CREDIBLE LABS INC.
ARBN 621 866 813
(ASX: CRD)

ASX ANNOUNCEMENT
26 February 2018

APPENDIX 4E
FOR THE YEAR ENDED 31 DECEMBER 2017

Company Information
Current Reporting Period: For the year ended 31 December 2017
Previous Corresponding Period: For the year ended 31 December 2016

This information should be read in conjunction with the attached Annual Financial Report for the year ended 31 December 2017 for Credible Labs Inc. (**Company**) and its controlled entity, any public announcements made in the period by Credible Labs Inc. in accordance with the continuous disclosure requirements of the Corporations Act 2001 and Listing Rules.

Additional Appendix 4E disclosure requirements can be found in the attached Annual Financial Report which includes the Directors' Report (predominantly the Operating and Financial Review section) and the consolidated financial statements for the year ended 31 December 2017.

This report is based on the consolidated financial statements for the year ended 31 December 2017 of Credible Labs Inc. and its controlled entity, which have been audited by BDO. The Independent Auditor's Report provided by BDO is included in the consolidated financial statements for the year ended 31 December 2017.

Shares refer to fully paid shares of common stock in the capital of the Company.

Securities refer to CHESS Depositary Interests (**CDIs**) over ordinary shares of the company that are publicly traded on the Australian Securities Exchange (**ASX**).

25 CDIs represent 1 fully paid share in the Company.

Results for announcement to the market
In accordance with the ASX Listing Rule 4.3, the board and management of Credible Labs Inc. has enclosed an Appendix 4E for the year ended 31 December 2017.

		31 Dec 2017	31 Dec 2016
		USD$'000	**USD$'000**
Revenue from ordinary activities	Up 124% to	19,760	8,826
Loss from ordinary activities after tax attributable to shareholders	Up 596% to	(11,181)	(1,607)

		USD$	USD$
Net loss for the period per ordinary share	Up 346% to	(1.49)	(0.34)
Net loss for the period per CDI	Up 346% to	(0.06)	(0.01)

Refer to the attached Director's Report and Operating and Financial Review for commentary and explanation of results.

Net Tangible Assets per Security	**31 Dec 2017**	**31 Dec 2016**
Net Tangible Asset per Security USD$	0.25	0.05

Dividend Amount per Security

The Company did not pay any dividend for the fiscal years ended 31 December 2017 and 31 December 2016 and it is not proposed to pay any dividend.

Details of Entities Over Which Control Has Been Gained During the Period

On 14 September 2017 Credible Labs Inc. formed Credible Operations, Inc. (a Delaware registered US Corporation) and acquired 100% of the entity's ordinary shares for USD$250,001. During the year ended 31 December 2017 Credible Operations, Inc. had no revenue and a net loss of USD$99,352.

Accounting Standards

Credible Labs Inc. has prepared its financial statements in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (**AASB**).

Credible Labs Inc. and Subsidiary

BAN 0487439 (ARBN 621 866 813)

Consolidated Financial Statements

For the financial year ended 31 December 2017

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Credible Labs Inc. and Subsidiary

BAN 0487439

Directors' Report

For the financial year ended 31 December 2017

The Board of Directors of Credible Labs Inc. (the "Company") present their report, together with the financial statements on the consolidated entity (referred to hereafter as the "Consolidated Entity", "Credible" or "the Group") consisting of the Company and subsidiary for the financial year ended 31 December 2017.

1. General information

Directors

The names of the Directors in office at any time during the financial year and up to the date of this report are as follows:

Stephen Dash (date appointed 21 November, 2012)
Dean Dorrell (date appointed 18 September, 2015)
Soulaimane Htite (date appointed 18 September, 2015; date resigned 24 April, 2017)
Ruirong Yang (date of appointment 24 April, 2017)
Ron Suber (date appointed 25 July, 2017)
Annabelle Chaplain (date appointed 6 December, 2017)

Company Secretary

The Company Secretary from the commencement of the year and up to the date of this report is Stephen Dash.

Principal Activities

Credible Labs Inc. was incorporated on 20 November 2012 as a corporation in the state of Delaware, United States of America ("USA"). The Company operates an online marketplace that allows consumers to receive financial product offers from financial institutions. The Company was formerly known as Stampede Labs Inc. and changed its name to Credible Labs Inc. in December 2013. No significant change in the nature of these activities occurred during the financial year.

Presentational currency

The functional and presentation currency of the Group is United States Dollars ("US dollars"). The financial report is presented in US Dollars, rounded to the nearest dollar. All references to dollars, cents or $'s in these financial statements are in US currency, unless otherwise stated.

State of Incorporation

The Company is incorporated in the State of Delaware, United States of America. As a foreign company registered in Australia, the Company is subject to different reporting and regulatory regimes than Australian companies.

2. Business review

Operating results

The loss of the Group after providing for income tax amounted to $11,181,127 (FY2016: $1,606,966).

Review of operations

Initial Public Offering

During the financial year ended 31 December 2017 ("FY2017"), Credible successfully completed its Initial Public Offering of securities (IPO) and was admitted to the official list of the Australian Securities Exchange ("ASX") on 8 December 2017 AEST. The Company issued 42,881,650 new CHESS Depositary Interests ("CDIs") over shares of common stock (ordinary shares) at an issue price of AUD$1.21 per CDI (with the ratio of CDIs per Share being 25 CDIs to every 1 Share) to raise AUD$51.9 million. The IPO proceeds (net of listing related costs) are being invested in supporting the Company's growth.

Revenue Model

The Credible Marketplace allows consumers to receive and accept financial product offers from financial institutions ("Credible Marketplace", or "Marketplace" when referring to a single product marketplace). Currently, the financial products offered on the Credible Marketplace include private student loans, student loan refinancing, personal loans and credit cards. Credible generates fee revenue from financial institutions that offer financial products on the Credible Marketplace. Fee revenue is generally based on aggregate underlying loan volume of financial products originated through Credible ("Closed Loan Volume") for private student loan origination, student loan refinancing and personal loans, and the number of credit cards originated through the Credible Marketplace.

Business Update

The growth in revenue over the FY2016 period is primarily due to the increase in Closed Loan Volume across private student loan origination, student loan refinancing and personal loan products. Over time, Closed Loan Volume growth has been driven by a combination of organic growth, increased marketing spend, broadening underwriting criteria of existing financial institutions and the addition of new financial institutions and financial products to the platform. Credible launched a pilot marketplace offering of credit card products on 1 August 2017. Revenue grew roughly in line with Closed Loan Volume with both revenue and Closed Loan Volume having experienced significant growth in 2017, in line with increased marketing spend to drive consumers to the Credible Marketplace.

The increase in gross profit over FY2016 was driven by the growth in revenue, however this was somewhat offset by the associated increase in cost of sales. In FY2017, gross profit margins decreased due to a focus on market share expansion via an increased investment in direct sales and marketing, which increased the cost of sales relative to FY2016. The gross profit margin in FY2017 reflects a continued investment in sales and marketing activities, increased investment in new marketing channels (e.g. TV), and investment in the marketing of less mature Marketplaces (e.g. personal loans and credit cards).

Employee benefit expenses predominantly consists of wages and salaries. Increases over FY2016 were primarily driven by the growth in the number of employees, excluding capitalised employee costs (engineering, product and design employees). Excluding engineering, product and design employees, there were 23 full time employees as at 1 January 2016 and this number increased to 60 employees as at 31 December 2017. These investments have included the addition of executives and senior leadership, including Chief Marketing Officer, Vice President of Engineering, General Counsel, Senior Director of People Operations and Director of Performance Marketing.

Administrative Expenses predominantly consist of rent, data integrations with credit bureaus and office-related expenses. There was no material change in rent expense over FY2017 as compared to FY2016. The costs associated with data integration with credit bureaus, which enable Credible to provide pre-qualified rates to consumers, increased due to the growth in the number of users requesting pre-qualified rates on the Credible Marketplace. The increase in office-related expenses was primarily driven by the increase in headcount.

The increase in non-direct marketing expenses over FY2016 was primarily driven by the increase in the use of marketing consultants associated with the rise in sales and marketing activities. The marketing expenses over FY2017 reflect a continued investment in sales and marketing activities which are expected to drive brand value and Closed Loan Volume growth in future periods.

Depreciation is a non-cash item that relates to the depreciation of computer and office equipment. Amortisation is a non-cash item that relates to the amortisation of capitalised development costs, domain names, trademarks and other intellectual property. The depreciation and amortisation expense over FY2017 primarily reflects continued investment in technology development, translating into an increased internally-generated intangible asset base and higher amortisation.

Finance expenses relate to interest accrued with respect to outstanding convertible note instruments. The convertible notes had a conversion feature, which is classified as an embedded derivative and is measured at fair value. Movements in the fair value of the derivative are reflected in the statement of profit and loss and other comprehensive income. Shortly before completion of Credible's IPO, the convertible notes, along with accrued interest and the derivative liability, were converted into ordinary shares and the fair value loss associated with that conversion recorded in the income statement.

Dividends paid or recommended

The Company has not declared or distributed any dividends during the financial year (FY2016: $Nil).

Operating performance

For the year ended 31 December 2017, an underlying loss from normal operations excluding one off expenses of ($5,496,017) was recorded (2016: $1,598,479). The Group's statutory loss recorded for the period is ($11,181,127) (2016: $1,606,966).

The following table summarises key reconciling items between the Group's underlying profit and statutory profit after tax:

	FY2017 US$	FY2016 US$
Underlying loss before tax	(5,496,017)	(1,598,479)
Share-based payment expense	(380,680)	(8,487)
Fair value loss on derivative	(3,427,403)	-
Interest expense on convertible notes	(283,521)	-
Initial public offering expenses	(1,593,506)	-
Statutory loss attributable to members before tax	(11,181,127)	(1,606,966)
Income tax expense	-	-
Statutory loss attributable to shareholders after tax	(11,181,127)	(1,606,966)

3. Other items

Significant changes in state of affairs

As noted above, on 8 December, 2017 AEST the Company completed an IPO in which it sold 42,881,650 CDI's (equivalent to 1,715,266 ordinary shares) and raised AUD$51,886,797 (equivalent to US$38,986,442). The Company also converted all preference shares and convertible notes into ordinary shares.

Events after the reporting date

Other than the lease renewal disclosed in Note 15, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

Corporate governance statement

Please see the following URL of the company's website where the corporate governance polices are located.

https://www.credible.com/investors/

Environmental regulations

The Directors do not consider that there are any significant environmental regulations which apply to the Group.

Share Options

Credible has a share-based compensation plan under which share options are granted to employees and Key Management Personnel ("KMP's") with exercise prices equal to market prices of the underlying shares on the date of grant. Grants are approved by the Board of Directors. Details of the outstanding share options granted under the employee share option plan are disclosed in Note 19.

Securities on issue

The company had the following securities on issue as at 31 December 2017:

Category	Common Stock	CDI Equivalent
Ordinary Shares	9,633,368	240,834,200
Restricted shares	489,505	12,237,625
Options	696,182	17,404,550

The company had the following securities on issue as at 31 December 2016:

Category	Common Stock	CDI Equivalent
Ordinary Shares	4,797,883	119,947,075
Preference Shares	2,532,272	63,306,800
Restricted shares	421,717	10,542,925
Options	54,173	1,354,325

Substantial Shareholders

Substantial shareholders as of 31 December 2017 are as follows:

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
Stephen Dash	4,408,798	43.6%

Indemnifying Officers or Auditors

No indemnification has been requested or triggered during or since the end of the financial years, for any person who is or has been an officer or auditor of the Company.

Proceedings on Behalf of Company

No material legal claims have been brought against the Company or by the Company during the relevant time period.

Non-audit services

The following fees for non-audit services were paid to the external auditors, BDO East Coast Partnership, and their affiliated entities during the year ended 31 December 2017 by the Group:

Service	FY2017 US$	FY2016 US$
Due diligence services related to initial public offering	103,610	-
Total	103,610	-

Credible Labs Inc. and Subsidiary

BAN 0487439

Directors' Report

For the financial year ended 31 December 2017

Signed in accordance with a resolution of the Board of Directors:

……………………………
Stephen Dash
Founder and CEO
San Francisco, 25 February 2018 PST (26 February 2018 AEST)

Credible Labs Inc. and Subsidiary

BAN 0487439 (ARBN 621 866 813)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 December 2017

	Notes	FY2017 US$	FY2016 US$
Revenue		19,760,454	8,825,545
Cost of sales		(14,006,852)	(4,422,648)
Gross profit		5,753,602	4,402,897
Other income		69,428	1,900
Employee benefit expenses	2(b)	(6,588,205)	(2,991,654)
Administrative expenses		(3,324,988)	(2,222,167)
Marketing expenses		(974,900)	(249,350)
Depreciation and amortisation	2(a)	(796,604)	(524,549)
Other expenses	2(a)	(1,608,536)	(24,043)
Finance costs	2(a)	(283,521)	-
Fair value loss on derivative	9	(3,427,403)	-
Loss before income tax		(11,181,127)	(1,606,966)
Income tax expense		-	-
Loss for the year		(11,181,127)	(1,606,966)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(11,181,127)	(1,606,966)

		US$	US$
Earnings / (loss) per share attributable to the owners of Credible Labs Inc.			
Basic and diluted earnings / (loss) per share	14	(1.49)	(0.34)
Basic and diluted earnings / (loss) per CDI	14	(0.06)	(0.01)

The accompanying notes form part of the financial statements.

Credible Labs Inc. and Subsidiary

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Consolidated Statement of Financial Position

As at 31 December 2017

	Notes	FY2017 US$	FY2016 US$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	43,916,298	14,115,349
Trade and other receivables	4	2,881,143	2,742,673
Other assets	5	752,075	380,079
TOTAL CURRENT ASSETS		47,549,516	17,238,101
NON-CURRENT ASSETS			
Other assets	5	132,719	-
Plant and equipment	6	131,003	112,351
Intangible assets	7	3,535,113	1,991,761
TOTAL NON-CURRENT ASSETS		3,798,835	2,104,112
TOTAL ASSETS		51,348,351	19,342,213
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	1,743,761	912,803
TOTAL CURRENT LIABILITIES		1,743,761	912,803
NON-CURRENT LIABILITIES			
Borrowings	9	-	10,000,000
TOTAL NON-CURRENT LIABILITIES		-	10,000,000
TOTAL LIABILITIES		1,743,761	10,912,803
NET ASSETS		49,604,590	8,429,410
EQUITY			
Issued capital	13	64,586,643	12,611,016
Reserves	26	389,167	8,487
Accumulated losses		(15,371,220)	(4,190,093)
TOTAL EQUITY		49,604,590	8,429,410

The accompanying notes form part of the financial statements.

Credible Labs Inc. and Subsidiary

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Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2017

	Note	Issued Capital US$	Share-based payments reserve US$	Accumulated Losses US$	Total US$
Balance at 1 January 2016		**12,612,339**	**-**	**(2,583,127)**	**10,029,212**
Loss for the year		-	-	(1,606,966)	(1,606,966)
Other comprehensive income for the year, net of tax		-	-	-	-
Total comprehensive income for the year		-	-	(1,606,966)	(1,606,966)
Transactions with owners in their capacity as owners:					
Issue of shares during the year		-	-	-	-
Repurchase of shares during the year	13	(1,323)	-	-	(1,323)
Share-based payments		-	8,487	-	8,487
Balance at 31 December 2016		**12,611,016**	**8,487**	**(4,190,093)**	**8,429,410**
Loss for the year		-	-	(11,181,127)	(11,181,127)
Other comprehensive income for the year, net of tax		-	-	-	-
Total comprehensive income for the year		-	-	(11,181,127)	(11,181,127)
Transactions with owners in their capacity as owners:					
Issue of shares during the year	13	52,839,298	-	-	52,839,298
Repurchase of shares during the year	13	(18)	-	-	(18)
Share-based payments		-	380,680	-	380,680
Capital Raising Costs		(863,653)	-	-	(863,653)
Balance at 31 December 2017		**64,586,643**	**389,167**	**(15,371,220)**	**49,604,590**

The accompanying notes form part of the financial statements.

Credible Labs Inc. and Subsidiary

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Consolidated Statement of Cash Flows

For the financial year ended 31 December 2017

	Note	FY2017 US$	FY2016 US$
Cash from operating activities:			
Receipts from customers		19,523,659	6,498,485
Payments to suppliers and employees		(24,067,078)	(9,289,616)
Interest received		22,596	1,900
Net cash used in operating activities	18	(4,520,823)	(2,789,231)
Cash flows from investing activities:			
Purchase of plant and equipment		(104,887)	(121,368)
Payments for intangible assets		(2,253,721)	(1,464,446)
Refund of security deposit		41,902	-
Net cash used in investing activities		(2,316,706)	(1,585,814)
Cash flows from financing activities:			
Proceeds from borrowings		100,000	9,900,000
Proceeds from issue of shares		38,995,655	-
Transaction costs on issue of shares		(2,457,159)	-
Repurchase of shares		(18)	(1,323)
Net cash provided by financing activities		36,638,478	9,898,677
Net increase in cash and cash equivalents		29,800,949	5,523,632
Cash and cash equivalents at beginning of year		14,115,349	8,591,717
Cash and cash equivalents at end of year	3	43,916,298	14,115,349

The accompanying notes form part of the financial statements.

1. Summary of significant accounting policies

(i) General Information

Credible Labs Inc. is a Company incorporated and domiciled in the United States of America. Credible Operations, Inc. is a Company incorporated and domiciled in the United States of America and is a wholly owned subsidiary of Credible Labs Inc. The functional and presentation currency of Credible Labs Inc. and Subsidiary is US dollars. The consolidated financial statements were authorised for issue on 25 February 2018 PST (26 February 2018 AEST).

The registered office and principal place of business of the Group is:

101 Green Street Floor 2
San Francisco, CA 94111
United States of America

(ii) Basis of preparation

These general purpose consolidated financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB"), as appropriate for-profit oriented entities. Material accounting policies adopted in the preparation of these consolidated financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. All amounts are presented in US dollars, unless otherwise noted.

(iii) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent company Credible Labs Inc. and its subsidiary. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Company's subsidiary is Credible Operations, Inc.

The assets, liabilities and results of the subsidiary are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

(iv) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. All assets are depreciated over their expected useful lives. Plant and equipment are depreciated on a straight-line basis over the asset's expected useful life commencing from the time the asset is ready for use. Depreciation is recognised so as to write off the cost less their residual values over their useful lives, using the straight-line method or the reducing balance method for assets likely to incur accelerated use or obsolescence. The estimated useful lives, residual values and depreciation method are reviewed at the end of each financial period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives used for each class of depreciable assets are:

Office Equipment	5 years
Computer Equipment	3 years

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

(v) Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred, unless such expenditure results in an internally-generated intangible asset, in which case it is recognised as a capital expenditure.

An internally- generated intangible asset arising from software development is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Amortisation starts when the asset is complete and ready for use.

The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Expected useful life of 3-5 years is used for internally generated intangible assets and the expected useful life of 15 years is used for domain names, trademarks and IP transactions.

(vi) Impairment of Assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

(vii) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(viii) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint ventures as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

(iv) Derivative financial instruments

Derivatives are recognised at fair value at the date the contract is entered into and subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in the statement of profit or loss and other comprehensive income immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing of the recognition in the statement of profit or loss and other comprehensive income depends on the nature of the hedge relationship. The fair value of a derivative is presented as a non-current asset or liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities. The Group does not designate any derivatives as effective hedging instruments.

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the contracts are not measured at fair value through profit or loss.

(v) Preference shares

Preference share capital is classified as equity if it is non-redeemable or redeemable only at the discretion of the parent company, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity upon declaration by the directors.

Preference share capital is classified as a liability if it is redeemable on a set date or at the option of the shareholders, or where the dividends are mandatory. Dividends thereon are recognised as interest expense in profit or loss.

(vi) Impairment

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a “loss event”) having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

(vii) Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(ix) Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, and annual leave, when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured at the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to reporting date.

(x) Income Tax

Current tax
Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences cannot be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset is to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period
Current and deferred tax is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(xi) Capital Risk Management

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital include ordinary share capital and financial liabilities, supported by financial assets.

The Group is not subject to any externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels and share issues.

On 7 December 2017 the Company completed its initial public offering. Related thereto $10,000,000 in convertible notes were converted into ordinary shares of the Company, essentially eliminating all debt other than trade payables.

(xii) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held-at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(xiii) Revenue

Revenue is recognised when it is probable that the economic benefit will flow to the entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

The Company operates an online marketplace that allows consumers to receive financial product offers from financial institutions. In return for providing these services entered into by consumers through the online marketplace, the lender pays the Company a fee with revenue recognised for the service upon disbursement of the loan.

(xiv) Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial period where required by accounting standards or as a result of a change in accounting policy.

(xv) Trade and other receivables

Allowance for doubtful accounts is calculated based on the aging of the Group's accounts receivable, historical experience, current and future short-term business conditions and management judgment. The Group writes off accounts receivable against the allowance when the Group determines a balance is uncollectible and no longer actively pursues collection of the receivable.

(xvi) Trade payables

Trade and other payables are stated at cost, which approximates fair value due to the short-term nature of these liabilities. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of those goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(xvii) Interest-bearing borrowings

Interest-bearing borrowings are initially recognised at fair value less any related transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost. Any difference between cost and redemption value is recognised in the statement of profit or loss and other comprehensive income over the entire period of the borrowings on an effective interest basis.

Interest-bearing borrowings are classified as current liabilities unless the Group has an unconditional right to defer the settlement of the liability for at least twelve months from the balance sheet date.

(xviii) Foreign Currency Transactions and Balances

The financial statements of the Group are presented in the currency of the primary economic environment in which the Company operates i.e., US dollars (functional currency).

(xix) Compound instruments

The component parts of compound instruments (convertible notes) issued by the Group are classified separately as financial liabilities in accordance with the substance of the contractual arrangements and the definitions of a financial liability. Refer to Note 9 for further details in respect to the Group's convertible notes on issue.

(xx) Critical Accounting Judgements and Estimates

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and within the Group. Significant judgements, estimates and assumptions made by the Group in the preparation of these financial statements are outlined below.

(i) Estimation of useful lives

The estimation of useful lives of assets has been based on historical experience for plant and equipment. In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life.

(ii) Impairment of Intangible assets

Determining whether intangible assets are impaired requires an estimation of the value in use of the cash-generating units to which the intangible asset has been allocated. The value in use calculation requires the Directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of intangible assets in the Statement of Financial Position at the end of the respective financial years for the Company is detailed in Note 7 with no impairment loss being recognised.

(iii) Share-based payment transactions

Equity-settled share-based payments to employees and others providing similar services are measured at fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled transactions are set out in Note19.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods and services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any change in fair value recognised in the profit or loss for the period.

(iv) Fair value measurement

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The Board of Directors of the Group and the Chief Executive Officer determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market – observable data to the extent it is available.

The Chief Executive Officer reports the findings to the board of Directors of the Group to explain the cause of fluctuations in the fair value of the assets and liabilities.

(xxi) New and revised AASBs affecting amounts reported and/or disclosures in the financial statements

In the current year, the Group has applied a number of amendments to AASBs and a new Interpretation issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2017, and therefore relevant for the current year end.

The application of these amendments does not have any material impact on the disclosures or on the amounts recognised in the Group's financial statements.

(xxii) New Accounting Standards and Interpretations not yet mandatory or early adopted

The following Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet mandatory and have not been early adopted by the Group for the annual reporting period ended 31 December 2017. This list is not complete, however, it represents the key standards applicable to the Group.

AASB 9*: Financial Instruments*	This standard is applicable to annual reporting years beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and relate solely to principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income (OCI). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an expected credit loss (ECL) model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The Group will adopt this standard from 1 January 2018 and will continue to evaluate the overall impact of AASB 9 during the forthcoming period.
AASB 15: *Revenue from Contracts with Customers*	When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers. The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process: • identify the contract(s) with a customer; • identify the performance obligations in the contract(s); • determine the transaction price; • allocate the transaction price to the performance obligations in the contract(s); and • recognise revenue when (or as) the performance obligations are satisfied. The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue. The Group will adopt this standard from 1 January 2018 and will continue to evaluate the overall impact of AASB 15 during the forthcoming period.

AASB 16: *Leases*	This standard is applicable to annual reporting years beginning on or after 1 January 2019. When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases. The main changes introduced by the new Standard are as follows: • recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets); • depreciation of right-of-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components; • inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date; • application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and • inclusion of additional disclosure requirements. The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application. The Group will adopt this standard from 1 January 2019 and will continue to evaluate the overall impact of AASB 16 during the forthcoming period.

	FY2017 US$	FY2016 US$

2. Loss for the Year

The loss for the year includes the following specific expenses:

	FY2017 US$	FY2016 US$
(a) Expenses		
Amortisation expense	710,369	497,377
Depreciation	86,235	27,173
	796,604	518,550
Rental expense on operating leases	749,835	829,464
Finance costs	283,521	-
Other expenses:		
IPO transaction costs	1,593,506	-
Other	15,030	-
	1,608,536	-

Total transaction costs incurred as part of the IPO were $2,457,159. The costs directly attributable to issuing of ordinary shares as part of the IPO of $863,653 have been deducted from equity as disclosed in Note 13.

	FY2017 US$	FY2016 US$
(b) Employee benefit expenses		
Share-based payment expense	380,680	8,487
Salaries and wages	5,488,355	2,794,308
Other employee benefits	719,170	188,859
Total employee benefits expense	6,588,205	2,991,654

In addition to the above, total employee costs capitalized to software development intangible asset were $1,713,596 (2016: $1,441,944).

3. Cash and Cash Equivalents

	FY2017 US$	FY2016 US$
Cash at bank	43,916,298	14,115,349
Total cash and cash equivalents	43,916,298	14,115,349

4. Trade and other receivables

	FY2017 US$	FY2016 US$
CURRENT		
Trade receivables	2,881,143	2,480,807
Other receivables	-	261,866
Total trade and other receivables	2,881,143	2,742,673

The Group has made no provision for impairment of trade receivables based on prior history of fully collecting all trade receivables.

The Group's financial institution partners represent its trade receivables at 31 December 2017. All balances are within their terms of trade. There are no guarantees against these receivables but management closely monitors credit worthiness of its partners as well as the receivable balances and collections on a monthly basis to mitigate any risk. The class of assets described as "trade receivables" is considered to be the main source of credit risk related to the Group.

On a geographical basis, the Group has significant credit risk exposures in the United States of America given the substantial operations in this country. The Group's exposure to credit risk in this region at the end of the reporting period is $2,881,143 (2016: $2,742,673).

	FY2017 US$	FY2016 US$
5. Other assets		
CURRENT		
Prepaid expenses	503,238	93,810
Other	(530)	-
Security deposits	249,367	286,269
Total other assets	752,075	380,079
LONG TERM		
Note receivable from KMP (refer to Note 22)	132,719	-

6. Plant and equipment

	FY2017 US$	FY2016 US$
Computer equipment – at cost	160,851	65,095
Less: Accumulated depreciation	(72,107)	(8,167)
	88,744	56,928
Office equipment – at cost	88,146	79,015
Less: accumulated depreciation	(45,887)	(23,592)
	42,259	55,423
Total plant and equipment	131,003	112,351

Movements in the carrying amounts for each class of plant and equipment between the beginning and end of the financial year:

	Computer Equipment US$	Office Equipment US$	Total US$
At January 2016, net of accumulated depreciation	-	18,156	18,156
Additions	65,095	56,273	121,368
Disposals	-	-	-
Depreciation expense	(8,167)	(19,006)	(27,173)
At December 2016, net of accumulated depreciation	56,928	55,423	112,351
Additions	95,756	9,131	104,887
Disposals	-	-	-
Depreciation expense	(63,940)	(22,295)	(86,235)
At December 2017, net of accumulated depreciation	88,744	42,259	131,003

7. Intangible assets

Intangible assets, other than goodwill, have finite useful lives. The current amortisation charges for intangibles assets are included under depreciation and amortisation expense per the statement of profit or loss and other comprehensive income. Goodwill has an indefinite useful life. As of 31 December 2017 the Group has nil goodwill.

Costs that are directly associated with the development of software are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Software development costs that meet the above criteria are capitalised. Other development expenditure that does not meet the above criteria is recognised as an expense as incurred. Development costs previously recognised as expenses are not recognised as assets in a subsequent period. Software development costs recognised as assets are amortised over their estimated useful lives.

Other intangible assets acquired are initially measured at cost. Internally generated assets, excluding capitalised software development costs, are not capitalised and are recognised in the Income Statement when the expenditure is incurred.

The Group's intangible assets are assessed to be finite. Assets with finite lives are amortised over their useful lives and tested for impairment whenever there are indications that the assets may be impaired.

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of the recoverable amount. Where the carrying value of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The recoverable amount is the greater of fair value less costs to sell or the asset's value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

An impairment loss is recorded if its recoverable amount is less than its carrying amount. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate.

Amortisation is recognised in the Income Statement on a straight-line basis over the estimated useful life of the intangible asset, from the date it is available for use. The estimated useful lives are as follows:

Capitalised software costs	3-5 years
Intellectual property	15 years
Patents, domains and trademark costs	15 years

	FY2017 US$	FY2016 US$
Domain name		
At cost	45,000	45,000
Accumulated amortisation	(15,000)	(12,000)
Total Domain name	30,000	33,000
Software development		
At cost	4,857,048	2,603,327
Accumulated amortisation	(1,362,595)	(656,193)
Total software development	3,494,453	1,947,134
Trademarks		
At cost	3,840	3,840
Accumulated amortisation	(1,169)	(913)
Total trademarks	2,671	2,927
Intellectual property		
At cost	10,664	10,664
Accumulated amortisation	(2,675)	(1,964)
Total Intellectual property	7,989	8,700
Total intangible assets	3,535,113	1,991,761

Movements in the carrying amounts for each class of intangible between the beginning and end of the financial year:

	Software Development US$	Domain Name US$	Trademark US$	Intellectual Property US$	Total US$
At January 2016, net of accumulated amortisation	976,098	36,000	3,183	9,411	1,024,692
Additions	1,464,446	-	-	-	1,464,446
Disposals	-	-	-	-	-
Amortisation expense	(493,410)	(3,000)	(256)	(711)	(497,377)
At December 2016, net of accumulated amortisation	1,947,134	33,000	2,927	8,700	1,991,761
Additions	2,253,721	-	-	-	2,253,721
Disposals	-	-	-	-	-
Amortisation expense	(706,402)	(3,000)	(256)	(711)	(710,369)
At December 2017, net of accumulated amortisation	3,494,453	30,000	2,671	7,989	3,535,113

8. Trade and other payables

	FY2017 US$	FY2016 US$
CURRENT		
Unsecured liabilities		
Trade payables	1,288,168	593,826
Other payables	455,593	318,977
	1,743,761	912,803

Refer to Note 24 for information on financial instruments.

9. Borrowings

	FY2017 US$	FY2016 US$
NON-CURRENT		
Convertible notes	-	10,000,000
	-	10,000,000

In December 2016 the Company issued $10,000,000 convertible notes to 32 investors. The convertible notes pay a coupon of 3% per annum and are convertible to preference shares at maturity of 31 December 2018 or, at a prior date if the Company undertakes a transaction that would result in earlier conversion based on the terms of the convertible note.

The number of preference shares to be issued at settlement is variable based on maturity or, on the market price of applicable equity securities on conversion.

The convertible notes are treated as financial liabilities, comprising a host loan and a conversion feature classified as an embedded derivative. The host loan has been initially recognized at fair value of $10,000,000. Subsequent to initial recognition the host loan is carried at amortise cost using the effective interest method.

The notes were converted on 7 December 2017 at the time of the Company's Initial Public Offering. The value of the conversion feature (embedded derivative) on that date was $3,427,403. The conversion feature is measured at fair value through the profit and loss at each reporting date, with subsequent changes in fair value being reflected in the statement of profit and loss and other comprehensive income.

The convertible notes were subsequently converted into 587,947 ordinary shares of the Company. The total value of $13,710,924 was contributed to equity, which is comprised of the face value of the convertible notes, $10,000,000; accrued interest, $283,521; and derivative liability, $3,427,403.

10. Interest in Subsidiary

On 14 September 2017 the Company formed Credible Operations, Inc. and purchased 100% of the share capital consisting solely of ordinary shares for $250,001. The Subsidiary's principal place of business is in the United States.

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Company's financial statement.

There are no significant restrictions over the Company's ability to access or use assets, and settle liabilities, of the Group.

Credible Operations, Inc. has had no revenue since inception. Net Loss of Credible Operations, Inc. included in consolidated profit (loss) of the Group since inception amounted to ($99,352).

11. Tax

	FY2017 US$	FY2016 US$
CURRENT		
Income tax payable	-	-
Total	-	-

Numerical reconciliation of income tax expense and tax at the statutory rate

	FY2017 US$	FY2016 US$
Loss before income tax expense	(11,181,127)	(1,606,966)
At the statutory income tax rate of 42.84% (2016: 42.84%)	(4,789,995)	(688,424)
Non-deductible / (non-assessable) items	167,525	(1,124,293)
Total tax losses not recognised	4,622,470	1,812,717
Income tax expense	-	-

NON-CURRENT

The amount of deductible temporary differences and unused tax losses for which no deferred tax assets have been brought to account:

- Temporary differences $228,456 (2016: $123,269)
- Tax losses: operating losses $17,336,567 (2016: $6,546,488)
- Tax losses: capital losses $nil

The benefits of the above temporary differences and unused tax losses will only be realised if the conditions for deductibility set out in Note 1 occur. These amounts expire on the following dates if not used:

- 31 December 2033 - $140,936
- 31 December 2034 - $535,547
- 31 December 2035 - $1,675,956
- 31 December 2036 - $4,194,049
- 31 December 2037 - $10,790,079

The amount of taxable temporary differences for which no deferred tax liability has been brought forward to account due to the existence of deferred tax assets: $2,653,537 (2016: $1,947,134).

New Legislation

On December 22, 2017, US President Trump signed into law the Tax Cuts and Jobs Act (H.R. 1) (the "Act"). The Act includes a number of changes in existing tax law impacting businesses including, among other things, a permanent reduction in the corporate income tax rate from 34% to 21%. The rate reduction took effect on January 1, 2018. The Company currently expects that its statutory tax rate for 2018 will be approximately 30%.

As the Company is not currently in a tax paying position and has not been required to record any deferred tax assets or liabilities it is unlikely to have a material impact in the near future.

12. Dividends

The Company has not declared or distributed any dividends during the financial year (FY2016: $Nil).

13. Issued Capital

	FY2017 US$	FY2016 US$
9,633,368 Ordinary shares (FY2016: 4,797,883)	65,303,882	1,503,565
Nil Preference shares (FY2016: 2,532,272)	-	11,102,951
489,505 Restricted shares (FY2016: 421,717)	146,414	4,500
Capital raising costs	(863,653)	-
	64,586,643	12,611,016

Movement in issued capital

	FY2017		FY2016	
	Number of shares	Value $USD	Number of shares	Value $USD
Fully paid ordinary shares				
Balance at beginning of the financial year	4,797,883	1,503,565	4,797,883	1,503,565
Issue of new shares	1,715,266	38,986,442	-	-
Conversion of convertible notes	587,947	13,710,924	-	-
Repurchase of shares	-	-	-	-
Conversion of preference shares	2,532,272	11,102,951	-	-
Balance at the end of the year	9,633,368	65,303,882	4,797,883	1,503,565
Preference shares				
Balance at beginning of the financial year	2,532,272	11,102,951	2,532,272	11,102,951
Issue of new shares	-	-	-	-
Conversion of convertible notes	-	-	-	-
Repurchase of shares	-	-	-	-
Conversion of preference shares	(2,532,272)	(11,102,951)	-	-
Balance at the end of the year	-	-	2,532,272	11,102,951
Restricted shares				
Balance at beginning of the financial year	421,717	4,500	438,944	5,823
Issue of new shares	67,972	141,932	-	-
Conversion of convertible notes	-	-	-	-
Repurchase of shares	(184)	(18)	(17,227)	(1,323)
Conversion of preference shares	-	-	-	-
Balance at the end of the year	489,505	146,414	421,717	4,500

Securities on issue
The company had the following securities on issue as at 31 December 2017:

Category	Common Stock	CDI Equivalent
Ordinary shares	9,633,368	240,834,200
Restricted shares	489,505	12,237,625
Options	696,182	17,404,550

The company had the following securities on issue as at 31 December 2016:

Category	Common Stock	CDI Equivalent
Ordinary shares	4,797,883	119,947,075
Preference shares	2,532,272	63,306,800
Restricted shares	421,717	10,542,925
Options	54,173	1,354,325

Ordinary Shares- Common Stock:
Ordinary shares participate in dividends, but not before the full payment of dividends to all Preference shareholders, and the proceeds on winding up in proportion to the number of shares held. At the shareholders meetings, each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Restricted shares:
Restricted Share Units (RSU) relate to shares issued to employees, directors, consultants and advisors of the Company. These were issued at a share price based on the discretion of the Board of Directors at the time of issuance. The RSU's were issued in exchange for services provided by such employees, directors, consultants and advisors and were issued as restricted units of Common Stock of the Company.

Preference Shares:
Preference shares are a class of equity that have a ranking preference over ordinary shares in a liquidity event. At as 31 December 2017, all preference shares in the company have been converted to ordinary shares.

14. Earnings per share

Basic earnings / (loss) per share ("EPS") amounts are calculated by dividing the profit /(loss) for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary outstanding shares during the year.

Diluted EPS amounts are calculated by dividing the profit / (loss) attributable to ordinary equity holders of the parent by the sum of the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares, which include options and restricted stock units granted to employees and directors. These potentially dilutive ordinary shares are treated as dilutive when, and only when, their conversion to ordinary shares would decrease EPS or increase the loss per share.

The following reflects the income and share data used in the basic and diluted EPS computation:

There have been no other transactions involving ordinary shares or potential ordinary shared between the reporting date and the date of authorization of these financial statements.

	FY2017 US$	FY2016 US$
Loss attributable to ordinary equity holders of the Parent	(11,181,127)	(1,606,966)
	Number	**Number**
Weighted average number of issued ordinary shares	7,481,599	4,797,883
	US$	**US$**
Basic and diluted loss per share	(1.49)	(0.34)
Basic and diluted loss per CDI	(0.06)	(0.01)

Options over ordinary shares that would be dilutive if the Company was generating a profit have been excluded from the weighted average number of issued ordinary shares as the Company is generating a loss.

15. Lease commitments

(i) Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

	FY2017 US$	FY2016 US$
Payable - minimum lease payments:		
- not later than 12 months	408,917	818,439
- between 12 months and 5 years	-	29,983
	408,917	848,422

Operating leases represent rental on premises used by the Group. Rental amounts are subject to increases upon the anniversary date of each lease. The Group extended the current lease on their office facility which originally terminated on 15 January 2018 to 15 July 2018.

16. Events After the End of the Reporting Period

Other than the lease renewal disclosed in Note 15, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

17. Contingent Liabilities and Contingent Assets

The Company has no material contingent liabilities or contingent assets as at 31 December 2017 (FY2016: $NIL).

18. Cash flow statement

Reconciliation of Cash Flow from Operations with Loss after Income Tax

	FY2017 US$	FY2016 US$
Loss for the year	(11,181,127)	(1,606,966)
Non-cash flows in profit		
Depreciation and amortisation expense	796,604	524,549
Finance costs	283,521	-
Movement in share based payments reserve	380,680	8,487
Fair value loss on derivative	3,427,403	-
Transaction costs on issue of shares	1,593,506	-
Changes in assets and liabilities		
(Increase) / decrease in assets:		
Trade and term receivables	(238,470)	(2,327,060)
Other assets	(413,899)	(69,791)
Increase/(decrease) in liabilities:		
Trade payables and accruals	830,959	681,550
Cash flow used in operating activities	(4,520,823)	(2,789,231)

Total transaction costs incurred as part of the IPO were $2,457,159. The costs directly attributable to issuing of ordinary shares as part of the IPO of $863,653 have been deducted from equity with the remaining $1,593,506 recognised in the statement of profit or loss and other comprehensive income.

19. Share-based payments

Credible Labs Inc. has a Stock Incentive Plan for the grant of incentive stock options to employees, consultants and Key Management Personnel of the Company for stock options and restricted shares ("stock options"). Under the Plan share options are granted with exercise prices equal to market prices of the underlying shares on the date of grant. Grants of equity awards are required to be approved by the Board of Directors. Typically stock options are granted with a 4-year vesting schedule where 25% of the stock options vest after 12 months of continuous employment, and the remaining stock options vest either quarterly or monthly over the remainder of the 4-year period (subject to continuous employment).

The maximum aggregate number of Shares that have been reserved for the issuance under the Stock Incentive Plan is 1,850,321. The options carry no entitlements to voting rights or dividends of the Company.

The following table reconciles the outstanding share options granted under the employee share option plan related to options issued prior to the IPO at the beginning and end of the year:

	FY2017		FY2016	
	Number of options	Weighted average exercise price $USD	Number of options	Weighted average exercise price $USD
Balance at the beginning of the year	54,173	1.25	-	-
Granted during the year	108,306	2.20	109,553	1.25
Forfeited during the year	(11,451)	1.52	(55,380)	1.25
Exercised during the year	(947)	1.25	-	-
Canceled during the year	(275)	1.25	-	-
Balance at the end of the year	149,806	1.92	54,173	1.25
Exercisable at the end of the year	31,913	1.40	8,572	1.25

(i) 947 options were exercised during the year FY2017 and no options were exercised during the year FY2016.

(II) Balance at the end of the financial year: The share options outstanding at the end of FY2017 and FY2016 had an weighted average exercise price of US $1.92 and $1.25, respectively. The share options had a weighted average remaining contractual life of 8.8 and 9.2 years, respectively.

The following table reconciles the outstanding share options granted under the employee share option plan related to options issued on or after the IPO:

	FY2017	
	Number of options	Weighted average exercise price $USD
Balance at the beginning of the year	-	-
Granted during the year	546,376	22.98
Forfeited during the year	-	-
Exercised during the year	-	-
Canceled during the year	-	-
Balance at the end of the year	546,376	22.98
Exercisable at the end of the year	-	-

(i) No options were exercised during the FY2017.

(ii) Balance at the end of the financial year: The share options outstanding at the end of FY2017 had a weighted exercise price of US $22.98. The share options had a weighted average remaining contractual life of 9.9 years.

(iii) 380,000 stock options granted in 2017 have a performance-vesting schedule that provides for: a.) 50% vesting if more than $1.25 billion in loan volume is originated in 2018, and b.) 50% vesting if the 20-day volume weighted average price of the CDIs is equal to or exceeds A$2.42 during 2018 or 2019.

(iv) For options granted during the current financial year, a Black-Scholes methodology was applied. The valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-fee interest rate
17 May 2017	16 May 2027	$2.20	$2.20	56.86%	0%	1.90%
25 July 2017	24 July 2027	$2.20	$2.20	57.08%	0%	2.02%
7 December 2017	6 December 2027	$22.72	$22.72	56.02%	0%	2.22%
24 December 2017	23 December 2027	$23.85	$23.85	56.01%	0%	2.32%

(i) The fair value of the options granted is considered to represent the value of the services received over the vesting period and is therefore amortized over this period of time. The amount expensed in FY2017 is $380,680 (2016: $8,487).

20. Key management personnel disclosures

Key Management Personnel

The following persons were considered Key Management Personnel of the Consolidated Entity during the financial year:

Name	Position	Date appointed
Stephen Dash	CEO and Executive Director	November 2012
Dean Dorrell	Non-Executive Director	September 2015
Ruirong Yang	Non-Executive Director	April 2017
Ron Suber	Non-Executive Director	July 2017
Annabelle Chaplain	Non-Executive Director	December 2017
Colin Bowman	Vice President, and Head of Product & Design	June 2014
David Lewis	Vice President, and Head of Partnerships & Operations	September 2014
Jaideep Vijan	Vice President, and Head of Engineering	February 2017
Alan Gellman	Chief Marketing Officer	September 2017

Compensation

The aggregate compensation made to Directors and Key Management Personnel ("KMP") of the consolidated entity is set below:

	FY2017 US$	FY2016 US$
Short-term employee benefits	1,080,103	425,417
Post-employment benefits	-	
Other long-term benefits	-	-
Share-based payments	362,571	1,137
Total KMP compensation	1,442,674	426,554

(i) Short-term employee benefits

These amounts include fees and benefits paid to the non-executive Chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other KMP.

(ii) Post-employment benefits

These amounts are the current-year's estimated costs of providing for the Group's defined benefits scheme post-retirement, superannuation contributions made during the year and post-employment life insurance benefits.

(iii) Other long-term benefits

These amounts represent long service leave benefits accruing during the year, long-term disability benefits and deferred bonus payments.

(iv) Share-based payments

These amounts represent the expense related to the participation of KMP in equity-settled benefit schemes as measured by the fair value of the options, rights and shares granted on grant date.

21. Auditor's Remuneration

During the financial year, the following fees were paid or payable for audit services provided by BDO, Deloitte and Other auditors:

	FY2017 US$	FY2016 US$
Audit services – BDO (2016: Deloitte Touche Tohmatsu)		
Auditing or reviewing the financial statements	60,726	26,027
Audit services – Deloitte Touche Tohmatsu – audit	71,460	-
Audit services – Squar Milner – audit	6,480	-
Other services – BDO (2016: Deloitte Touche Tohmatsu)		
Taxation services	-	-
Due diligence services related to initial public offering	103,610	-
Total remuneration	242,276	26,027

22. Related party transactions

Parent entity
Credible Labs Inc. is the parent entity.

Subsidiaries
Interest in subsidiary are set out in Note 10.

Key management personnel
Disclosures relating to key management personnel are set out in Note 20.

Transactions with related parties
The following transactions occurred with related parties:

	FY2017 US$	FY2016 US$
Reimbursement of expenses from SaleCo (i)	396,876	-
Note receivable from KMP (ii)	132,719	-
Note receivable from KMP		
Beginning of the year	-	-
Note amount	132,000	-
Note repayment received	-	-
Interest charged	719	-
Interest received	-	-
End of the year	132,719	-
Provision for impairment:	-	-
Beginning of the year	-	-
Doubtful debt expense	-	-
End of the year	-	-

(i) As part of the IPO, 12,479,625 CDIs were sold to raise AUD$15.1 million (equivalent to US$11.3 million at the time of the IPO) for certain existing shareholders of Credible to realise part of their equity in the Company. The Directors formed a special purpose vehicle, SaleCo, that was established to facilitate the sale of CDIs for selling shareholders. The above transaction represents expenses reimbursed by SaleCo.

(ii) The note receivable was issued to Key Management Personnel for the purchase of restricted shares. The note accrues interest at the rate of 1.94% per annum and is due and payable, including interest in 2022. The note is secured 50% by the assets of Key Management Personnel and is also secured by a pledge of certain shares of the Company's restricted shares.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

23. Operating segments

For the year ended 31 December 2017 the Group was domiciled in the United States of America and operated an online marketplace that allows consumers to receive financial product offers from financial institutions. As such, management's view is that there is only one operating and geographical segment.

24. Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, accounts receivable and payable.

The Group holds the following financial instruments:

	FY2017 US$	FY2016 US$
Financial assets		
Cash and cash equivalents	43,916,298	14,115,349
Trade and other receivables	2,881,143	2,742,673
Note receivable	132,719	-
Security deposits	249,367	286,269
	47,179,527	**17,144,291**
Financial liabilities		
Trade and other payables	1,743,761	912,803
Convertible Notes	-	10,000,000
	1,743,761	**10,912,803**

The major financial risks that the Group is exposed to through its financial instruments are interest rate, liquidity, credit and currency risk. The Group manages its exposure to key financial risks with the Group's financial risk management policy. The objective of which is to support the delivery of the Group's financial targets, whilst protecting future financial security.

Cash flows expected to be realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed.

(i) Interest rate risk

The Consolidated Entity's exposure to interest rate risk occurs through its deposits with banks which are exposed to variable interest rates. In the prior period, the Consolidated Entity held convertible notes of $10,000,000 which paid a coupon of 3% interest per annum. The convertible notes were converted into 587,947 ordinary shares of the Company on 7 December 2017. Refer Note 9 for further details.

The average interest rate on cash at bank is 1.11% (2016: 0.10%)

The consolidated entity has no bank loans and other borrowings outstanding at 31 December 2017 (2016: Convertible notes of $10,000,000).

(ii) Liquidity risk

Liquidity risk arises from the possibility that the Group may encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate liquid cash balances are maintained.

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on the remaining year at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

2017

Consolidated At 31 December 2017	Weighted average interest rate	Less than 6 months	6 to 12 months	Between 1 and 2 years	Total contractual cash flows
	%	US$	US$	US$	US$
Trade and other payables	-	1,743,761	-	-	1,743,761
Total financial liabilities	-	1,743,761	-	-	1,743,761

2016

Consolidated At 31 December 2016	Weighted average interest rate	Less than 6 months	6 to 12 months	Between 1 and 2 years	Total contractual cash flows
	%	US$	US$	US$	US$
Convertible notes	3%			10,600,000	10,600,000
Trade and other payables	-	912,803	-	-	912,803
Total financial liabilities	-	912,803	-	10,600,000	11,512,803

(iii) Credit risk

Credit risk is the risk that a counter-party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions.

The Group's financial institution partners represent its trade receivables at 31 December 2017. All balances are within their terms of trade. There are no guarantees against these receivables but management closely monitors credit worthiness of its partners as well as the receivable balances and collections on a monthly basis to mitigate any risk. The class of assets described as "trade receivables" is considered to be the main source of credit risk related to the Group.

The maximum exposure to credit risk at 31 December 2017 is the carrying value of financial assets recorded in the financial statements, net of any allowances for losses.

(iv) Currency risk

The Group's revenue and expenses are substantially independent of changes in foreign exchange rates to which the Group has exposure to at 31 December 2017. The Group has no major assets or liabilities held in foreign currencies at 31 December 2017.

25. Fair value measurement

The Group has carried out a fair value assessment of its financial assets and liabilities at 31 December 2017 in accordance with AASB 13 Fair Value Measurement. The carrying value of the Group's financial instruments do not materially differ from their fair value as of this date.

As of 31 December 2016 the Group had convertible notes payable which were considered to be a derivative financial instrument and measured at fair value as of 31 December 2016. The fair value as of this date was equivalent to their face value and no adjustment was necessary.

26. Reserves

Reserves of the Group consist of share based payment reserve the purpose of which is to recognise the fair value of the options issued to employees, and other parties for services rendered.

	FY2017 US$	FY2016 US$
Share based payment reserve	389,167	8,487

The movement in the reserve during the year amounted to $380,680 (2016: $8,487).

27. Reliance on key financial institutions

The vast majority of the Company's revenue is derived from its top three financial institution partners. This is mostly a result of these financial institutions providing either broader or more competitive products on the Marketplace. Based on revenue for the year ended 31 December 2017, the revenue–weighted average expiry (including automatic renewals) on agreements with these financial institutions is 2 years. If a lender terminates its agreement with the Company or if the Company cannot maintain or renew the contracts with these key financial institutions, the share of the Company's revenue from other financial institution partners will likely increase and may result in a greater diversification of revenue across financial institution partners. However, the loss of one or more of these financial institution partners could have an adverse impact on the Company's business.

Credible Labs Inc. and Subsidiary

BAN 0487439 (ARBN 621 866 813)

Directors Declaration

For the financial year ended 31 December 2017

In the Directors' opinion:

1. the attached financial statements and notes thereto comply with the Australian Accounting Standards;

2. the attached financial statements and notes thereto give a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the year then ended; and

3. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors.

Stephen Dash
Founder and CEO
San Francisco, 25 February 2018 PST (26 February 2018 AEST)

Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret St
Sydney NSW 2000
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Credible Labs Inc.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Credible Labs Inc. (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report gives a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the year then ended in accordance with Australian Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

Key audit matter	*How the matter was addressed in our audit*
As disclosed in the revenue recognition accounting policy in Note 1, the Group's revenue is derived from contracts with lenders based on the disbursement of loans generated from the Group's online platform. The recognition of revenue is a significant management benchmark and as such is of high interest to stakeholders. Due to these factors and the overall significance of revenue to the Group, we considered this matter to be significant to our audit.	To determine whether revenue was appropriately accounted for and disclosed within the financial report, we undertook, amongst others, the following audit procedures: • Evaluated the revenue recognition policies for all material sources of revenue and from our detailed testing performed below, ensured that revenue was being recognised appropriately, in line with Australian Accounting Standards and policies disclosed within the financial statements. • Obtained confirmations from key financial institutions and agreed these balances to the revenue recognised by the Group during the financial year. • Tested a sample of the residual revenue transactions to evaluate whether they were appropriately recorded as revenue by checking the amounts recorded to supporting evidence and third party confirmation where appropriate. • Performed cut-off testing to ensure that revenue transactions around the year end had been recorded in the correct period.

Other information

The directors are responsible for the other information. The other information comprises the information contained in the Directors Report for the year ended 31 December 2017, but does not include the financial report and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Annual Report to Shareholders, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report to Shareholders, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

BDO East Coast Partnership

BDO

Martin Coyle
Partner

Sydney, 26 February 2018