

MoneyMe Limited (ASX: MME)

ASX Announcement

29 October 2020

Q1'21 Trading Update

MoneyMe Limited (ASX: MME) ("MoneyMe" or "Group"), is pleased to provide this trading update for the quarter ended 30 September 2020.

Highlights

- **Strong origination growth momentum**, 39% ahead on Q4'20 and 30% up in September compared to August. The closing gross loan book was \$138.1m as at 30 September 2020 and is projected to increase significantly during the year as the strong origination momentum continues.
- Cost of Fund reductions from the recently settled new Major Bank warehouse facility are supporting further high and profitable growth for 2021 as planned through **more competitive pricing and wider product offers**.
- **New product innovations are delivering incremental growth** with record List Ready product settlements and over 140 MoneyMe+ retail partnerships now executed.
- **Market leading customer satisfaction levels** continue with technology and innovation advances.
- Expansion opportunities and readiness are **unlocking the path to significant scale and accelerated growth**.

A conference call will be held this morning, Thursday 29 October 2020, at 11:00am (Sydney time) with MoneyMe's CEO and Managing Director Clayton Howes and Chief Financial Officer Neal Hawkins. Please find dial-in details below following the end of this announcement.

Ongoing profitable loan book growth

Originations of \$45.3 million were 39% ahead on Q4'20. New business origination momentum is building with September month originations 30% up compared to August.

The closing gross loan book was \$138.1 million as at 30 September 2020, a 33% increase to Q1'20 of \$104.1 million. The loan book is expected to grow significantly during the financial year, supported by more competitive pricing, wider product offers and an improving trading environment.

The Group recorded revenue of \$12.0 million in Q1'21, an 18% increase to Q1'20 of \$10.2 million. The Group continues to fully leverage its unique proprietary Horizon technology platform to achieve low customer acquisition and servicing costs to support ongoing profitability.

MoneyMe's strong origination and gross loan book growth continued to be achieved while maintaining tightened underwriting to reflect the Covid-19 environment. The credit profile of the Group's customer base is continuing to improve with an increase in the average Equifax score to 637 for the quarter from 622 for Q1'20.

The Group's loan provisioning to gross loan book remains stable at 9.6% as at 30 September 2020. The provisioning continues to reflect additional overlays for macroeconomic uncertainties. The loan book continues to perform well with strong underlying diversification and positive repayment profiles from customers.

Quarterly Performance Scorecard.		Q1'21	Q1'20
Quarter ended 30 September 2020.			
Revenue (\$m)		12.0	10.2
Originations (\$m)		45.3	41.0
Closing Gross Loan Book (\$m)	(1)	138.1	104.1
Average Equifax Score	(1)	637	622
Provisioning Rate	(1)	9.6%	9.4%

(1) Period end measures.

More competitive pricing and wider product offers.

MoneyMe introduced more competitive pricing for its Freestlye product, in September 2020 along with increasing the available credit limit offer to \$20,000. This leverage is enabled by the new Major Bank warehouse facility.

MoneyMe also increased the Personal Loan offer size to \$50,000 in the quarter following the establishment of the new 'Major Bank' warehouse facility. Personal Loan related pricing changes are planned for November to support an increase in originations from higher value customers in particular. As expected, the Group's new 'Major Bank' warehouse facility is now delivering significantly lower funding costs and new business origination capacity. The Group's loan asset debt funding rate reduced to 7.2% in October 2020, compared to 11.4% for FY'20, a 37% reduction. The Group expects to realise the full cost of fund reduction and capacity benefits from the new 'Major Bank' warehouse facility in Q2'21 following the inclusion of AOFM mezzanine funding into the new warehouse in November.

New product innovations are delivering incremental growth

ListReady continues to resonate strongly with real estate agent partners and property sellers with originations \$3m in Q1'21, up 70% compared to Q4'20. ListReady applications reflected a 47% increase compared to Q4'20. The product now has over 370 agencies signed-up and is progressing well towards being the default property sales solution despite being launched only last year.

While still very early since it's launch in August, MoneyMe+ now has over 140 retail partnerships formally agreed with sales momentum starting to build. The average borrowing value of \$3,000 for MoneyMe+ reflects the targeting of higher value transactions as compared to the smaller value transactions supported by the core BNPL market.

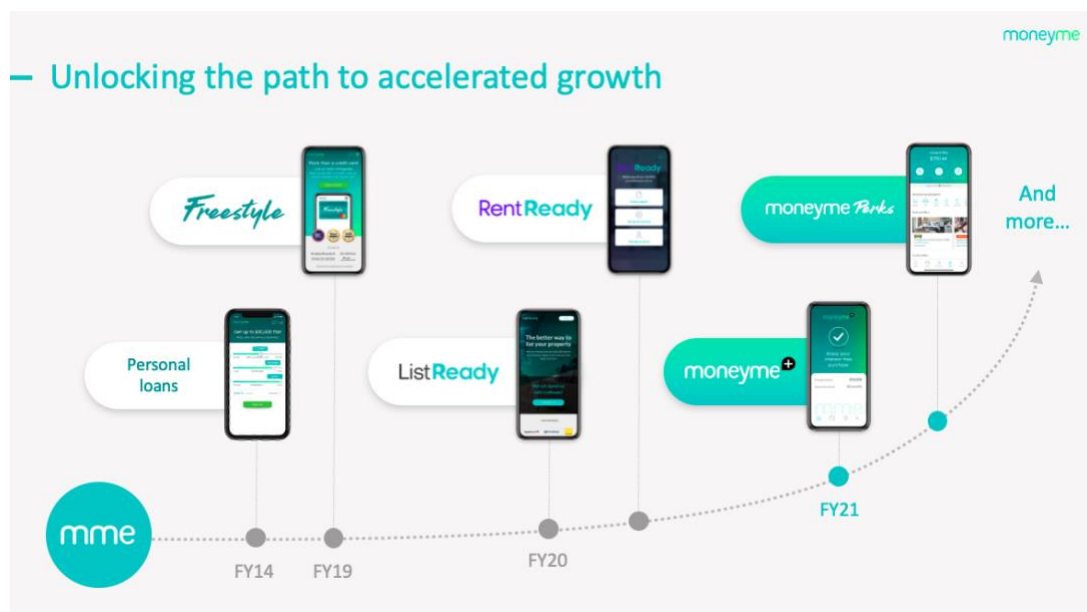
Market leading customer satisfaction levels

MoneyMe's Net Promotor Score (NPS) continues to be market leading at 77 for Q1'21, underpinned by ongoing technology investment and innovation. The consistently high customer satisfaction rates reflect the success of MoneyMe's direct to customer model that delivers finance digitally with ease and speed.

Customers are increasingly choosing to interact with the Horizon technology platform through their mobile phone in particular, with good take up of the recently launched Pay AnyOne with Freestyle product feature.

Unlocking the path to significant scale and accelerated growth.

MoneyMe's focus is on unlocking the path to accelerated growth, leveraging the new products and the low cost of funds provided the Major Bank warehouse funding facility. The product roadmap is being executed as outlined below.



New products in development will continue to provide customers a digital, simple and fast service experience that reflects high process automation and customer focused innovation.

The existing product set and further products will continue our diversification to meet consumer diverse borrowing needs and reflect our focus on exceptional customer satisfaction, tech enabled low customer acquisition and servicing costs and profitable growth. The product platform continues to be designed for scale with growth opportunities being actively explored and developed in Australia and globally.

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

"I am delighted with MoneyMe's robust profitable growth for the trading quarter ended 30 September 2020 that continues to reflect the calibration of our lending to the COVID-19 environment. The 30% increase in originations in September compared to August are a clear reflection of momentum building in new business originations.

It is exciting to see the new funding warehouse facility delivering significantly lower funding costs and new business origination capacity and our core and more recently launched products resonating so well with Generation Now. The innovation pipeline is continuing at pace as we continue to invest for massive scale and product diversification opportunities in Australia and overseas.

A fantastic first quarter that sets the business up well for further high and profitable balance sheet growth."

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

ENDS

For further information please contact:

Managing Director and CEO
Clayton Howes
clayton@moneyme.com.au

Company Secretary
Graeme Blackett
CompanySecretary@moneyme.com.au

Investor Relations
investors@moneyme.com.au

About MoneyMe

MoneyMe is a digital credit business leveraging technology (the Horizon Technology Platform) and analytics to deliver highly automated innovative products and customer experiences.

We originate personal loans, revolving credit and interest-free products, for credit approved customers who are seeking simplicity, convenience and flexibility.

Our technology platform enables 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.

Q1'21 Trading Update Conference Call Details

Time: Oct 29, 2020 11:00 AM Canberra, Melbourne, Sydney

One tap mobile:

+61370182005,,85775860854#,,,,,0#,,142105# Australia

+61731853730,,85775860854#,,,,,0#,,142105# Australia

Dial by your location:

+61 3 7018 2005 Australia

+61 7 3185 3730 Australia

+61 8 6119 3900 Australia

+61 8 7150 1149 Australia

+61 2 8015 6011 Australia

Meeting ID: 857 7586 0854

Passcode: 142105

Find your local number: <https://us02web.zoom.us/j/85775860854>