

A man and a woman are looking at a tablet together. The man is on the left, wearing a red and white checkered shirt, and the woman is on the right, wearing a grey sweater and a watch. They are both smiling and looking at the tablet. The background is a blurred indoor setting.

FY 2017 Full Year Financial Results

26 February 2018

Presented by:

Stephen Dash – CEO

Chris Bishko – CFO

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Presenters



STEPHEN DASH
Founder & CEO

- Stephen has led Credible's strategy and execution since inception, raising ~U\$75m in equity capital; launching the student loan refinancing, private student loan origination, personal loans and credit cards marketplaces; and growing the Credible team to more than 100 people
- Prior to founding Credible, Stephen was a FIG investment banker at J.P. Morgan, an Investment Director at M.H. Carnegie & Co and a Co-founder of Quickcharge Media
- Stephen holds a Bachelor of Commerce (Hons) from the University of Queensland



CHRIS BISHKO
CFO

- Chris has over two decades of experience in technology and financial services as an investor and investment banker
- Joins from Omidyar Technology Ventures, where he was a Partner focusing on venture investments in financial technology, enterprise software and consumer internet platforms
- Board member of Prosper Marketplace since 2013
- Prior to The Omidyar Group, Chris worked at J.P. Morgan as an investment banking client officer as well as private equity investment professional
- Chris received a B.S. from Duke University



SECTION 1

EXECUTIVE SUMMARY



Credible has exceeded prospectus forecasts across key financial metrics (US dollars)



STRONG CASH POSITION: \$43.9mn CASH AT BANK (as at Dec 2017)

Note: All figures are shown in US dollars (US\$) compared to Prospectus forecasts

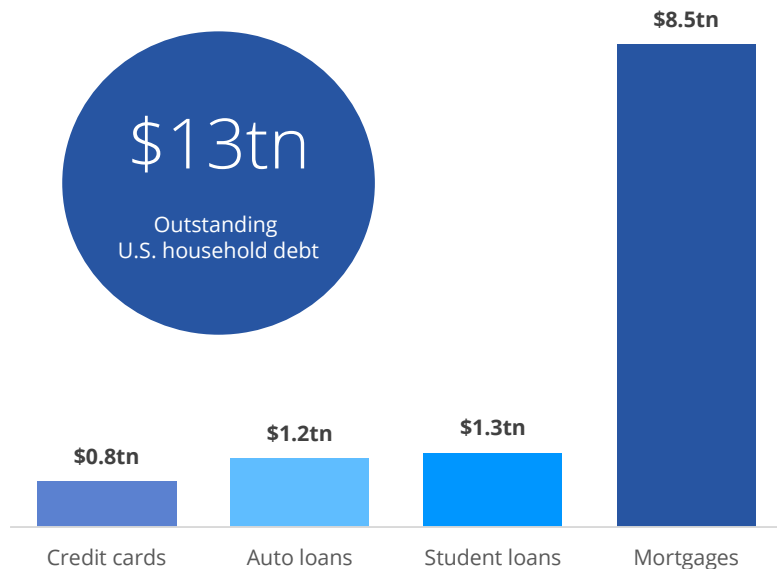
1. Adjusted or Underlying Net Loss represents statutory Net Loss excluding the impact of non-recurring expenses which include Fair value movement on derivative liabilities, Finance expenses (related to convertible notes) and IPO-related transaction expenses, and share-based payment expenses related to fair value of options
2. Adjusted Cash burn defined as statutory Operating Cash Flow plus Cash Flow from Investing Activities, adjusted to add back one-off IPO expenses and interest expense related to convertible notes

Significant progress across core areas of investment in 2017

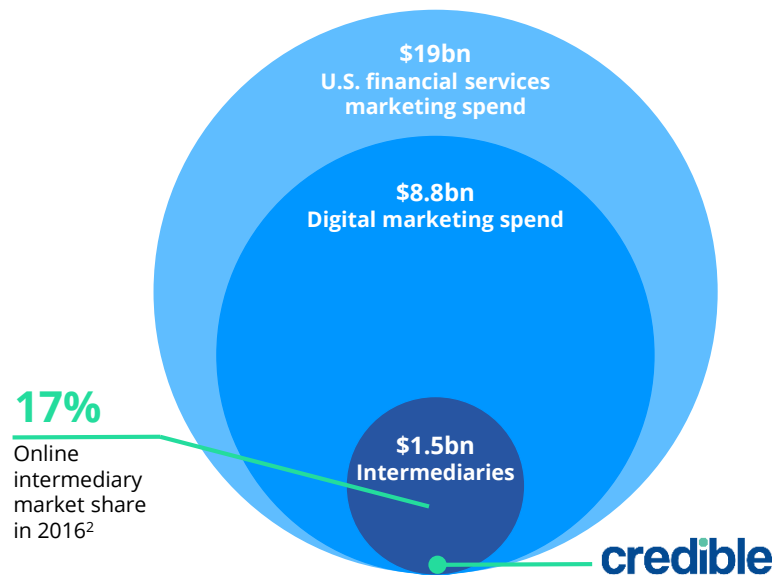
Investment focus	2017 progress
#1 Consumer Awareness	<ul style="list-style-type: none">Recruited experienced CMO to drive marketing strategyBrand and direct response investment, (for example Credible its first national TV commercial tests during the year)
#2 Partnerships	<ul style="list-style-type: none">On-boarded 11 lenders / issuersOn-boarded 43 marketing partners
#3 Technology Platform & Customer Experience	<ul style="list-style-type: none">Launched co-signer prequalification for the student loan refinance marketplaceCombined borrower and co-signer prequalification for the student loan origination marketplace
#4 Broadening Marketplace Product Offering	<ul style="list-style-type: none">Strong growth in personal loans over 2017Launched credit card marketplace pilot with 5 issuers

Online intermediaries are positioned to grow share of digital marketing spend in the financial services category

Outstanding U.S. household debt (\$tn)¹



Annual online intermediary revenue and financial services marketing expenditure, 2016 (\$bn)²

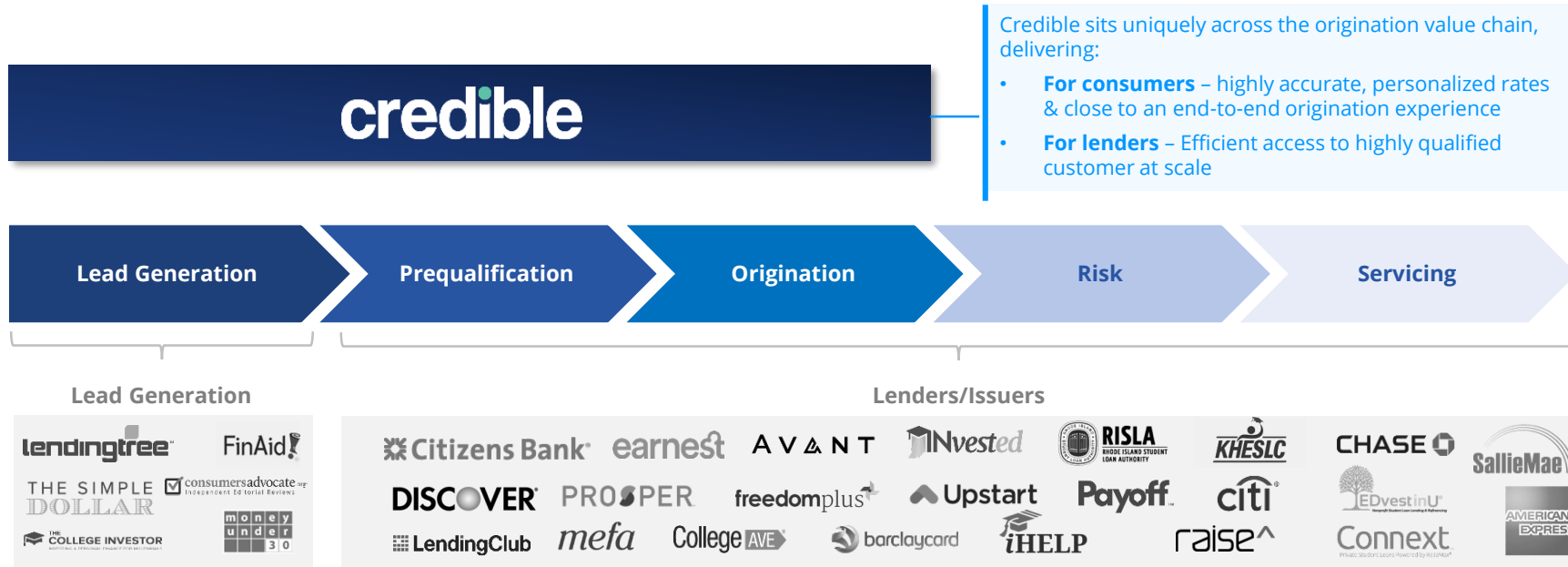


1. Federal Reserve Bank of New York, Quarterly Report on Household Debt and Credit, Q2 2017; Does not sum to \$13tn because \$0.8tn Other category (includes Home Equity Revolving, Consumer Finance (sales financing, personal loans) and Retail (clothing, grocery, home furnishings, gas etc.) loans) not included.

2. Frost & Sullivan

Credible's lender-integrated origination model delivers value to both consumers and lenders

Credible pioneered the “lender-integrated origination model”



Note: Logos reflect a selection of Credible's partners



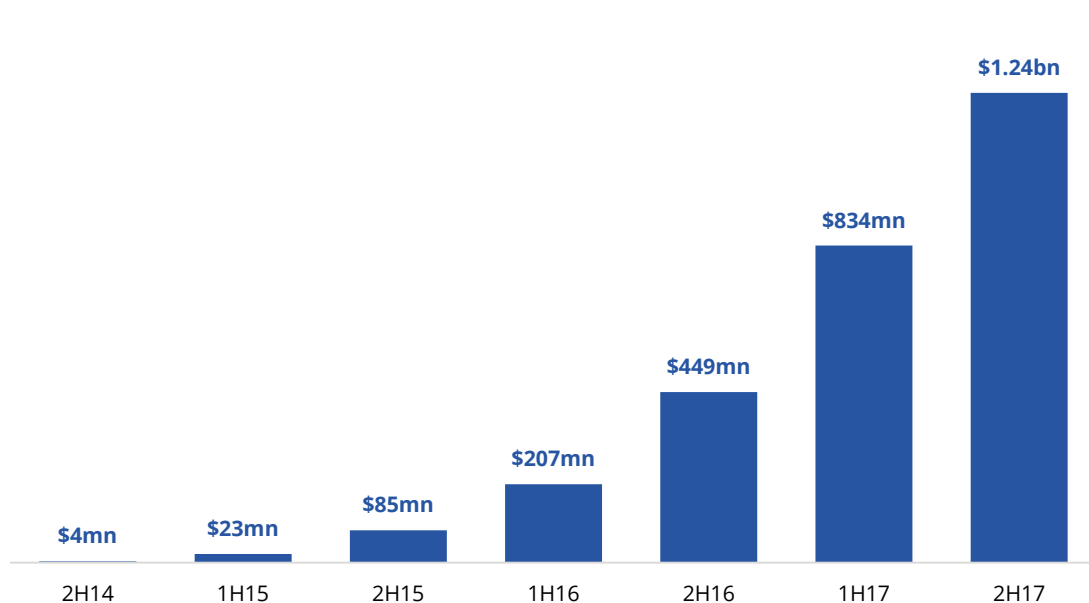
SECTION 2

RESULTS ANALYSIS

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While we continue to deliver Closed Loan Volume growth, we are also investing for the long term

Cumulative closed loan volume (\$mn)



- During FY 2017, Credible surpassed \$1.2bn of cumulative Closed Loan Volume, this reflects:
 - Continued growth from the student refinancing marketplace
 - Considerable growth in Credible's student loan origination platform (albeit impacted by seasonality)
 - Initial success of the personal loans marketplace
- Closed Loan Volume is an important metric for Credible, but management is also focused on building long term value by making investment decisions today that may not immediately drive consistent near term Closed Loan Volume growth and revenue. For example:
 - Marketing channel tests can be unpredictable, require iteration and rarely scale linearly
 - Management is focused on balancing the profitability of pursuing marginal growth against the marginal costs of acquisition
 - Management is making investments to broadening Credible's marketplace offering in new verticals

Strong top-line performance driven by growth in Closed Loan Volume across the business

<i>US\$'000</i>	FY2016	FY2017	Chg. % / pts
Revenue	\$8,826	\$19,760	124%
Cost of Sales	(4,423)	(14,007)	217%
Gross profit	\$4,403	\$5,754	31%
Gross Margin %	49.9%	29.2%	-20.6 pts
Other Income	2	69	3,371%
Employee benefits expenses	(2,992)	(6,588)	120%
Administrative expenses	(2,222)	(3,325)	50%
Marketing expenses	(249)	(975)	292%
Depreciation and amortization	(525)	(797)	52%
Other expenses	(24)	(1,609)	6,602%
Finance expenses	-	(284)	<i>nmf</i>
Fair value movement on derivative liability	-	(3,427)	<i>nmf</i>
Loss before income tax	(\$1,607)	(\$11,181)	596%
Income tax expense	-	-	<i>nmf</i>
Net loss	(\$1,607)	(\$11,181)	596%
<i>Add back:</i>			
Share based payment expense	8	381	<i>nmf</i>
Finance expenses	-	284	<i>nmf</i>
Fair value movement on derivative liability	-	3,427	<i>nmf</i>
IPO expenses	-	1,594	<i>nmf</i>
Underlying net loss	(\$1,599)	(\$5,496)	244%

- **Revenue** grew in-line with increased Closed Loan Volume in student loan marketplaces, supported by growth in the personal loans marketplace
- **Gross Profit Margin** decreased in line with expectations. This decline was driven by changes in channel and partnership mix; the introduction of new products, partners and channels; and a shift in traffic to mobile
- **Employee Benefit Expenses** increased in-line with expectations as the business invested in building out its team, including a number of key executive hires during the year
- **Administrative Expenses** increased as expected a result of costs associated with acquiring data profiles from credit bureaus. Rent expense remained largely unchanged as expected
- **Marketing Expenses** driven by below the line marketing activities including increased investments in branding activities and marketing consultants

Strong balance sheet position means Credible is well positioned to execute on its strategy and capitalize on growth opportunities

US\$'000	31-Dec-16	31-Dec-17	Chg. % / pts
Current Assets			
Cash and cash equivalents	14,115	43,916	211%
Trade and other receivables	2,743	2,881	5%
Other assets	380	752	98%
Total Current Assets	\$17,238	\$47,550	176%
Non-Current Assets			
Note receivable	-	133	-
Property, plant and equipment	112	131	17%
Intangible assets	1,992	3,535	77%
Total Non-Current Assets	\$2,104	\$3,799	81%
Total Assets	\$19,342	\$51,348	165%
Current Liabilities			
Trade and other payables	913	1,744	91%
Total Current Liabilities	\$913	\$1,744	91%
Non-Current Liabilities			
Borrowings	10,000	-	(100%)
Total Non-Current Liabilities	\$10,000	-	(100%)
Total Liabilities	\$10,913	\$1,744	(84%)
Net Assets	\$8,429	\$49,605	488%

- **Strong cash balance** at year end, allowing Credible to fund its growth strategy as outlined in its Prospectus, in particular, increasing investments across technology, talent and marketing to expand its platform and operations
- **Continued platform investment** in Credible's marketplace to drive improved consumer experience and broaden its product offering resulted in an increase in Intangible Assets.
- **Debt converted** – borrowings related to convertible notes from Credible's Dec-16 financing. These notes converted to equity as part of Credible's IPO

Prudent cash management mentality with targeted investments in technology, talent and marketing to drive growth

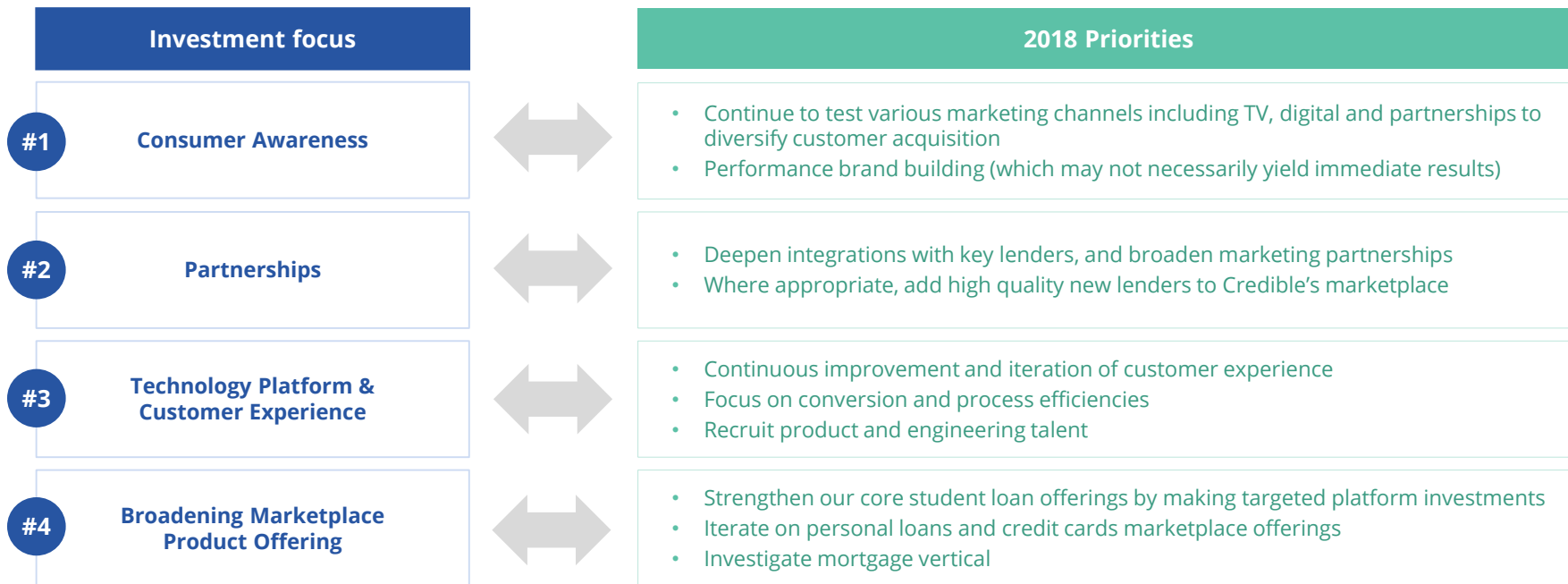
US\$'000	FY2016	FY2017	Chg. % / pts
Cash from operating activities:			
Receipts from customers	6,498	19,524	200%
Payments to suppliers and employees	(9,290)	(24,067)	159%
Interest received	2	23	1,089%
Net cash used in operating activities	(\$2,789)	(\$4,521)	62%
Cash flows from investing activities:			
Purchase of plant and equipment	(121)	(105)	14%
Refund of security deposit	-	42	nmf
Payments for intangible assets	(1,464)	(2,254)	54%
Net cash used in investing activities	(\$1,586)	(\$2,317)	46%
Cash flows from financing activities:			
Proceeds from borrowings	9,900	100	(99%)
Proceeds from shares issued	-	38,996	nmf
IPO costs	-	(2,457)	nmf
Repurchase of shares	(1)	(0)	nmf
Net cash provided by financing activities	\$9,899	\$36,638	270%
Net increase in cash and cash equivalents	\$5,524	\$29,801	440%
Ending Cash Balance	\$14,115	\$43,916	211%

- **Strong cash flow management** reflective of focus on ensuring efficient investment of capital
- **Total unadjusted FY 2017 cash burn from operating and investing activities of \$6.8m** represents a ~\$2.5m increase over FY 2016.
- **Investment activity over 2018 and 2019** expected to grow with increased investments across technology, talent and marketing, which will increase cash burn relative to prior years

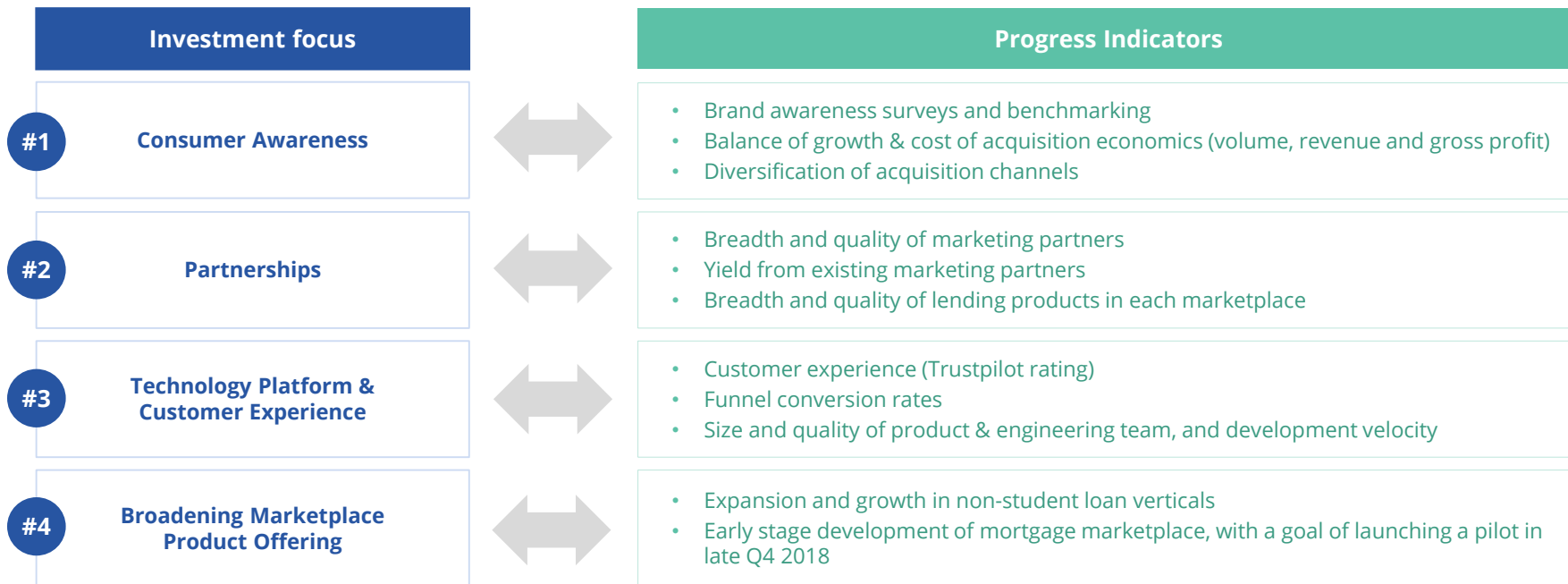
SECTION 3

GROWTH INITIATIVES

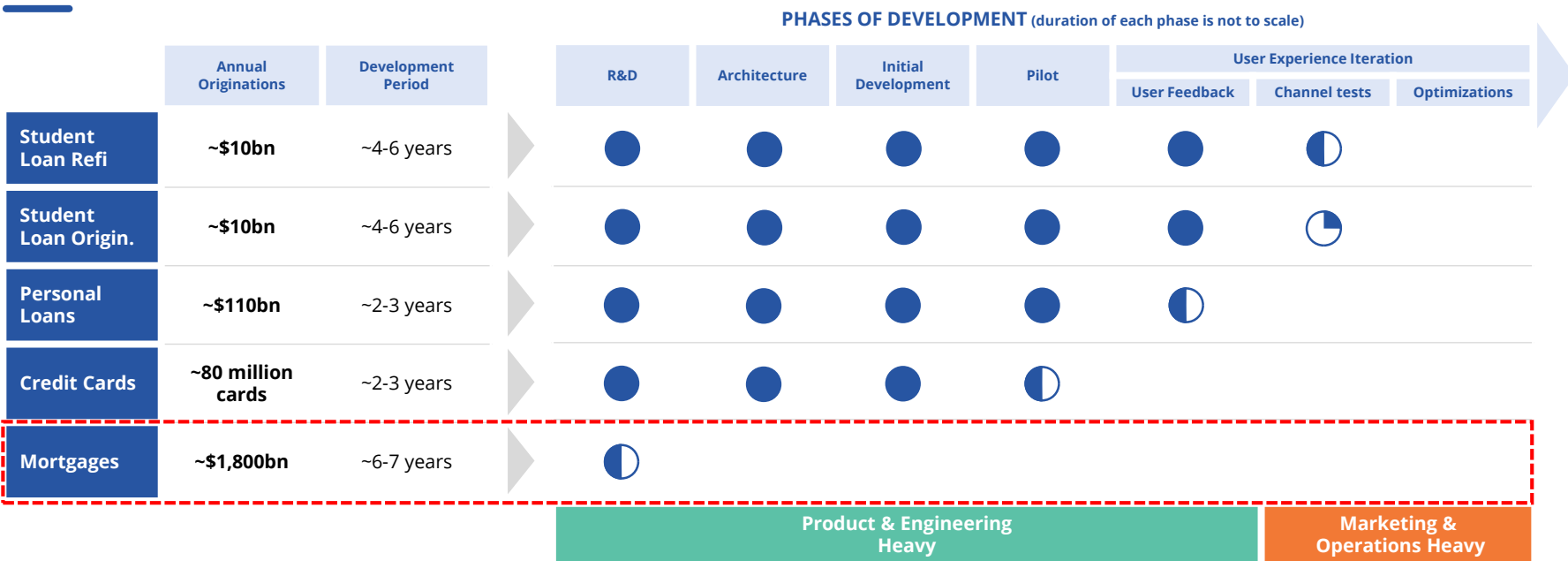
Credible will focus on its core areas of investment in 2018 ...



... and will track performance against key progress indicators



Credible is undertaking expansion into mortgages



Credible plans to launch it's mortgage pilot with existing cash resources

A man wearing a black hat, glasses, and a denim jacket is smiling and talking to a woman with long brown hair. They are in a cafe setting. In the foreground, a woman with curly hair is sitting on a wooden ledge, looking up and smiling. A potted plant is on the ledge next to her. The background shows a cafe interior with warm lighting and a brick wall.

SECTION 5

Q&A

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A woman with dark hair and glasses is sitting at a desk, reading an open book. She is wearing a blue sweater. The desk is cluttered with books and papers. In the background, there is a window with a potted plant and a bookshelf. A blue banner is overlaid on the left side of the image.

APPENDIX

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Appendix

2017 Actual vs. Prospectus Forecast

<i>US\$ '000 unless stated</i>	2017 Prospectus	2017 Actual	Chg. % / pts
Closed loan volume (\$m)	\$758	\$787	3.9%
<i>Closed loan volume growth (%)</i>	108.4%	116.5%	+8.1pts
Revenue	\$18,546	\$19,760	6.5%
<i>Revenue growth (%)</i>	110.1%	123.9%	+13.8pts
Gross profit	\$4,999	\$5,754	15.1%
<i>Gross Margin (%)</i>	27.0%	29.1%	+2.1pts
Other income	15	69	362.8%
Employee benefits expenses	(6,711)	(6,588)	1.8%
Administrative expenses	(3,833)	(3,325)	13.3%
Marketing expenses	(1,135)	(975)	14.1%
Depreciation and amortization	(1,099)	(797)	27.5%
Other expenses	(1,768)	(1,609)	9.0%
Finance expenses	(303)	(284)	6.4%
Fair value movement on derivative liability	(2,906)	(3,427)	(17.9%)
Net Loss	(\$12,741)	(\$11,181)	12.2%
<i>Add back:</i>			
<i>Share based payment expense</i>	-	381	<i>nmf</i>
<i>Finance expenses</i>	303	284	6.4%
<i>Fair value movement on derivative liability</i>	2,906	3,427	(17.9%)
<i>IPO expenses</i>	1,744	1,594	8.6%
Underlying Net Loss	(\$7,788)	(\$5,496)	29.4%

- Credible outperformed Prospectus Revenue and Gross Profit as a result of higher Closed Loan Volume than forecast, supported by more efficient direct marketing costs than anticipated
- Operating expenses came in below forecast primarily due to:
 - Administrative expenses more efficient than expected
 - Depreciation & Amortization was lower as a result of a change in depreciation policy which extended the useful life of assets to more appropriately reflect managements expectations

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