



**CREDIBLE LABS INC.**  
**(ASX: CRD)**

**ASX ANNOUNCEMENT**  
**29 April 2019**

## **QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDING 31 MARCH 2019**

Credible Labs Inc. ("**Credible**" or the "**Company**") (ASX: CRD), the San Francisco based technology company that operates a U.S. consumer finance marketplace, is pleased to report the following Business Update and Appendix 4C for the three-month period ending 31 March 2019 ("**Q1 2019**").

As at 31 March 2019, Credible held approximately US\$25.9 million in cash and cash-like resources<sup>1</sup> (versus US\$29.6 million as at 31 December 2018).

All financials are presented in US Dollars. Financial, user account and closed loan volume figures referenced in this announcement are all unaudited. Credible operates on a calendar year end.

### **HIGHLIGHTS**

- **Originated all-time high quarterly Closed Loan Volume ("CLV") of US\$440 million in Q1 2019 (+127% growth on Q1 2018 CLV of \$194 million)**
- **During Q1 2019, ~13,100 loans were originated via the Credible platform, up from ~5,400 in Q1 2018 (+143% growth)**
- **Successfully launched Credible's home purchase mortgage marketplace in March 2019, and expanded Credible's mortgage licensing footprint to 37 states (representing over 80% of mortgage originations in the U.S.)<sup>2</sup>**
- **Signed a trial mortgage partnership with Realtor.com, the second largest digital real estate platform in the U.S.**
- **Maintained strong cash and cash-like resources<sup>1</sup> position of US\$25.9 million at 31 March 2019, down from US\$29.6 million as at 31 December 2018.**

Credible Founder and CEO, Stephen Dash commented on the Q1 2019 results:

*"Credible produced another all-time record quarter of CLV while also delivering on the launch of our home purchase mortgage marketplace. The combination of our home purchase mortgage marketplace and our mortgage refinancing marketplace, which launched last year, positions the Company for growth within the US\$1.6 trillion residential mortgage market in the U.S. We benefited from some seasonal tailwinds in our student loan refinancing and personal loans verticals in Q1 2019, and better than expected student loan origination CLV.*

*We continue to maintain operating discipline as demonstrated by our strong cash position and receivables balance. We expect volatility in CLV and revenues on a quarter-to-quarter basis as we invest for long-term growth."*

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<sup>1</sup> Includes investments in BBB+ or higher rated instruments with short term maturity dates of less than two years, with the majority less than one year  
<sup>2</sup> 2017 Nationwide Mortgage Licensing System (NMLS) Mortgage Industry Report

## BUSINESS UPDATE

### **Closed Loan Volume**

- Credible achieved all-time record CLV of US\$440 million in Q1 2019 (+127% growth on Q1 2018) representing the third sequential quarter of record CLV
- CLV benefited from seasonal strength in student loan refinancing and personal loans. In addition, Credible experienced strong student loan origination activity in Q1 compared to previous years, which we expect will continue
- In Q1 2019, ~13,100 loans were originated via the Credible platform, up from ~5,400 in Q1 2018 (+143% growth)

### **Marketplace Health / Partnerships**

- Credible added 1 new lender and 30 new marketing partners in the quarter as it continued to scale its partner channel
- In line with Credible's stated strategy to continue to grow customer acquisition via partnership channels, Credible's CLV from these channels in Q1 2019 was ~3.5x the amount generated in Q1 2018 (+240% growth)
- User accounts reached a cumulative total of ~1,475,000 as compared with ~1,255,000 as at 31 December 2018 (+20%) and ~810,000 user accounts as at 31 March 2018 (+82%)

### **Mortgage Marketplace Development**

- Credible successfully launched its home purchase mortgage marketplace offering, in line with prior guidance
- The home purchase mortgage marketplace complements Credible's mortgage refinancing marketplace that launched publicly in October 2018 and expands the Company's opportunity set for distribution partnerships
- Signed a trial mortgage partnership with Realtor.com, the second largest digital real estate platform in the U.S. While this is a trial, with no guarantee of any long-term partnership, this is a positive development and provides early validation of Credible's mortgage offering
- Expanded mortgage licensing footprint to 37 states as at the date of this release (representing over 80% of residential mortgage originations in the U.S.)<sup>3</sup>

### **Team**

- As at 31 March 2019 the Credible team consisted of 130 people, up from 122 at 31 December 2018
- As previously disclosed in Credible's January 2019 Business Update, Management expects 2019 team growth will be similar to 2018 growth, however the Company is open to further team growth in support of value-accretive partnerships

## CASH POSITION (AS AT 31 MARCH 2019)

The Company attaches its Appendix 4C for Q1 2019. As at 31 March 2019, Credible held approximately US\$25.9 million in cash and cash-like resources<sup>4</sup>. In addition, the Company's receivables balance was US\$5.6 million at the end of the quarter, up from US\$4.2 million as at 31 December 2018. The Company is debt-free.

## 2019 ANNUAL MEETING

As announced on 1 February 2019, Credible will hold its Annual Meeting ("AGM") on Monday, 29 April 2019 at 11.00 am (Sydney time) at the offices of DLA Piper Sydney at Level 22, No. 1 Martin Place, Sydney, New South Wales, Australia (6.00pm Sunday, 28 April 2019 San Francisco time). The Notice of Meeting for the AGM is available on Credible's website.

## -ENDS

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<sup>3</sup> 2017 Nationwide Mortgage Licensing System (NMLS) Mortgage Industry Report

<sup>4</sup> Includes investments in BBB+ or higher rated instruments with short term maturity dates of less than two years, with the majority less than one year



**FOR MORE INFORMATION, PLEASE CONTACT:**

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**ABOUT CREDIBLE**

Credible (ARBN: 621 866 813) is a U.S. company based in San Francisco which operates a consumer finance marketplace that helps consumers save money and make better financial decisions. Credible has developed a proprietary technology platform that is integrated with credit bureaus and financial institutions. Credible has developed a differentiated, and personalised user experience that enables consumers to compare instant, accurate pre-qualified rates from multiple financial institutions for student loans, personal loans and mortgages.

For more information, please visit: [www.credible.com](http://www.credible.com)

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

Credible Labs Inc.

**ARBN**

621 866 813

**Quarter ended ("current quarter")**

31 March 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$USD'000</b>	<b>Year to date (twelve months) \$USD'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	8,685	8,685
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing	(7,193)	(7,193)
(d) leased assets		
(e) staff costs	(3,026)	(3,026)
(f) administration and corporate costs	(1,343)	(1,343)
1.3 Dividends received (see note 3)		
1.4 Interest received	156	156
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)	74	74
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2,647)</b>	<b>(2,647)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(45)	(45)
(b) businesses (see item 10)		
(c) investments	(2,788)	(2,788)

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$USD'000</b>	<b>Year to date (twelve months) \$USD'000</b>
(d) intellectual property	(1,114)	(1,114)
(e) other non-current assets		
<b>2.2</b> Proceeds from disposal of:		
(a) property, plant and equipment		
(b) businesses (see item 10)		
(c) investments	2,807	2807
(d) intellectual property		
(e) other non-current assets		
<b>2.3</b> Cash flows from loans to other entities		
<b>2.4</b> Dividends received (see note 3)		
<b>2.5</b> Other (provide details if material)		
<b>2.6</b> <b>Net cash from / (used in) investing activities</b>	<b>(1,140)</b>	<b>(1,140)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares		
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options	9	9
3.4 Transaction costs related to issues of shares, convertible notes or options		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
<b>3.10</b> <b>Net cash from / (used in) financing activities</b>	<b>9</b>	<b>9</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	29,638	29,638
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2,647)	(2,647)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1,140)	(1,140)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	9	9

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$USD'000</b>	<b>Year to date (twelve months) \$USD'000</b>
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>25,860</b>	<b>25,860</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$USD'000</b>	<b>Previous quarter \$USD'000</b>
5.1	Bank balances	9,245	8,075
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details) See Note "1" below	16,615	21,563
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>25,860</b>	<b>29,638</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

<b>Current quarter \$USD'000</b>
40

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

<b>Current quarter \$USD'000</b>

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$USD'000	Amount drawn at quarter end \$USD'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. <b>Estimated cash outflows for next quarter</b>	\$USD'000
9.1 Research and development	1,400
9.2 Product manufacturing and operating costs	
9.3 Advertising and marketing	7,500
9.4 Leased assets	
9.5 Staff costs	2,800
9.6 Administration and corporate costs	1,700
9.7 Other (provide details if material)	
<b>9.8 Total estimated cash outflows</b>	<b>13,400</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.
- 3 Includes investments of less than two-year maturity date with BBB+ or higher rating.

Sign here:  .....  
(Director/Company secretary)

Date: ....April 29, 2019

Print name: ....Stephen Dash.....

**Notes**

1. Amount includes investments in BBB+ or higher rating with short term maturity dates of less than two years, with the majority less than one year.