

28 February 2023

ASX Announcement

1H23 Interim Report & Results

MONEYME delivers record revenue and statutory profit

MONEYME Limited (“MONEYME” or “Group”) is pleased to announce the release of its interim financial report and results to 31 December 2022.

1H23 Financial Highlights

Returns

Statutory NPAT

\$9m **↑147%**
From (\$19m) in 1H22

Gross revenue

\$121m **↑152%**
From \$48m in 1H22

Office operating cost to income ratio %¹

23% **↓52%**
From 48% in 1H22

Credit profile

Average Equifax score

714 **↑6%**
From 672 in 1H22

Net loss %²

6% **↑37%**
From 4% in 1H22

Provisioning to receivables %³

6% **↓19%**
From 7% in 1H22

Book profile

Closing gross customer receivables

\$1,237m **↑110%**
From \$590m in 1H22

Originations

\$242m **↓45%**
From \$441m in 1H22

Secured asset %

41% **↑56%**
From 26% in 1H22

Funding & liquidity

Unrestricted cash

\$16m **↓29%**
From \$23m in 1H22

Undrawn securitisation facility funding

\$430m **↑183%**
From \$152m in 1H22

Net assets

\$122m **↑444%**
From \$22m in 1H22

¹ Sales & marketing, product design and development and general and administration expenses as a % of gross revenue.

² Principal write offs in the period (net of recoveries, including proceeds from debt sales to collection agencies) as a % of average gross customer receivables.

³ Accounting provision closing balance as a % of gross customer receivables.

1H23 Operational Highlights

Quick shift to profit making

In response to rising interest rates, recessionary concerns, and tightening capital markets, MONEYME:

- Moderated growth and slowed new business originations to preserve its cash balances and reduce funding requirements;
- Lowered operating costs which, alongside \$20 million in annualised cost savings through the continued integration of SocietyOne, delivered significant reductions in the Group's cost base;
- Managed credit risk through further improvement of the credit quality of the book and asset diversification, while protecting net interest margins (NIM) through customer pricing updates, and;
- Raised \$21 million in equity capital, reset its corporate debt funding arrangements with Pacific Equity Partners (PEP).

Delivered further market leading innovation

MONEYME launched a pilot of a new, interactive feature of the Autopay product, Autoscan. Autoscan allows consumers to initiate their auto loan application and calculate loan repayment terms for various vehicles directly at the point of sale, giving the end customer control and visibility of their financing options at the point of sale and reducing their dependence on intermediaries.

1H23 also saw the Group expand its product range with MONEYME Credit Score, which attracted more than 37,000 users during its trial phase. The app-based, free credit score service launched more broadly in January 2023 and the Group expects it to generate significant customer and cross-sell value.

Funding & Liquidity

The Group is progressing a strategic capital initiative, assisted by a leading investment bank, to provide the Group with the capital required to take advantage of its growth opportunities, restore the SFA back to its original size of \$50 million (plus capitalised interest on such amount) as required by the SFA in 1QFY24 and reduce the cost of funds in relation to the SFA. The initiatives under consideration include a range of corporate transactions, with ongoing engagement with interested credible parties.

Submitted B Corp Certification application

MONEYME progressed several Environmental, Social, and Governance (ESG) initiatives during 1H23, including increasing female representation on its Board of Directors to above its target of >30%, amending its Constitution to cement ESG values into company decision-making, and submitting its application for B Corp Certification.

MONEYME has aligned its ESG efforts to the B Corp framework since the beginning of FY22, as it provides a consistent and verifiable process to measure and improve the Group's impact. The submitted application marks an important milestone and while the Group awaits certification, MONEYME calculates its B Impact Assessment score as 93.2 at 31 December 2022, well above the minimum 80-point threshold.

Clayton Howes, MONEYME's Managing Director and CEO said:

"I am pleased to report our strong performance for 1H23, despite the headwinds facing our sector. Our statutory profit result of \$9 million reflects a significant reduction of our office operating costs to income ratio down to 23% and strong revenue flows maintained with record gross revenue of \$121 million for the half.

At the start of the financial year, we announced our intention to moderate growth to prioritise building profit and lowering our credit risk. I am pleased to say that our shift from high growth to profit delivery has been swift and disciplined, achieved through proactive cost optimisation, prudent credit risk management, and customer pricing adjustments to preserve risk-adjusted returns.

In the half we have continued our focus on innovation, while making significant progress on our ESG agenda. We are proud to have submitted our application for B Corp certification, reflecting our long-term commitment to having a positive impact on society and the planet.

Our recent pilot launch of a new consumer-facing feature for Autopay, Autoscan, is set to transform the car buying experience by giving the end customer control and visibility of their financing options at the point of sale, while the launch of our app-based credit score product will help us build stronger relationships with our customers and capture new business opportunities.

Looking ahead, we are optimistic about the future of our industry and see significant potential for growth in all our key verticals, particularly in the auto financing market. Our priorities for the remainder of FY23 include positioning the business to take advantage of these opportunities and strengthening our balance sheet via the strategic capital initiative and through continued revenue flows with a gross revenue projection of >\$220m for the full year."

Please refer to the Group's Appendix 4D, 1H23 Investor Presentation and Interim Report (including the notes to the Interim Report) for further information.

Authorised on behalf of the MONEYME Board and the Disclosure Committee by:

Clayton Howes
Managing Director & CEO

– ENDS –

**For further information, please contact investors@moneyme.com.au
For media enquiries, please contact media@moneyme.com.au**

About MONEYME

MONEYME is a leading Australian disruptor, using technology to become the #1 challenger to the major banks.

With a focus on innovation, it funds credit approved ambitious people with the advantage of market-leading speed and automated customer experiences. Leveraging AI and advanced cloud-based technology, it offers highly automated credit products across personal, auto and real estate finance.

The Group's core brands MONEYME and SocietyOne reflect digital-first experiences that meet, and exceed, the expectations of 'Generation Now'.

MONEYME Limited is listed on the ASX and the Group includes licensed and regulated credit and financial services providers operating in Australia.

For more information, visit moneyme.com.au or investors.moneyme.com.au

MONEYME Half-Yearly Performance

	<u>1H21</u>	<u>2H21</u>	<u>1H22</u>	<u>2H22</u>	<u>1H23</u>
Returns					
Net Profit after Tax (NPAT)	\$1m	(\$9m)	(\$19m)	(\$32m)	\$9m
Gross revenue	\$24m	\$34m	\$48m	\$95m	\$121m
Office operating cost to income ratio	49%	44%	48%	35%	23%
Book profile					
Gross customer receivables	\$168m	\$333m	\$590m	\$1.35bn	\$1.24bn
Originations	\$114m	\$269m	\$441m	\$674m	\$242m
Secured assets in book	-	2%	26%	38%	41%
Credit profile					
Average Equifax score	638	650	672	704	714
Net losses	4.6%	5.1%	4.4%	4.5%	6.0%
Provisioning to receivables	7.9%	7.9%	7.5%	6.1%	6.1%
Funding and liquidity					
Unrestricted cash	\$23m	\$10m	\$23m	\$14m	\$16m
Undrawn securitisation facility	\$82m	\$28m	\$152m	\$384m	\$430m
Net assets	\$49m	\$40m	\$22m	\$91m	\$122m