



**Q2 FY22**

**Quarterly Presentation**

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ASX: CCR  
January 2022



# Improves customer interactions

## Proven results

Credit Clear's platform has proven to help businesses increase levels of engagement, uplift effectiveness and efficiency of customer interactions, and enhance the customer experience

## AI powered

Credit Clear's award-winning technology uses behavioural analytics, artificial intelligence and machine learning to improve interactions between customers and businesses

## Significant market

Growth in subscriptions and installment services creates a significant market opportunity for digital disruption

You owe  
**\$100.00**

When did you want to pay this by?  
Thursday 8 July

Payment will be taken from your account 9am on your selected date. Please ensure you have the funds available.

Why did you choose to pay on this date?  
This is when I get paid

**Payment channels**  
Apple Pay, Google Pay, etc.

**Payment plans**  
Make an offer, pay some & hardship support

**Communication channels**  
Messages, Email, etc.

**Pay some**  
Pay what you can

Kevin Cox  
Customer120211021  
**creditclear**  
Hi Kevin you have an amount outstanding  
**\$1,000.00**  
Important documents  
Please download our support document so that you can understand the balance outstanding  
DOWNLOAD  
Your payment options  
Pay now  
Pay later  
Pay some  
Create payment plan  
Dispute

Matthew Young  
TEST1234-1234  
**C**  
Hi Matthew you have an outstanding balance  
**\$100.00**  
Your payment options  
Pay now  
Pay later  
Pay some  
Create payment plan  
Dispute



# Genuine validation of digital solution

## AI and Machine Learning

**Data platform developed** to support AI, deeper analytics and strategy management module (Optimiser Module)

- 'Next Best Action' delivers **151%** uplift for large toll road operator
- Best of use of AI in Fintech Award

## Core Products

- Large fintech lender delivers **3x** collections
- Australian energy utility delivers **40%** higher collections
- NPS is **+44** from >80,000 respondents
- Major insurance company delivers end-to-end 3<sup>rd</sup> party at fault claim within **15 days** and no human touch

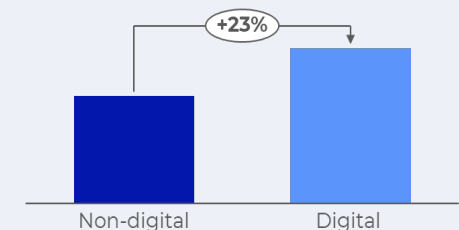


## Optimiser Module

- Major Australian BNPL delivers **5%** uplift in collection rate
- Water utility delivers a **17%** uplift in collection rate

## Case study

- Large Australian Water Utility experienced a **23%** higher collection rate with Credit Clear's digital platform vs. non-digital platform.



# Quarterly financial highlights



**\$3.2m**

Total revenue

↑ 56% on pcp



**\$1.1m**

Digital revenue

↑ 85% on pcp



**\$7.6m**

Total digital payments

↑ 58% on pcp



**\$660k**

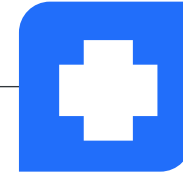
Traditional to digital conversion (revenue)

↑ 162% on pcp





# Quarterly operational highlights



## 28

## Growth

## FinTECH AWARD

## Post Quarter

### New client wins

### Opportunities progressed



### The two new top ten clients

Select new clients:

- **Revolut**
- Australia's largest toll road operator
- Global automotive manufacturer

- Acquired ARMA
- Signed Partnering and Teaming agreement with Techub
- Enhanced presence in NZ with Prospa partnership

**2021 Winner at the 6<sup>th</sup> Annual FinTECH Awards**  
Best Use of AI

- Expected to increase revenue by 6 – 8% (\$1.6m – \$2m) in the next 12 months



# Quarterly total revenue



**Total revenue up 56% on pcp**



## Collections seasonality

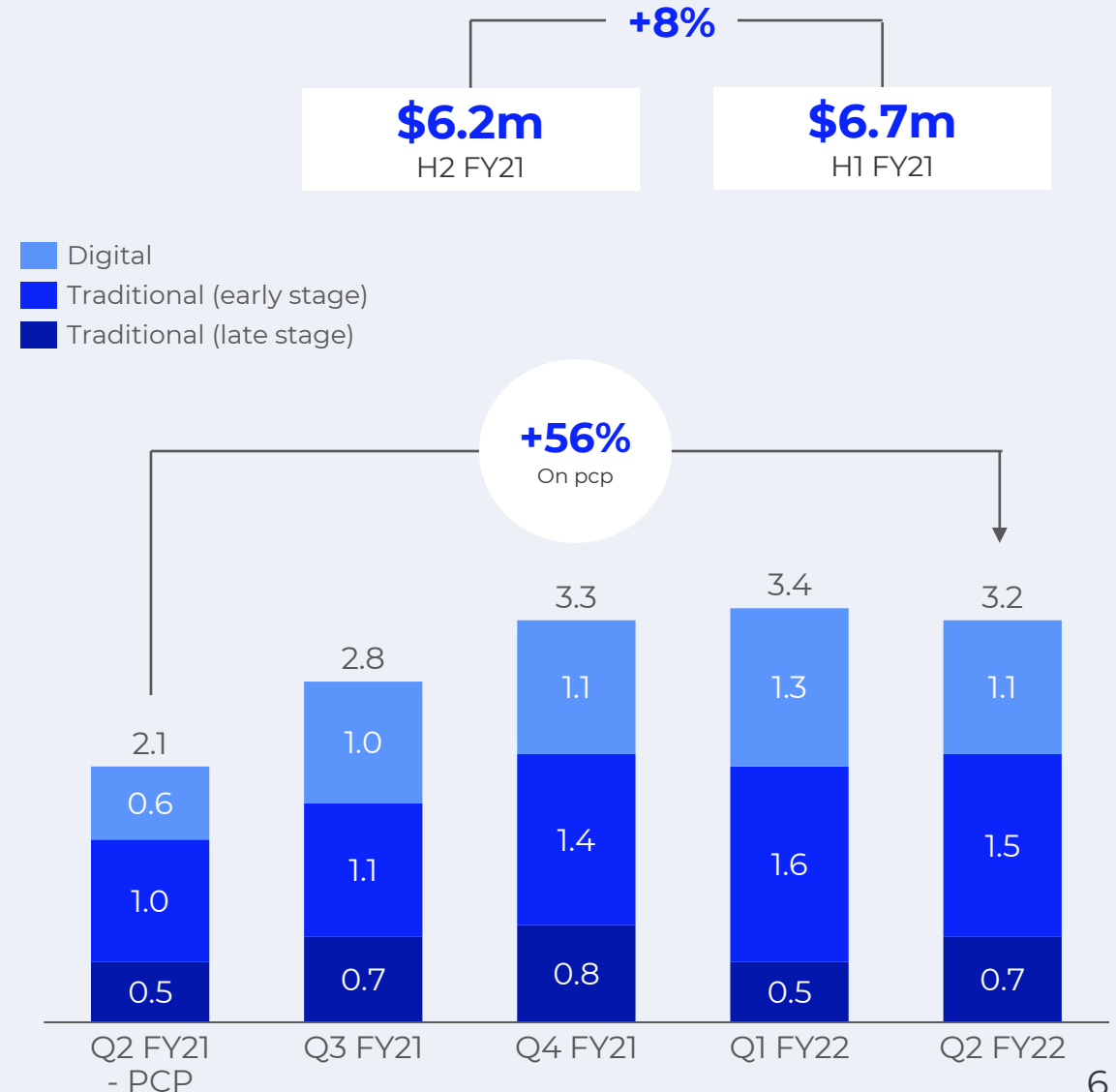
Slowdown of collections activity towards the end of the year consistent with historical seasonal trends (moving into the holiday period)



## Impact of COVID-19

Continued volatility and Omicron-related restrictions further contributing to slowdown in collection activity. The Company anticipates that the resulting consumer debt accumulation will drive increased volumes of activity in coming quarters.

## Total revenue (\$m)

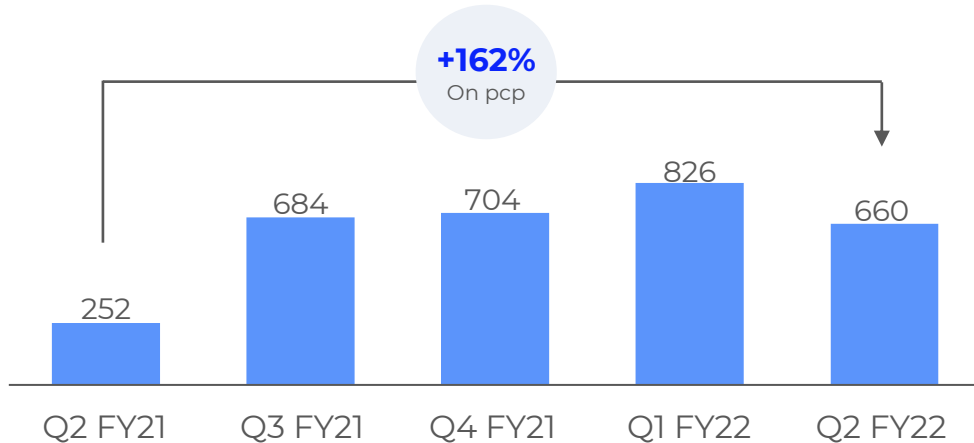


# Quarterly digital revenue

**Digital revenue up 85% on pcp**  
Supported by premier technology and an increased focus on traditional to digital conversion

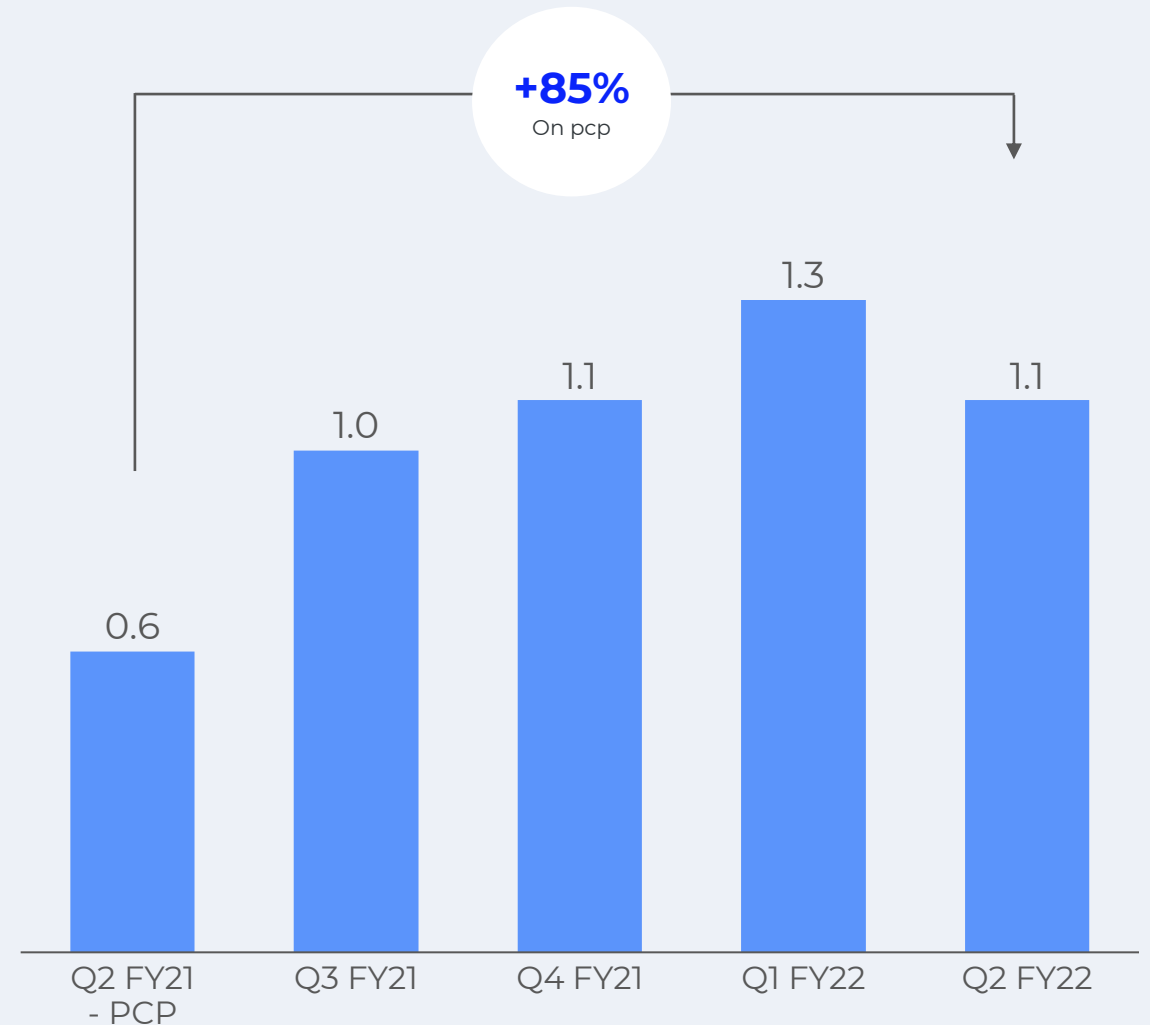
**Seasonality**  
Q2 FY22 collection activity suppressed due to seasonal fluctuations and ongoing COVID-19 impact.

## Traditional to digital conversion (\$000)



## Total digital revenue (\$m)

Digital





# ARMA – Acquisition rationale



## Accelerates revenue growth and profitability

- ✓ **Highly profitable** with \$6.4m normalised EBITDA in FY21 from \$15.5m revenue
- ✓ **Strong momentum** into Q1FY22 with \$2.6m EBITDA from \$4.8m revenue
- ✓ **Significant opportunity to convert** >65% of end-users to Credit Clear's digital platform



## Expands sales capacity and expertise

- ✓ Secures one of Australia's **leading DCA sales teams**
- ✓ Significantly **enhances national sales presence**, particularly in Sydney and regional NSW, and provides a beachhead into New Zealand



## Broadens customer base, reach and data assets

- ✓ **Additional 400+ customers** acquired across new industry sectors, diversifies exposure to key clients in existing sectors – Insurance and Utilities
- ✓ Accelerates capture of critical performance data to **optimise AI** and Machine Learning algorithms

# ARMA – Enhanced coverage and footprint

## 2 New ARMA Clients post acquisition

### Leading Fintech

A leading fintech with a global footprint has signed with ARMA to drive a hybrid collections strategy and improve collections rates

### Large Utility


A leading Australian utility company has engaged ARMA to manage its most vulnerable customers. The Utility is now one of ARMA's largest clients.

**Utilities**




Kleenheat  
westernpower  
BLUE NRG synergy  
Sumo  
agl

**Insurance**




IAL/IAG  
SUNCORP Hollard  
Gallagher Bassett

**Finance**



prospa  
money3  
Bendigo and Adelaide Bank  
SocietyOne  
Beyond Bank AUSTRALIA

**Water**




South East Water  
WATER CORPORATION  
SA Water Gippsland Water

**Automotive**



TOYOTA FINANCE AUSTRALIA  
BRIDGESTONE BMW

**Consumer**



Anytime Fitness  
Fitness First  
Foxtel  
Humm  
amaysim



## ARMA clients

**Other verticals**



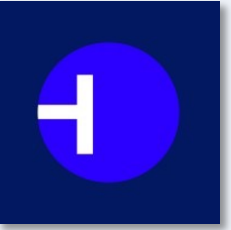
PUBLIC TRANSPORT VICTORIA PT  
tpg TELECOM coateshire  
Queensland Health seek  
Open Colleges Linkt  
OneSteel Healius  
TAFE NSW Tyco  
Wilson Parking

# ARMA – Combined group (FY21 illustrative)

Company			FY21 Pro-Forma
FY21 Revenue	\$11.0m	\$15.5m	\$26.5m
FY21 Gross profit	\$6.0m	\$7.3m	\$13.3m
FY21 EBITDA (normalised) <sup>3</sup>	(\$2.5m)	\$6.4m	\$3.9m
FY21 Pro-forma end users	359k <sup>2</sup>	279k	648k
Indicative net cash <sup>1</sup>			\$9.0m



# Progress towards **pilot launch with Techub**



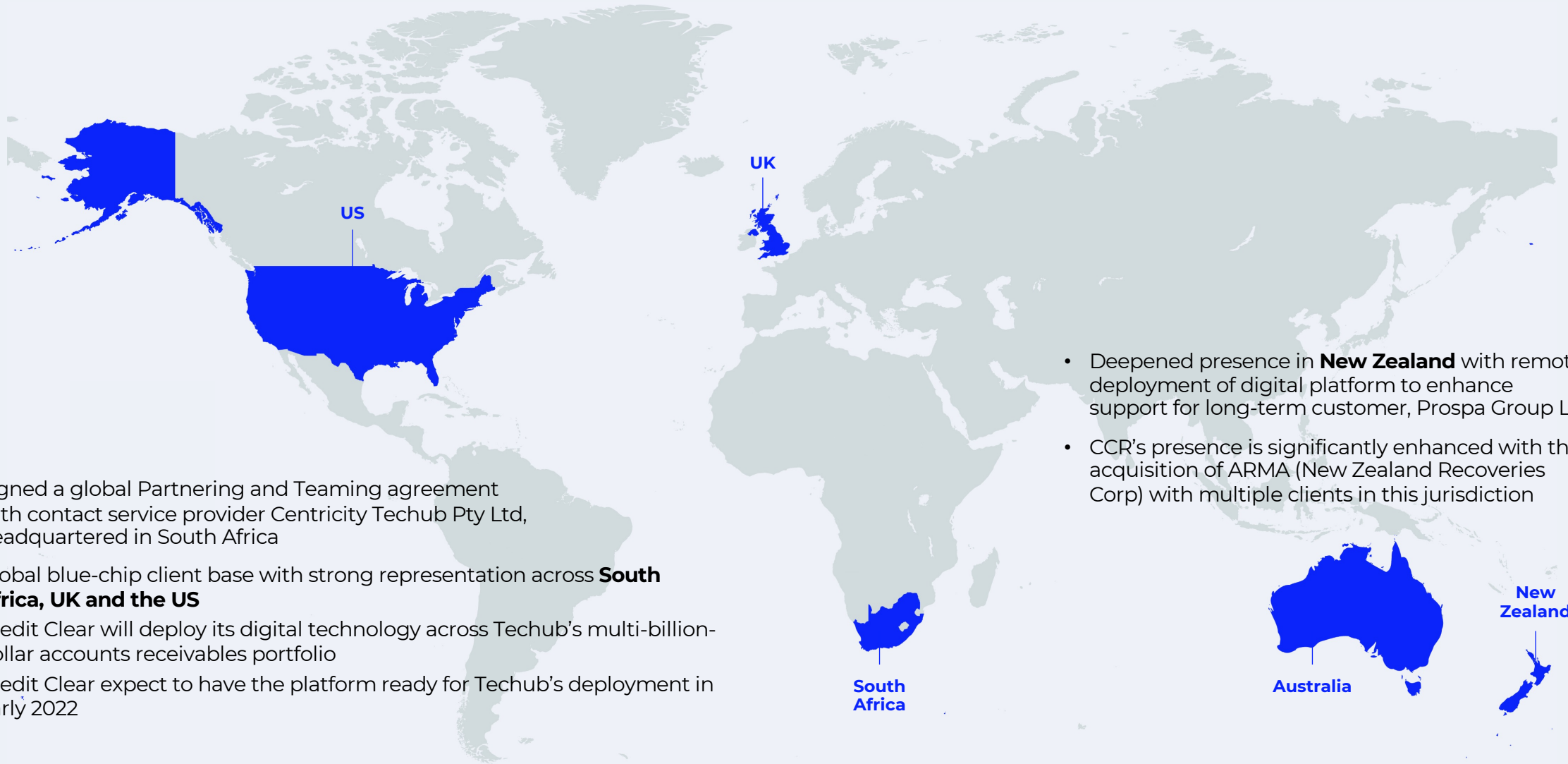
## Overview of Techub:

- Techub is a leading contact service provider headquartered in Johannesburg, South Africa
- Techub boasts a global client base with a particularly strong representation in the UK and US
- The total value of outstanding receivables across all of Techub's client portfolios is ~AUD\$1bn, providing significant opportunity for Credit Clear and its digital conversion strategy
- Blue chip customer base with strong representation in banking, insurance, utilities, retail and telecommunications sectors

## Partnership progress:

- Credit Clear is currently optimising its technology platform to be ready for Techub's deployment in **Q3 FY22**
- Credit Clear's digital platform will be remotely deployed from Melbourne, Australia – noting no local presence or office required in South Africa.

# International opportunities



- Signed a global Partnering and Teaming agreement with contact service provider Centricity Techub Pty Ltd, headquartered in South Africa
- Global blue-chip client base with strong representation across **South Africa, UK and the US**
- Credit Clear will deploy its digital technology across Techub's multi-billion-dollar accounts receivables portfolio
- Credit Clear expect to have the platform ready for Techub's deployment in early 2022

- Deepened presence in **New Zealand** with remote deployment of digital platform to enhance support for long-term customer, Prospa Group Ltd
- CCR's presence is significantly enhanced with the acquisition of ARMA (New Zealand Recoveries Corp) with multiple clients in this jurisdiction

# Strategic initiatives for long-term growth

1

## Accelerate Core Growth

- ✓ Increase client base
- ✓ Optimise through digital conversion
- ✓ Streamline onboarding

2

## Enhance Digital Capabilities

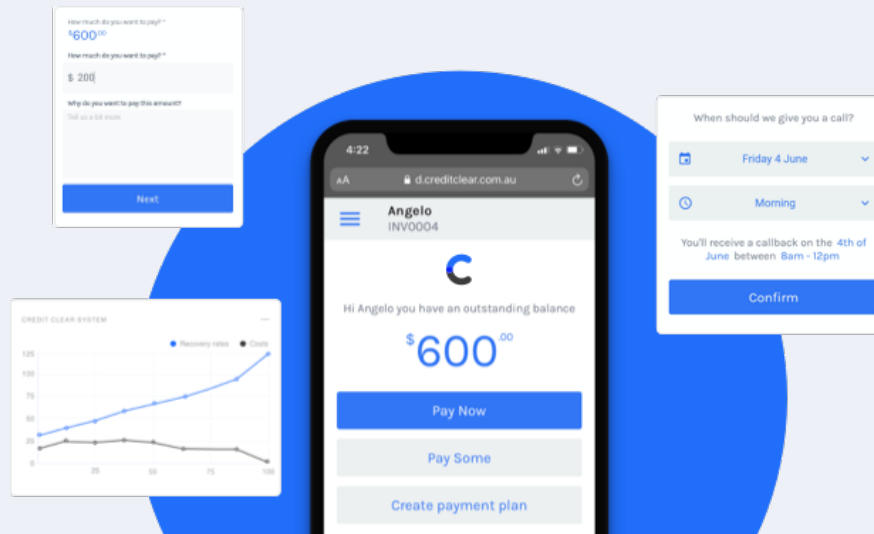
- ✓ AI and machine learning focus
- ✓ Continue to develop core product suite
- ✓ Strategy manager module (Optimiser)
- ✓ Insurance-specific platform

3

## Transformational Growth

Targeting international expansion:

- ✓ Exploring the **UK market**
- ✓ Assessing the **US market** in 2022
- ✓ Progressing partnership opportunities in other jurisdictions (**South Africa**)





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