

ASX/MEDIA RELEASE

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CEO COMMENTARY ON DM1 FY 2017 HALF YEAR RESULTS

The December half has been a busy period for DirectMoney Ltd (**Company**) as the new leadership team finalised a \$5.7m capital raising and implemented the findings from the strategic review which was flagged in the Annual Report.

During the period the CEO and directors have mapped out an improved organisational structure, identified new staff roles that are in the process of being filled, strengthened the skills development program, finalised the technology roadmap and implemented new systems to drive team performance and culture. New technology and distribution partners have been identified and several related agreements were negotiated during the period, with an initial pilot already generating a new stream of revenue. With several other pilot programs close to launch, the addition of other new revenue channels is expected in the coming year.

The primary focus in the immediate future for the Company will be the application of market leading new technologies to deliver an outstanding customer experience as it delivers on its mission to provide consumer borrowers and investors with better rates, wider choices and superior convenience.

DirectMoney's path to profitability involves securing a diversified source of financing facilities and conservatively growing the loan book within the capacity of those facilities. The Company has maintained a very low approval rate while our financing sources are built, which means that we can expand rapidly with a proven model. During the December half, one funding facility was completed and has commenced operation. As part of ongoing operations, negotiations with two other prominent wholesale institutions are at an advanced stage. These deals will provide the opportunity for the Company to significantly drive origination volumes and increase margins.

DirectMoney continues to work with Macquarie Bank Ltd, and welcomes their position as an increased shareholder and looks forward to working with them on strategic partnerships and exploring synergies between the respective businesses.

The DirectMoney Personal Loan Fund ARSN 602 325 628 (**Fund**), issued by One Managed Investment Funds Limited ACN 117 400 987 AFSL 297042 as Responsible Entity of the Fund, is an important future source of loan sales for the Company. Since inception on 13 May 2015 to 31 December 2016, the Fund has provided investors with a 7.5% per annum return, net of fees and credit provisioning. With the Fund moving closer toward its second anniversary the Company plans to accelerate marketing through advisers and fund distributor channels. Please refer to the PDS for further details about the Fund.

Key results and a review of operations are discussed in detail in the Interim Report. Although several extraordinary non-cash expenses, related to funding advice and team performance rights, were booked during the half, operational revenue and loss performance ratios reflected significant improvement in the direction of the underlying business.

The Board and CEO would like to thank the shareholders for their continued support as the Company finalises the foundations required to grow and scale the Company significantly in H2 FY 2017 and into FY 2018.

-ENDS-

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About DirectMoney Limited

DirectMoney is a fintech pioneer in the rapidly growing Australian marketplace lending industry. DirectMoney connects borrowers and investors by leveraging technology and partnerships. We offer competitive interest rates and terms on personal loans for borrowers and provide innovative structures for retail and institutional investors to invest in these loans. We strive to deliver Australians better financial choice and improved investment outcomes.