

17 October 2022  
ASX Announcement

Q1 FY23 Quarterly Activity Report & Appendix 4C

## CASHFLOW POSITIVE QUARTER WITH RECORD REVENUE OF \$8.9M AND RECORD NEW CLIENTS SIGNED

### KEY HIGHLIGHTS:

- Cash flow positive quarter generating \$531k from operating activities
- Achieved record quarterly revenue of \$8.9m<sup>1</sup> in Q1FY23 up 162% on prior corresponding period (PCP)
- Annualised revenue run rate of \$35.6m based on Q1FY22 revenue
- Record new number of new clients signed with an expected \$3.4m in additional revenue over next 12 months
- Strong balance sheet with cash position of \$9.9m at bank
- The Company will provide a Shareholder and Investor Briefing today at 9.15am, please click [here](#) to join the briefing

Australian receivables management solution provider **Credit Clear Limited (ASX: CCR)** ("**Credit Clear**" or the "**Company**") is pleased to announce that it achieved a cash flow positive quarter in Q1FY23 generating \$531k from operating activities. The Company recorded revenue of \$8.9m, a record high up 162% PCP. The Company signed a record 99 new clients with an expected \$3.4m in additional revenue over the next 12 months.

### Cash flow positive

Credit Clear achieved its first cash flow positive quarter in Q1FY23 and generated \$531k from operating activities. The cash flow result is driven in part by the rapid growth in digital payments where higher gross margins exist. The Company received \$15.3m in digital payments during the quarter up 19% QoQ and 101% PCP. An ongoing focus on the identification and management of unprofitable revenue/clients and growth from existing clients has improved profitability, along with a disciplined cost management approach. Further cost savings and efficiencies from the integration of the Company's collection and legal businesses are expected to be realised this financial year.

### New business

A record 99 new clients were signed during the quarter up 66% QoQ that are expected to add \$3.4m to revenue in the next 12 months. As previously announced (6 October 2022), the Company has achieved success in the insurance industry in the past quarter, significantly expanding existing relationships and adding large new insurers as clients.

Total expect additional annual revenue from new clients since January 2022 is \$12.57m:

January – \$1.6m

February – \$1.5m  
March – \$2m  
April – \$2m  
May – \$1.5m  
June – \$580k  
July – \$1.17m  
August – \$418k  
September - \$1.8m

### **International update**

During the quarter good progress has been made in South Africa which is expected to ramp up activity in Q2 with the further deployment of the digital platform across significant portfolios of debt. In the UK there is encouraging progress with a potential JV partner with a large multinational BPO and associated collection agency.

### **Technology recognition**

Credit Clear has been awarded the “Best Use of AI by a Fintech” at the 7th Annual Australian Fintech Awards. It was the second year running that Credit Clear collected the award and recognition of the empirically base case studies demonstrating Credit Clear advanced use of AI in the collection industry.

This year’s submission to the Australian Fintech Awards was based on Credit Clear’s AI-driven software, which delivered a 35% uplift in collections for one of the largest Australian toll road operators in May and June 2022.

The Company was also named as an Insurtech Start-up of the Year finalist in the 2022 Australian and New Zealand Institute of Insurance and Finance (ANZIIF) industry awards for its digital third-party insurance claims system, developed in collaboration with a large Australian insurer.

The completely digital (no human contact) third-party collection solution has shown to improve engagement and collection rates as well as significantly reduce the time to recover and improve the customer experience for the insured third-party.

### **Board appointment**

As announced on 9 September Mr. Paul Dwyer has been appointed as a non-executive Director of the Company effective. Mr. Dwyer founded PSC Insurance Group (ASX: PSI) where he serves as a non-executive Director and Deputy Chairman, and brings exceptional insurance industry experience along with a proven track record in business acquisition, growth and international scaling.

### **Shareholder and investor briefing:**

Monday, 17 October at 9.15am.

Please click [here](#) to pre-register for the briefing.

ENDS

Notes:

1. Q1 revenue is provisional and unaudited
2. Operational profit excludes non-operational items
3. Revenue run rate is annualised on Q1FY23 actual revenue

This ASX announcement was approved and authorised for release by the Board of Credit Clear Limited.

**Investor and Media Enquiries:**

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**About Credit Clear**

Credit Clear Limited is an Australian technology Company that has developed a digital billing and communication platform that helps organisations drive smarter, faster, and more efficient financial outcomes by changing the way customers manage their repayments through a user experience that the market demands in a digital age, powered by award winning artificial intelligence.

Credit Clear manages customer accounts across a range of industries including transport, financial services, insurance, government, and utilities. The Company is based in Australia with headquarters in Melbourne and offices in Sydney, Brisbane, Adelaide, and Perth.

[www.creditclear.com.au](http://www.creditclear.com.au)