a AU\$20.0 million facility subject to a borrowing base calculation at 95% of eligible receivables. This facility is anticipated to expire in June 2024, Longreach have provided a term sheet to provide additional funding of AU\$15.0 million in addition to re-commitment of the existing facility.
Convertible Instruments	DelayPay has \$125,000 in convertible instruments on issue to existing Shareholders, it is expected that as part of this CSF raise these convertible instruments will convert to ordinary equity at no additional cost to the holders.
Ordinary Shares	Since inception DelayPay has raised AU\$900,000 in non-founder equity supporting its growth to date. Founders and in particular the incubating company Farm Trader Australia Pty Ltd have been instrumental to the commercialisation of the Company.

2.8.4 Operating subsidiaries and ownership structure



3

Information about
the Offer

3.1 Terms of the Offer

The Company is offering up to 500 Shares at an issue price of AU\$1,000 per share to raise up to AU\$500,000. The key terms and conditions of the Offer are set below.

Figure 11: Timeline and investment terms

Shares	Fully paid Ordinary Shares
Opening date	9:00am (AEST) on Monday 21 st August 2023
Closing date	11:59pm (AEST) on Thursday 31 st August 2023
Share Price	AU\$1,000 per Shares
Minimum Subscription	AU\$250,000
Maximum Subscription	AU\$500,000
Equity Value (pre-money)	AU\$10,900,000

A description of the rights associated with the Shares is set out in Section 3.4 below. To participate in the Offer, you must submit a completed application form together with the application money via the Intermediary's platform. The Intermediary's (Swarmer.com.au) website provides instructions on how to apply for Shares under the Offer.

The Intermediary must close the Offer early in certain circumstances. For example, if the Maximum Subscription is reached, the Offer must be closed. If the Minimum Subscription is not reached or the Offer is closed but not completed, you will be refunded your application money.

Investors may withdraw their application during the Cooling-off Period. Further information on investor cooling-off rights can be found in section 4.1 of this CSF Offer document.

The Offer is not underwritten.

3.2 Uses of funds

Figure 12 below sets out the intended use of funds raised under this Offer based on the minimum and maximum subscription amounts.

Figure 12: Use of Funds

	Minimum Subscription AU\$250,000	Maximum Subscription AU\$500,000
Equity contribution to new receivables book and costs associated with implementing growth	AU\$150,000	AU\$350,000
Marketing and growth initiatives to deploy and recycle capital	AU\$50,000	AU\$75,000
Working capital associated with managing and growing a receivables book.	AU\$35,000	AU\$45,000
Costs associated with this Offer	AU\$15,000	AU\$30,000
Total Uses of Funds	AU\$250,000	AU\$500,000

In Figure 12, 'working capital' includes overhead expenses, employee wages and director remuneration.

Details of payments made to directors and senior managers are itemised below:

- Kelsey Miller CEO and Managing Director AU\$250,000 per annum; and
- Dwain Duxson (Chairman) up to AU\$100,000 per annum.

The costs of the Offer include the Intermediary's fees under the hosting agreement between the Company and the Intermediary. These fees are 6% of the total raised amount.

Other than as specified above, no other payments from the funds raised will be paid (directly or indirectly) to related parties, controlling Shareholders, or any other persons involved in promoting or marketing the Offer.

We expect that the Maximum Subscription amount will be sufficient to meet the Company's short-term objectives over the next 12 months.

If only the Minimum Subscription amount is raised, the Company will require further funding to be able to carry out our intended activities over the next 12 months. In such circumstances, the Company may consider undertaking a further CSF Offer under the CSF regime. Until additional funding is obtained, we will scale back sales and marketing, and continue to focus our cash resources on working capital costs to continue to grow the business.

3.3 Rights associated with the shares

Immediately after issue, the Shares will be fully paid Shares. There will be no liability on the part of Shareholders and the Shares will rank equally with the Shares currently on issue.

The rights associated with the Shares are set out in the Company's constitution. A summary of these rights is set out below. A copy of the constitution is available on the Intermediary's (Swarmer) platform.

3.3.1 Voting at general meetings

1. A poll may be demanded:
 - i. by the Chairperson of the general meeting;
 - ii. by at least 5 Members Present and having the right to vote at the meeting; or
 - iii. by a Member or Members Present with at least 5% of the votes that may be cast on the resolution on a poll.
2. The demand for a poll may be withdrawn.
3. A poll may not be demanded on the election of a person to chair a meeting or on a resolution for adjournment.

Any resolution to be considered at a general meeting and which seeks an approval under (or in connection with) the Listing Rules must be decided by way of a poll.

3.3.2 Representation and voting of Members

Subject to this Constitution and any rights or restrictions for the time being attached to any class or classes of Shares:

1. at general meetings of Members or classes of Members each Member entitled to attend and vote may attend and vote in person or by proxy, or attorney and (where the Member is a body corporate) by representative;
2. on a show of hands:
 - a. every Member Present having the right to vote at the meeting has 1 vote;
 - b. every person present who represents more than 1 Member, either
 - c. personally, by proxy, attorney or as representative, has 1 vote; and
3. on a poll, every Member Present has:
 - a. 1 vote for each fully paid Share; and
 - b. In the case of partly paid Shares, that proportion of a vote is equal to the proportion which the amount paid up on that Member's Share bears to the total issue price for the Share, excluding calls paid in advance of the due date for payment.

3.3.3 Appointment and removal

1. There must be at least 3 Directors, at least 2 of whom must ordinarily reside in Australia, or such greater number of Directors not exceeding 10 as the Directors think fit, in office at all times.
2. Subject to the Corporations Act, the Company may at any time by resolution passed in general meeting:
 - a. appoint any person to be a Director; or
 - b. remove any Director from office.
 - c. Subject to the Corporations Act, the Directors may at any time appoint any person to be a Director.

3.3.4 Power of Directors to issue Shares and other securities

The Directors have authority over issuing Shares and securities, including the power to determine terms, rights, and restrictions, in accordance with the Listing Rules.

3.3.5 Preference Shares

1. The Company may issue preference Shares, which may be issued:
 - a. on terms that they are, at the election of either the Company or the holder or both, liable to be redeemed or converted into ordinary Shares;
 - b. as any combination of fully paid, partly paid or unpaid preference Shares;
 - c. and with the rights provided for in Schedule 1 and as otherwise determined by the Directors in accordance with Schedule 1.

3.3.6 Classes of Shares

Share classes' rights can be altered with consent of 75% Shareholders, or special resolution in separate class meetings; general meeting rules apply with adjustments; issuing new Shares of equal rank doesn't affect existing Shares' rights.

3.3.7 Power to alter capital

The Company has the authority to modify its share capital as per the Corporations Act, allowing for reductions and alterations through approved methods, with Directors ensuring implementation in compliance with the law

3.3.8 Power to buy back Shares

The Company may, in accordance with the Corporations Act and the Listing Rules, buy back its own Shares on any terms and conditions determined by the Directors.

3.3.9 Pre-emptive rights on transfers of Shares

1. During the Company's non-admission to the Official List, specific regulations govern share transfers:
 - a. Shares can only be transferred in line with the provided clause;
 - b. A transferring Member must inform Directors of the intention, granting them agency to sell Relevant Shares to other Member;
 - c. Shares must be offered to other Members at a price agreed upon or determined by expert determination;

- d. Directors notify Members of Relevant Shares' details, inviting written applications within 21 days;
- e. Allocation of Relevant Shares to applying Members occurs, pro rata based on their current holdings;
- f. Transferor obligated to sell upon agreed price, with Director authorisation for non-compliance;
- g. Unsold Relevant Shares can be transferred by the transferor after 21 days;
- h. Corporations can transfer Shares to subsidiary corporations under certain conditions.

3.3.10 Transfer of Shares

1. Shares may be transferred by;
 - a. a transfer effected in accordance with the ASX Settlement Operating Rules (if applicable);
 - b. a written instrument of transfer in any form authorised by the Corporations Act; or
 - c. any other method of transfer permitted by the Corporations Act and the Listing Rules.
2. Shares can be facilitated through CHESS or other CS Facilities, following rules like ASX Settlement Operating Rules. The Company can't charge transfer fees, except as allowed by Listing Rules. The transferor remains the holder until transfer is done by rules or the transferee's name is registered.

3.3.11 Calls

The Directors have the authority to issue calls on Members for unpaid money on their Shares, which may include a call program. Members must pay the specified amounts within the time and manner set by the notice. The Directors can postpone, revoke, or differentiate calls, which are made through a passed resolution. Notices of calls must be sent at least 30 Business Days in advance, and non-receipt or accidental omission of notice does not invalidate the call.

3.3.12 Sale of Shares

The Company has the authority to sell Shares that constitute less than a Marketable Parcel at the best price determined by the Directors. The sale may involve transferring the Shares to different holdings in accordance with ASX Settlement Operating Rules.

3.3.13 Power of Directors to convene

General meetings of members can be convened by the Directors at their discretion or upon the request of members as allowed by the Corporations Act. Directors have the authority to change meeting details or postpone meetings with notice. Meetings can include adjournments and simultaneous gatherings at different locations determined by Directors. For multi-location meetings, valid consideration and resolutions require all venues to Offer reasonable participation opportunities and accurate vote recording. The effectiveness of such meetings is equivalent to a single gathering under the Chairperson's leadership.

3.3.14 Notice of general meetings

1. Each notice convening a general meeting must specify:
 - a. the place, date and time of the meeting (and, if the meeting is to be held in 2 or more places, the technology that will be used to facilitate this); and
 - b. the general nature of the business to be transacted at the meeting.
2. Notice of a general meeting must be provided to Members at least 28 clear days before the meeting is to be held.
3. A notice convening an annual general meeting need not state the general nature of business of the kind referred to in clause 12.2(a) but, if the business includes the election of Directors, the names of the candidates for election must be stated.
4. The non-receipt of a notice convening a general meeting by, or the accidental omission to give notice to, any person entitled to receive notice does not invalidate the proceedings at or any resolution passed at the meeting.
5. Subject to the Corporations Act, the Company may give notices to Members electronically by notifying the Member:
 - a. that the notice is available; and
 - b. how the Member may use electronic means to access the notice, by any electronic means permitted by the Corporations Act and to an electronic address nominated by the relevant Member for the purpose of receiving notices.

3.3.15 Powers of Directors

Directors have the authority to manage the Company's business and exercise all powers not reserved for general meetings under the Corporations Act or this Constitution. This includes the power to borrow funds, secure assets, pay debt interest, and issue debentures or security for Company or third-party obligations.

3.3.16 Power to appoint Managing Director

The Directors may appoint a Director to the office of Managing Director for the period and on the terms they think fit, including the grant of power for the Managing Director to delegate all or part of his or her authority to another Director during any temporary absence. Subject to the terms of any agreement entered into in a particular case, the Directors may at any time revoke any appointment of a Managing Director.

The Managing Director's appointment automatically terminates if the Managing Director ceases for any reason to be a Director.

3.3.17 Power to pay Dividends

Directors have the authority to determine and distribute Dividends according to their discretion and set the timing for payment, subject to the Corporations Act and any specific rights or restrictions associated with Shares. Unpaid Dividends are not subject to interest payments.

3.3.18 Directors may establish plans for Members

The Directors have the authority to establish plans allowing participating Members to choose to receive Dividends through fully paid ordinary Shares, receive alternative distributions, or other options determined by the Directors. The Directors also have the power to modify, pause, or end these plans as they see fit.

3.4 Rights associated with the Shares

3.4.1 What can I do with my Shares

Shares in the Company are considered illiquid as they cannot easily be transferred or sold. However, there are numerous possible circumstances that may create an opportunity for Shareholders to exit their investment in the Company. These include, but are not limited to:

- A trade sale of the Company
- A listing on a registered stock exchange (e.g. the ASX)
- A private equity acquisition of the Company
- A share buy-back by the Company

There is no guarantee that any of the exit options will eventuate. Therefore potential Shareholders should consider this investment as illiquid and be prepared to hold it until there is an exit event as set out above.

3.4.2 Investor Rewards

We are offering a reward to investors who make an equity contribution meeting a specific range, and timeframe. It is as follows;

R.M. Williams
Voucher

Investments made in excess of AU\$10,000 will receive a single digital voucher to the value of AU\$500.0 to make any online or instore purchase.

3.5 Details of previous CSF offers

DelayPay Holdings Pty Ltd has not undertaken a previous CSF offer.

4

Information about
investor rights

4.1. Cooling-off rights

You have the right to withdraw your application under this Offer and to be repaid your application money. If you wish to withdraw your application for any reason (including if you change your mind about investing in the Company), you must do so within five business days of making your application (the Cooling-off Period).

You must withdraw your application via the Intermediary's platform as follows:

1. Proceed to your profile on the top right-hand side of the screen on Swarmer's website by clicking your profile image.
2. click on the right-hand side bar and select "My Investments"
3. Scroll until you find your DelayPay Investment
4. Click the "Withdraw" button below the DelayPay logo
5. Confirm the selection by clicking the "Confirm" button on the pop up
6. Your Withdraw request will be processed. This may take a few days to complete.

After your withdrawal has been processed, the Intermediary will refund the application money to your nominated account as soon as practicable.

4.2 Communication facility for the Offer

You can ask questions about the Offer on the communication facility available on the Intermediary's platform. You can also use the communication facility to communicate with other investors, with the Company and with the Intermediary about this Offer.

You will be able to post comments and questions about the Offer and see the posts of other investors on the communication facility. The Company and/or the Intermediary will also be able to respond to questions and comments posted by investors.

Officers, employees or agents of the Company, and related parties or associates of the Company or the Intermediary, may participate in the facility and must clearly disclose their relationship to the Company and/or Intermediary when making posts on the facility.

Any comments made in good faith on the communication facility are not subject to the advertising restrictions in the Corporations Act.

4.3 Proprietary company corporate governance obligations

4.3.1 Annual report

While the Company is currently a small proprietary Company that is not required to prepare annual financial reports and directors' reports, if we successfully complete this Offer, then we will be required to prepare and lodge these annual reports with ASIC (within four months of the financial year end). The Company has a 30 June year end, and its financial reports must be lodged by 31 October each year.

Our financial reports are currently not required to be audited as we are a small proprietary Company. This means that the Company's financial reports will not be subject to auditor oversight, and, therefore, there will be no independent assurance of the Company's financial statements. However, the directors are still required to ensure that the financial statements give a true and fair view of the Company's financial position and performance, and that the financial statements comply with the accounting standards.

We may be required to have our financial reports audited in the future if we raise more than \$3 million from CSF Offers (including this current Offer and any future Offers), or, otherwise, become a large proprietary Company.

4.3.2 Distribution of annual report

The Company is not required to notify Shareholders in writing of the options to receive or access the annual report. Shareholders will not be able to elect to receive a copy of the annual report by way of email or post. However, Shareholders can access the annual report on the Company's website at the following address delaypay.com.au (free of charge) or can purchase the report from ASIC.

4.3.3 Related party transactions

If we successfully complete this Offer, the rules on related party transactions in Chapter 2E of the Corporations Act will apply to the Company (for so long as we continue to have CSF Shareholders). This means that the Company is required to obtain Shareholder approval before giving financial benefits to related parties of the Company (e.g. directors and their spouses, children or parents), subject to certain exceptions (such as reasonable remuneration provided to directors).

4.3.4 Takeovers

If we successfully complete this Offer and have more than 50 Shareholders, the takeover rules in the Corporations Act will only apply to the Company in a very limited way. If someone wants to buy more than 20% of the voting Shares in the

Company, they will be able to do so without complying with the takeover rules. This means that a person may be able to get control of the Company without making a formal takeover bid to all Shareholders or without seeking Shareholder approval.

Shareholders will not have the benefit of the full protections under the takeover rules, which means you may not have the right to vote on or participate in a change of control of the Company. However, the general principles of ensuring Shareholders have sufficient information and time to consider a change of control, and all have a reasonable and equal opportunity to participate in any benefits, will apply to the Company. In addition, the Takeovers Panel has jurisdiction to hear disputes relating to control of the Company.

5.0 Glossary

Company	means DelayPay Pty Ltd ACN 652 611 400
Merchandise Value	means the amount of merchandise sold by DelayPay in any given period, as part of generating its ordinary fees.
Receivables book	means at any given time, the amount of combined Merchandise Value and applied fees attributed to a sale, for the benefit of the reader may be considered typical of the no-accrued interest portion of a credit loan book.
Cooling-Off Period	means the period ending five business days after an application is made under this Offer, during which an investor has a right to withdraw their application and be repaid their application money.
CSF	means crowd-sourced funding under Part 6D.3A of the Corporations Act.
Intermediary	means Swarmer Pty Ltd AFSL 507 867
Maximum Subscription	means the amount specified in this CSF Offer document as the maximum amount sought to be raised by the Offer.
Minimum Subscription	means the amount specified in this CSF Offer document as the minimum amount sought to be raised by the Offer.
Offer	means an Offer of fully paid ordinary Shares by the Company under this CSF Offer document.
Shares	means fully paid ordinary Shares in DelayPay.
Shareholder	means the holder individual, Company or other of Shares.