

MoneyMe Limited ASX: MME

# ASX Announcement

29 September 2020

## MoneyMe establishes new \$167m warehouse funding facility led by Westpac.

MoneyMe Limited (ASX: MME) ("MoneyMe" or "Group"), is pleased to announce it has established a new warehouse funding facility led by Westpac and continues to deliver market leading product innovation.

### Highlights

- New warehouse facility reduces funding costs for MoneyMe by more than half.
- New warehouse facility set-up to scale from an initial \$167m loan receivable funding capacity.
- Senior funding provided by Westpac and Mezzanine funding to be provided by the AOFM.
- Immediate benefit from a refinance of \$60m of existing receivables.
- New PayAnyone feature launched for the Freestyle virtual credit account for person to person payments.

### Significant Loan Funding Cost Reductions & Capacity Increase

The new facility with a two year term is a significant reduction in warehouse funding costs of below 3.95% p.a (+BBSW) on a fully drawn basis, taking the combined warehouse loan asset funding costs to below 5% p.a (+BBSW), (down from 11.4% in FY20). The Group expects to realise a substantially lower cost of funds following a refinancing from the existing Velocity warehouse on the October or November payment date.

While the new facility supports high loan receivable growth, MoneyMe will be introducing more competitive pricing and wider offers across its risk based priced Personal Loan and Freestyle products, leveraging the reduction in loan funding costs achieved with the establishment of the Westpac facility. Pricing changes will allow MoneyMe to further improve its offering of higher loan amounts to lower credit risk consumers, as well as power the launch of new products.

The facility has been initially established with Westpac and MoneyMe. The AOFM provided approval for mezzanine funding into the facility in September, via the Structured Finance Support Fund (SFSF), with funding subject to completion of legal documentation. The new warehouse facility is expected to include AOFM mezzanine funding in October or November, following the completion of legal documentation. Please refer to the AOFM website for further details relating to the SFSF (<https://www.aofm.gov.au/sfsf>).

The initial facility funding amount has been set to provide an appropriate balance between funding capacity and cost. It is anticipated that the amount will be increased significantly over time in line with loan asset growth.

## New and Existing Product Innovations

PayAnyone, a first in market innovation, was launched in September for use by all Freestyle virtual credit account holders. The functionality allows MoneyMe customers to pay any bank account in Australia directly using their Freestyle virtual credit account. PayAnyone is another example of the first to market product innovation delivered by MoneyMe.

ListReady continues to exhibit strong performance despite challenging market conditions. Q1FY21 will see over 43% growth in origination volume from Q4FY20, a strong result midst the impact from COVID-19 on the properties being listed for sale.

### Clayton Howes, MoneyMe's Managing Director and Chief Executive Officer said:

"This major Australian bank partnership is transformative for MoneyMe, paving the way for substantial scale into the future. This is a significant milestone that provides a step change in our funding costs, increases origination capacity and allows us to better compete on price. It is an achievement made despite the Covid-19 operating environment and is testament to the business model, the economics and quality of the loan assets and the growth opportunity. We welcome Westpac as a senior funding provider and look forward to having the AOFM as a mezzanine debt investor.

The launch of PayAnyone for our Freestyle virtual credit account is another exciting innovation to delight our customers. It is also fantastic to see our recent product launches from ListReady to MoneyMe+ resonate with customers so quickly. We are looking forward to fully leveraging the lower cost of funds and capacity from the new warehouse funding facility to grow our balance sheet to meet the needs of Generation Now."

Authorised on behalf of the MoneyMe Board and Disclosure Committee by Clayton Howes, CEO & Managing Director.

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### About MoneyMe

MoneyMe is a digital consumer credit business leveraging our technology platform (the Horizon Technology Platform) and big data analytics to deliver an innovative loan offering to tech-savvy consumers.

Founded in 2013, we originate consumer loans through our risk-based lending platform to tech-savvy consumers who are seeking fast, convenient and simple access to credit direct from their mobile devices. Our technology platform allows applications to be completed within approximately five minutes and funds to be disbursed, or credit limits to be available, to the customer shortly after approval.