

A photograph of three people, a woman and two men, sitting at a table and looking at a laptop. The woman on the left is smiling and looking at the laptop. The man in the middle is also smiling and looking at the laptop. The man on the right is pointing at the laptop screen and smiling. They are all dressed in casual business attire.

Annual General Meeting

November 2016

DIRECTMONEY LIMITED (ASX: DM1)

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Chairman's Address

Company Overview

- Listed in 2015 (ASX: DM1)
- New Chairman as at September 2016 (and 3 New Board Members in FY16)
- New CEO as at October 2016
- Only listed marketplace/p2p lender in Australia
- 21 staff covering all key functions in place
- Approximately \$18m in loans written to date
- Approximately \$6m cash on hand, with approximately \$7m in loans on balance sheet
- Only marketplace/p2p lender in Australia with an active Retail Fund (now operating almost 2 years) – a significant competitive advantage, 7.7% return for FY16
- Foundation in place to create growth.

**DirectMoney is a pioneer
in the rapidly growing marketplace lending industry.
With a strong foundation now in place, the company is well positioned
to take advantage of the existing opportunity.**

Strategic Review

Review:

- Challenged funding strategy, causing performance impact.
- Poor management of the balance sheet, reducing available runway.
- Distribution model rather than fintech model reducing innate value.
- + Strong technology foundation with genuine competitive advantage.
- + Internal staff highly capable, but possibly not the right people in the right roles

Resulting Actions:

1. Change Leadership Team (start with Board Refresh and CEO).
2. Create runway and protect the balance sheet. Limited lending until loan funding deal closed.
3. Pivot funding strategy and establish diversified loan funding sources.
4. Leverage the significant technology capability with increased investment.
5. Invest in exceptional customer experience and operational efficiency.
6. Push the Retail Fund as it's a key competitive advantage.

Immediate Next Steps:

1. Continue building diversified loan facilities and re-commence lending trajectory.
2. Invest in UX/UI to enhance competitive edge in this space.
3. Introduce more revenue lines to leverage existing capabilities.
4. Strengthen Data Analytics, AI and Machine Learning Capability.
5. Improve Margin across the business with multiple levers.
6. Stronger focus on path to revenue growth that leads to profitability.



Chief Executive Officer Presentation

FY16 Company Highlights



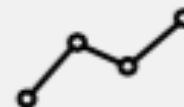
517 NEW LOANS
\$11.2M

+77% YOY



-5,400 NEW APPLICANTS
100% ONLINE

+30% YOY



\$1.2M REVENUE
10% OF LOAN VOLUME

+171% YOY



DIRECTMONEY PERSONAL
LOAN FUND

7.7%
return FY 2016



ACCESS TO 5,000+ BROKERS
500+ ACCREDITED BROKERS

50%
of loan volume



LOW PROVISIONS

0.4%
against new 2016 loans

- ✓ Unlisted MIS with an independent RE, One Managed Investments Funds Limited
- ✓ ASX-listed DirectMoney is the Fund manager. The Fund buys eligible, prime 3 and 5 year unsecured personal loans from DirectMoney
- ✓ Institutional credit quality – not payday loans, small amount credits or subprime
- ✓ Unit holders receive monthly distributions based on their share of the net return, after credit provision and fees, from the entire pool of loan assets in the Fund
- ✓ Minimum investment of \$10,000
- ✓ Redemptions available over 3 years, 1/36th per month

DirectMoney Personal Loan Fund*

An opportunity to participate in the returns generated by the large and profitable Australian consumer credit market.

ACTUAL RETURN %PA

7.7%^

TARGET RETURN

RBA+5.5%
Cash Rate

DISTRIBUTION FREQUENCY

Monthly

^ **Unaudited performance** - See full disclosure below for more details.

Past performance is not a reliable indicator of future performance. Investors should read the Product Disclosure Statement (PDS) to determine if the DirectMoney Personal Loan Fund (the Fund) is suitable for them. Investors should seek advice from an independent financial adviser.



Diverse Loan Portfolio

LOAN ASSETS UNDER MANAGEMENT

\$13.31 Million as of 30 June 2016



DM Owned	\$7.21M
DirectMoney Personal Loan Fund	\$0.66M
Noteholders (Non-recourse)	\$1.00M
Macquarie Bank	\$4.44M

AGE GROUP

41% of borrowers in the 35-49 age group



<25 Years	7%
25-34 Years	28%
35-49 Years	41%
50+ Years	24%

Australians are borrowing approximately \$32 billion of debt on credit cards at interest rates above 17%* and we think they can get a better deal.

DirectMoney provides a debt consolidation personal loan for borrowers with excellent credit at rates from 9.95%.

* Source: <https://www.moneysmart.gov.au/borrowing-and-credit/credit-cards/credit-card-debt-clock>

LOAN PURPOSE

43% of loans written for Debt Consolidation



● Debt Consolidation	43%
● Housing	25%
● Vehicle	17%
● Others	15%





Going Forward

FY17 so far..



\$5.3M Capital Raising, through rights issue, strengthening balance sheet. Limited lending to protect this, until loan funding deal was closed.



Strategic Review Completed. Series of recommendations have all been acted upon.



Board Refresh and new CEO. Compliments existing strong capabilities within the business.



Wholesale loan funding agreement signed by new team, demonstrating ability to execute against plan.



New loan funding sources have been identified, with significant opportunities for better terms and margins.



Credit Performance continues to exceed expectations.

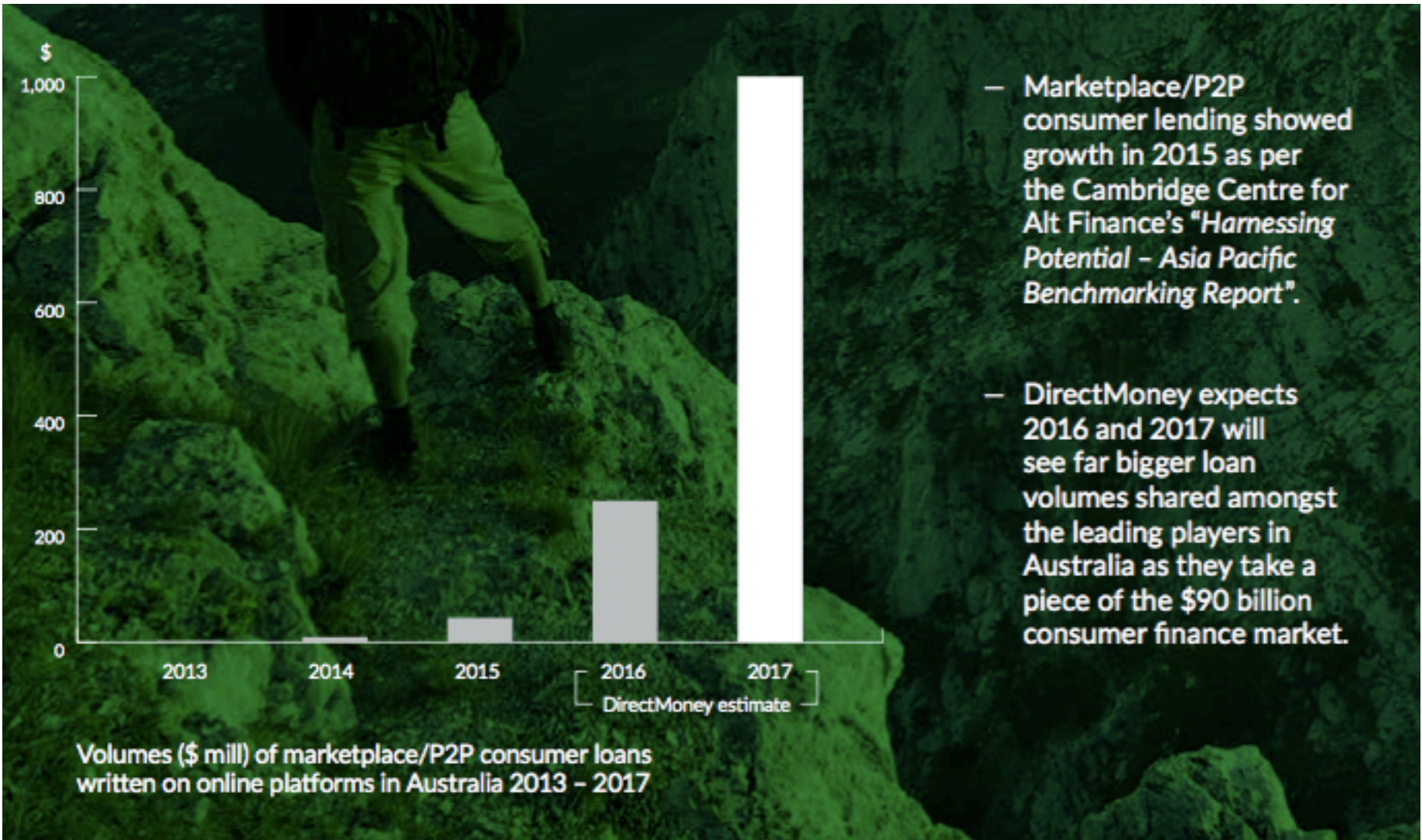


Exciting technology roadmap, as we continue to innovate this space



*We're a technology company
that happens to sell personal loans*

Australia is Poised for Significant Growth



Investment Summary



New leadership in place.
Execution and accountability
are key.



High growth business, set up to
seriously scale, with a proven model,
in a \$90b market.



**Strong balance sheet
management**, with strategic
direction to create runway.



**We have a competitive advantage
with our Retail Fund**, which has
delivered 7.7% returns for investors.



Funding in place to help support
growth with more loan funding
sources to follow.



**Credit performance, through our
proprietary platform**, since listing is
above expectations, with less than 2%
losses on a 2.5% target.



**Exceptional IT and Data
Analytics capability**, significantly
reduces costs as we grow, and
provides competitive edge.



Will continue to take market share
through our product offering, and
smart go-to-market strategy.

*We're in the right market, at the right time,
with the right technology and the right team...
and the foundation now in place to launch from.*