

FY18 Quarterly Trading Highlights

Upgrade to earnings guidance and new finance facilities

16 October 2017

HIGHLIGHTS

- **Strong growth in all key operating metrics during the quarter ended 30 September 2017 (Q1 FY18)**
- **Continued rapid market share growth with loan receivables increasing by 27% over 30 June 2017 and 215% over pcip to \$212m**
- **Senior syndicated debt facility increased by \$63m from \$112m to \$175m**
- **FY18 earnings guidance increased by 8% from \$6.0m to \$6.5m following continued strong growth in receivables**

Axsesstoday Limited (ASX: AXL) ("Axsesstoday") is a specialist provider of equipment funding solutions for small to medium sized enterprises (SMEs) in hospitality, transport and other sectors. The Group has experienced high growth since inception, in response to a need for a differentiated and compelling value proposition for merchants to offer equipment finance to their end customers. Axsesstoday makes funding fairer, easier and faster for business owners.

Q1 FY18 Financial Performance

Axsesstoday is pleased to announce an increase to its previous FY18 guidance following continued strong growth in the loan book to \$212m as at 30 September 2017, an increase of 27% over 30 June 2017 and 215% over prior corresponding period. Based on the current growth rate, the Company expects a net profit after tax of \$6.5 million, an 81% increase over the FY17 result. The guidance maintains the Company's conservative position regarding credit loss provisions, and provides for ongoing investment in people and systems to support the Company's anticipated rapid growth.

Market conditions remain favourable in both the hospitality and transport segments. Operating costs have benefited from increased operational efficiencies following the implementation of key stages of the core systems upgrade, and this is anticipated to deliver further operational efficiencies over the next 12 months. During the period, Axsesstoday also increased investment in certain key initiatives that were budgeted for FY19, including the accelerated rollout of innovative next generation upgrades to the core systems and the continued preparation for the establishment of a securitisation warehouse facility.

Portfolio credit performance has remained stable over the first quarter of FY18, with arrears (unimpaired past due 30 day receivables) at 1.4% of gross receivables as at 30 September 2017. The Company has implemented a new arrears and credit loss recognition policy to be reflective of standardised securitisation warehouse structures. This has resulted in an increase in the reported arrears from 1.1% to 1.4% for the period, but doesn't reflect any underlying deterioration in asset quality. Total credit losses to 30 September 2017 remained stable at 1.3% of net receivables. The Company maintains a conservative approach to impairment provisions and currently has approximately \$2.3 million of credit loss provisions available to be applied against future impairment losses.

Canadian Pilot Commenced

Axsesstoday established an office in Toronto, Canada, after conducting extensive due diligence in that market. In Q1 FY18, the Company commenced a pilot with a large, reputable retail merchant partner operating throughout Canada. Whilst momentum has been positive, the progress is at an early stage, and the Company will continue to undertake a conservative approach.

Increase to Senior Syndicated Bank Debt Facility

Axsesstoday has continued to broaden its funding base by increasing the senior syndicated bank debt facility to \$175m. The new facility provides an additional \$63m of funding and provides flexibility for additional financiers to participate in the facility in the future. The term of the facility is 18 months, and has been structured with a view to be refinanced from the establishment of a securitisation warehouse.

Securitisation Warehouse

The Company's plans to establish an asset securitisation facility are progressing well. Negotiations and the due diligence process required to establish a securitisation warehouse with a leading Australian financier have commenced. The Company expects to report further progress on this initiative in the current quarter.

Core Systems Upgrade

The Company has completed the functionality upgrades to its core systems and platforms to maintain its market leading position. These upgrades will increase capacity to support growth, improve the customer service experience, broaden the Group's product base, enable flexibility for future international expansion, and continue to improve operating leverage and cost management through increased levels of process automation.

Outlook

The Company continues to focus on an organic growth strategy that is aimed at creating and maximising shareholders' returns and value. The Group is experiencing favourable trading conditions, with strong credit quality, ongoing market penetration and ongoing growth in retail merchant and introducer relationships underpinning the Groups growth objectives.

Peter Ferizis, CEO and Managing Director of Axsesstoday, said "I am delighted to report on the Company's strong FY18 earnings guidance upgrade. We continue to invest in the future to ensure we provide the best possible experience for our customers, retail partners and employees and maintain long term compound growth for shareholders."

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