

For personal use only

CREDIBLE LABS INC. (ASX:CRD)

FY 2018 Full Year Financial Results

28th February 2019

Presented by:

Stephen Dash – CEO

Chris Bishko – CFO

credible

Disclaimer

This document dated 28th February 2019 has been prepared by Credible Labs, Inc (ARBN 621 866 813) (Credible or Company) and is provided for information purposes only. It contains summary information about the Company and its activities and is current as at the date of this document. It should be read in conjunction with the Company's periodic and continuous disclosure announcements filed with the Australian Securities Exchange, available at www.asx.com.au.

This document does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any security in the Company nor does it constitute financial product advice. This document is not a prospectus, product disclosure statement or other offer document under Australian law or under any other law. This document has not been filed, registered or approved by regulatory authorities in any jurisdiction.

The information contained in this document is not intended to be relied upon as advice or a recommendation to investors and does not take into account the investment objectives, financial situation, taxation situation or needs of any particular investor. An investor must not act on the basis of any matter contained in this document but must make its own assessment of the Company and conduct its own investigations and analysis. Investors should assess their own individual financial circumstances and consider talking to a financial adviser, professional adviser or consultant before making any investment decision. Past performance is no guarantee of future performance.

By reading this document you agree to be bound by the limitations set out in this document. No representation or warranty, expressed or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this document. To the maximum extent permitted by law, none of the Company and its related bodies corporate, or their respective directors, employees or agents, nor any other person accepts liability for any loss arising from the use of this document or its contents or otherwise arising in connection with it, including, without limitation, any liability from fault or negligence.

This document may contain forward-looking statements including statements regarding our intent, belief or current expectations with respect to the Company's business and operations, market conditions, results of operations and financial condition, specific provisions and risk management practices. When used in this document, the words 'plan', 'will', 'anticipant', 'expect', 'may', 'should' and similar expressions, as they relate to the Company and its management, are intended to identify forward-looking statements.

Forward-looking statements involve known and unknown risks, uncertainties and assumptions and other important factors that could cause the actual results, performances or achievements of the Company to be materially different from future results, performances or achievements expressed or implied by such statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document.

Investors should note that this document may contain unaudited financial information for Credible that has been prepared by Credible management. Credible's results are reported under International Financial Reporting Standards (IFRS). Investors should be aware that certain financial data included in this presentation including CLV is "non-IFRS financial information" under Regulatory Guide 230 (Disclosing non-IFRS financial information) published by ASIC or "non-GAAP financial measures" within the meaning of Regulation G of the US Securities Exchange Act of 1934.

All values are stated in U.S. dollars unless otherwise stated.

FY 2018 Key Highlights (US Dollars)

For personal use only

RECORD CLOSED LOAN VOLUME ("CLV")

\$1.1bn in FY 2018 and \$368mn in Q4 2018

- +40% annual growth over FY 2017
- +108% y-o-y growth in Q4

STRONG FINANCIAL PERFORMANCE

Solid revenue and margin growth with significant momentum in H2

- \$26.4mn in revenue (+34% growth)
- \$6.8mn gross profit (26% margin)

HEALTHY MARKETPLACE DYNAMICS

Continued progress against stated strategic goals

- Repositioned toward scalable partnership channels (~3x growth¹)
- Scaled personal loans marketplace and diversified lender mix

ACCELERATED MORTGAGE LAUNCH

Launched 6 months ahead of schedule

- Licensed in 34 states as at Dec-18
- 6 lenders (including 4 of top 10)

DEMONSTRATED PLATFORM SCALABILITY

Substantially scaled CLV with only modest additional investment

- +150% increase in # closed loans²
- Modest increase in headcount (22%²) and operating expense (22%²) during the year

STRONG CASH POSITION

\$29.6mn in cash and cash-like resources³

- Significant resources to continue to invest in growth activities

1. CLV from Credible's partner channel almost tripled between Q4 2017 and Q4 2018 (+175% growth)
2. Loans originated related to Q4 2018 vs Q4 2017. Headcount as at 31-Dec-18 vs 31-Dec-17. Operating Expenses relates to H2 2018 vs. H1 2018 (excluding share based payment expenses)
3. Includes investments in BBB+ or higher rated instruments with short term maturity dates of less than two years, with the majority less than one year

CONTENTS

Section 1	The Credible Platform	4
Section 2	FY 2018 Results Analysis	10
Section 3	Marketplace Health	15
Section 4	Growth Initiatives and Outlook	21



credible

For personal use only

SECTION 1

THE CREDIBLE PLATFORM

Credible is a millennial-focused, end-to-end online loan marketplace

For personal use only

Massive Addressable Market¹

 **\$1.6tn**
Mortgages

 **\$150bn**
Personal Loans

 **\$20bn**
Student Loans

 **65mn**
Credit Cards


9.6/10 TRUSTSCORE
1,950+ Reviews

credible

\$2.3bn+

Cumulative CLV²

1.25mn+

User Profiles²

60,500+

Loans Processed Since Inception²



230+
Marketing Partners²



37
Lending / Issuer Partners²

credible
Proprietary Technology

UX + UI / Eligibility
Credit Bureau Integrations
Multi-Lender Underwriting
Multi-product CRM
Lender Integrations

1. All figures reflect estimate of annual originations. Mortgage originations based on latest Mortgage Bankers Association forecast for 2019, Personal Loans originations reflects annualized Q3 2018 originations based on TransUnion data, Student loans originations includes student loan refinancing and private student loan origination and is based on management estimates based on market data, Credit cards reflects annualized Q3 2018 originations based on TransUnion data
2. As at 31 December 2018

The Credible platform

Credible's platform provides meaningful benefits to both consumers and financial institutions



- ✓ Compare accurate rates from multiple lenders in <3 mins
- ✓ Checking rates does not impact credit score¹
- ✓ Personal data is never sold
- ✓ Digital, concierge-style service from click-to-close

- ✓ Efficient customer acquisition at scale
- ✓ Eliminates marketing risk
- ✓ Access to national audience
- ✓ Integrated compliance

1. In the U.S. a hard credit inquiry will affect a consumer's credit score. A hard credit inquiry is triggered when a borrower actually applies for credit, such as a mortgage, credit card, student loan, or personal loan. The inquiry requires a borrower's consent and becomes part of a borrower's credit report, meaning any third party who does a hard or soft pull will see the inquiry. Hard inquiries are often associated with a decrease in credit score

For personal use only

The Credible platform

Credible is purpose built to give today's "on-demand" millennial consumers control over their borrowing options

- Retail**: amazon, StubHub, GRUBHUB, ebay
- Travel**: Expedia, KAYAK, priceline.com, airbnb
- Media**: NETFLIX, Spotify, hulu
- Real Estate**: Zillow, REDFIN, Opendoor, realtor.com
- Fin. Serv.**: **credible** Delivering the only end-to-end consumer loan marketplace

- Easy-to-use
- Personalized
- Multi-platform**
- End-to-end
- Simple**
- One-stop shop**
- Transparent
- Seamless
- Best deals**
- Easy comparison**
- Choice

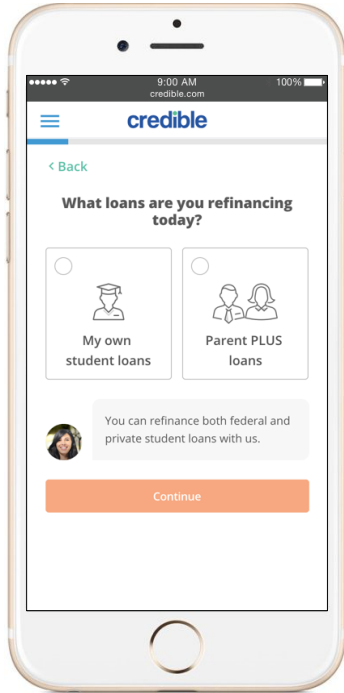
The Credible platform

Credible's user experience is streamlined and unique ...

For personal use only

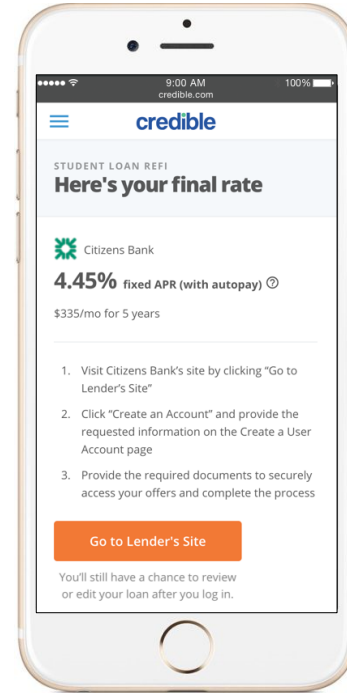
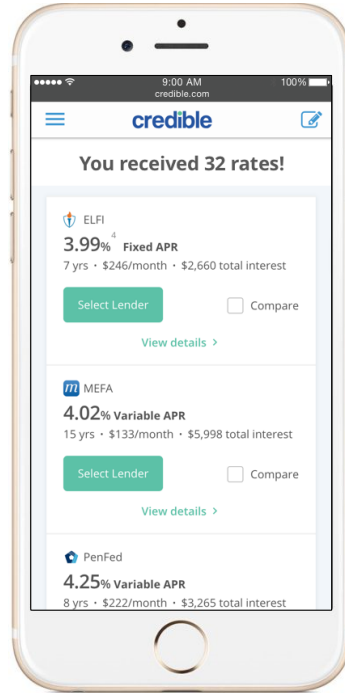
1

Compare accurate rates from multiple lenders (<3 mins)



2

Concierge-style closing



70%+
of customers
self-serve¹

95%+
pre-qual. rate
accuracy¹

1. Statistic relates to student and personal loans platform

The Credible platform

... and our customers love to use our service

"I was struggling for years to find a way to consolidate my college loans. Credible was quick and easy with no back and forth. Representatives were knowledgeable and very quick to respond. I am pleased with their service and the bank I am currently working with.

Thank you!"

— Amanda, **Student Loan Refinance**

"We got a great rate. From start to finish, it only took us 21 days to close our loan which is incredible. Our friends down the street said it took them twice as long."

— Julie, **Mortgage Refinance**

"Applied on Thursday and funds were in my account on Tuesday. Paid off the rest of my car loan and a credit card. This is going to save me almost \$600 per month."

— Greg, **Personal Loan**

"Super easy to refinance my student loan. I didn't think I was going to be able to refinance but Credible showed me options that worked with my income."

— Raini, **Student Loan Refinance**



For personal use only

For personal use only

SECTION 2

FY 2018 RESULTS ANALYSIS

credible

Credible delivered \$26.4mn of Revenue in FY 2018, representing 34% growth over FY 2017 (and H2 2018 over H1 2018 growth of 101%)

US\$'000		H1 2018	H2 2018	FY 2018	FY 2017	%Δ
Revenue	\$	8,759	17,628	26,386	19,760	33.5%
Cost of sales	\$	(6,957)	(12,553)	(19,510)	(14,007)	39.3%
Gross profit	\$	1,802	5,075	6,877	5,754	19.5%
Gross Margin	%	20.6%	28.8%	26.1%	29.1%	(3.1) pts
Other income	\$	238	323	561	69	nmf
Operating Expenses						
Employee benefit expenses	\$	(6,650)	(5,352)	(12,002)	(6,588)	82.2%
Administrative expenses	\$	(3,120)	(3,103)	(6,224)	(3,325)	87.2%
Marketing expenses	\$	(703)	(489)	(1,193)	(975)	22.3%
Depreciation and amortisation	\$	(376)	(625)	(1,001)	(797)	25.7%
Other expenses	\$	89	(155)	(66)	(1,609)	nmf
Finance costs	\$	-	-	-	(284)	nmf
Fair value loss on derivative	\$	-	(1)	(1)	(3,427)	nmf
Total Operating Expenses	\$	(10,761)	(9,725)	(20,486)	(17,004)	20.5%
Loss for the year	\$	(8,721)	(4,327)	(13,048)	(11,181)	16.7%

- **Revenue and Gross Profit growth of 34% and 20% respectively** reflects:
 - Strong H2 2018 as result of:
 - Company-wide focus on building its partnership channel as discussed in Credible's HY 2018 results
 - Strong momentum in Student Loan Refinance and Personal Loans maintained in Q4 2018 resulting in record Q4 CLV, with Credible's personal loans marketplace experiencing accelerating growth
 - This was in contrast to a flat H1 2018 that was due to disciplined marketing spend across paid channels (Google, Facebook) and deliberate efforts by management to maintain margin in the face of increasing paid marketing costs
- **Employee Benefit Expenses** increased as the business invested in:
 - Building out its team to support the launch of its mortgage platform, including opening of a new Durham, NC office (April 2018)
 - Investments in operating teams across business intelligence, finance and customer success
- **Administrative Expenses** increased reflecting addition of Durham office, costs related to relocation of SF headquarters and impact of public company costs
- **Marketing Expenses** driven by below the line marketing activities including increased investments in branding, primarily in TV advertising related activities, in line with stated strategy to broaden brand awareness

Credible continued to make targeted investments in the platform ...

For personal use only

US\$'000	FY2017	FY2018	%Δ
Cash from operating activities:			
Receipts from customers	19,524	24,969	27.9%
Payments to suppliers and employees	(24,067)	(35,200)	46.3%
Interest and other income received	23	647	<i>nmf</i>
Net cash used in operating activities	(4,521)	(9,585)	112.0%
Cash flows from investing activities:			
Purchase of plant and equipment	(105)	(235)	124.4%
Payments for intangible assets	(2,254)	(4,122)	82.9%
Purchase of investments, net	-	(21,484)	<i>nmf</i>
Refund of security deposit	42	240	472.0%
Payment of security deposit	-	(580)	<i>nmf</i>
Net cash used in investing activities	(2,317)	(26,182)	<i>nmf</i>
Cash flows from financing activities:			
Proceeds from borrowings	100	-	(100.0%)
Proceeds from issue of shares	38,996	22	(99.9%)
Transaction costs on issue of shares	(2,457)	(96)	(96.1%)
Repurchase of shares	(0)	(0)	(50.0%)
Net cash (used in) / provided by financing activities	36,638	(74)	(100.2%)
Net (decrease) / increase in cash and cash equivalents	29,801	(35,841)	(220.3%)
Cash and cash equivalents at beginning of year	14,115	43,916	211.1%
Cash and cash equivalents at end of year	43,916	8,075	(81.6%)
Cash and cash equivalents at end of year	43,916	8,075	(81.6%)
Plus: Financial assets at end of year	-	21,563	<i>nmf</i>
Cash and cash-like resources at end of year	43,916	29,638	(32.5%)

\$14.3mn cash burn (excl. investments)¹

- Ended the year with a strong cash and cash-like resources balance of \$29.6mn¹
- Total FY 2018 cash burn \$14.3mn relative to \$6.8mn in FY 2017 (excluding cash flows from financing), reflective of:
 - Improved Gross Profit performance in H2 2018 as a result of strong momentum from Credible's core verticals
 - Increased operational spending and investments in administrative, employee and marketing costs as previously detailed
 - Offset by improved operational efficiency as Credible grew loan application volume through its platform faster than its need to invest in headcount, demonstrating scalability of Credible's platform
 - Increased investment activity over 2018 in Credible's technology platform, specifically hires across engineering and product to support the launch of Credible's mortgage platform and continued platform development in core verticals

1. Includes investments in BBB+ or higher rated instruments with short term maturity dates of less than two years, with the majority less than one year

... resulting in a strong balance sheet position with \$29.6mn in cash and cash-like resources at 31 December 2018

For personal use only

US\$'000	FY 2017	FY 2018	%Δ
CURRENT ASSETS			
Cash and cash equivalents	43,916	8,075	<i>nmf</i>
Trade and other receivables	2,881	4,220	46.5%
Financial assets	-	21,563	<i>nmf</i>
Prepayments and other assets	752	708	(5.9%)
TOTAL CURRENT ASSETS	47,550	34,566	(27.3%)
NON-CURRENT ASSETS			
Other assets	133	715	438.9%
Plant and equipment	131	293	124.0%
Intangible assets	3,535	6,729	90.4%
TOTAL NON-CURRENT ASSETS	3,799	7,738	103.7%
TOTAL ASSETS	51,348	42,304	(17.6%)
CURRENT LIABILITIES			
Trade and other payables	1,744	4,220	142.0%
TOTAL CURRENT LIABILITIES	1,744	4,220	142.0%
NON-CURRENT LIABILITIES			
Deferred rent	-	174	<i>nmf</i>
TOTAL NON-CURRENT LIABILITIES	-	174	<i>nmf</i>
TOTAL LIABILITIES	1,744	4,395	152.0%
NET ASSETS	49,605	37,909	(23.6%)

\$29.6mn cash and cash-like resources¹

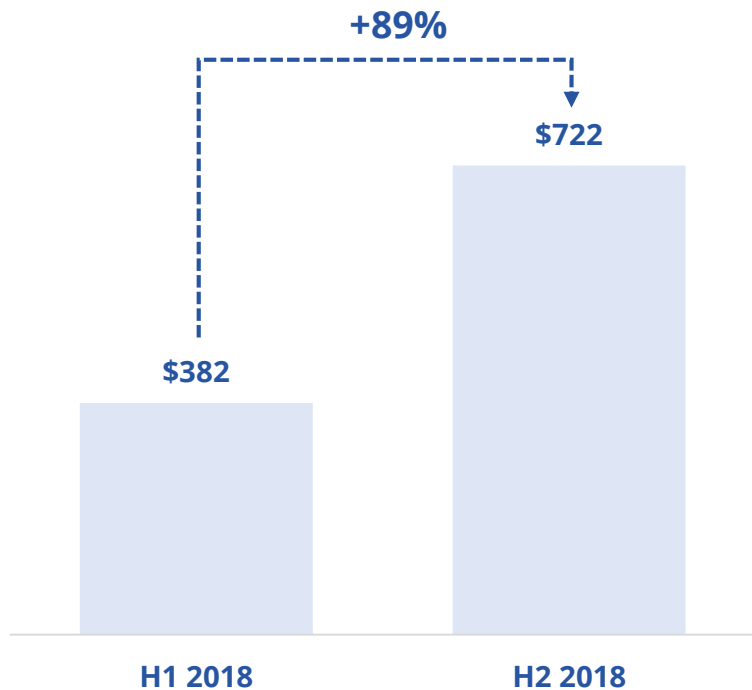
- **Strong cash balance and investments balance**, allowing Credible to continue to fund its growth strategy
- **Cash resources** represent highly liquid investments with BBB+ or higher rating, with short term maturity dates
- **Continued platform investment** in Credible's marketplace, including acceleration of mortgage platform and improved consumer experience in existing verticals, resulting in an increase in Intangible Assets

1. Includes investments in BBB+ or higher rated instruments with short term maturity dates of less than two years, with the majority less than one year

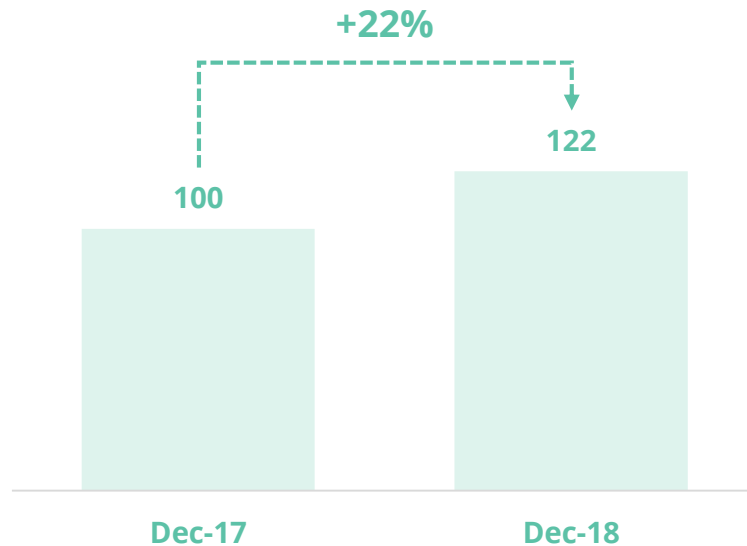
Credible demonstrated the scalability of its platform over FY 2018

For personal use only

Closed Loan Volume (US\$bn)



Headcount (#)¹



1. Headcount inclusive of engineering, product & design employees

For personal use only

credible

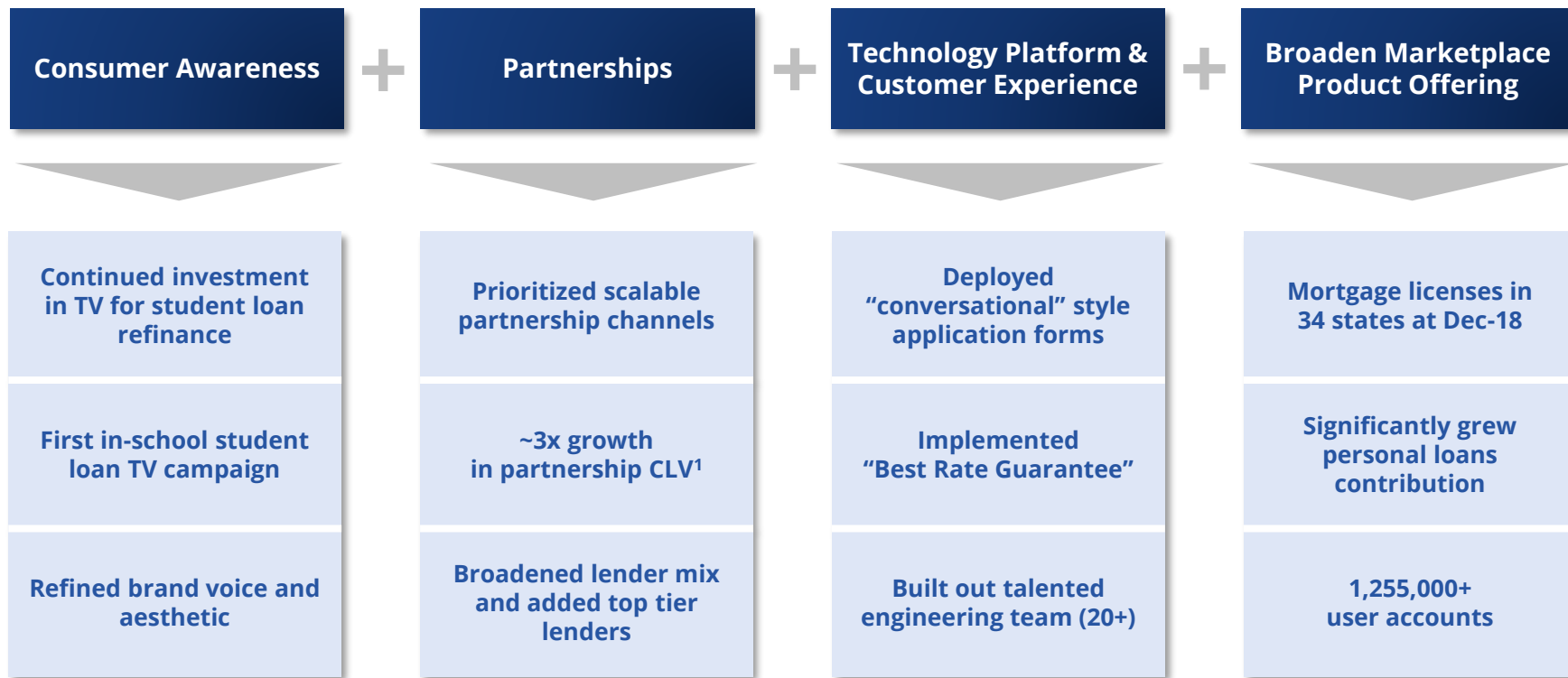
SECTION 3

MARKETPLACE HEALTH



Credible continued to build on its leading position during the year

For personal use only

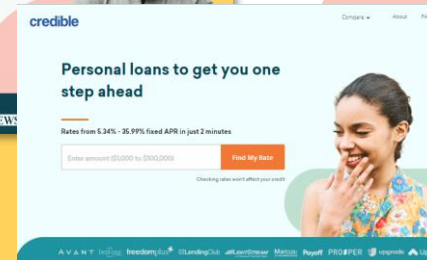
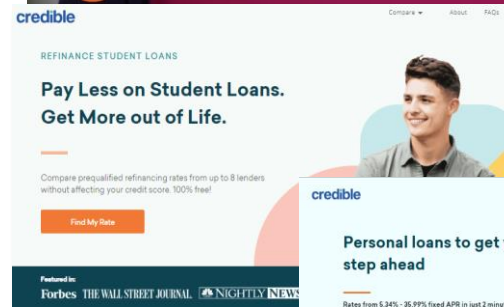
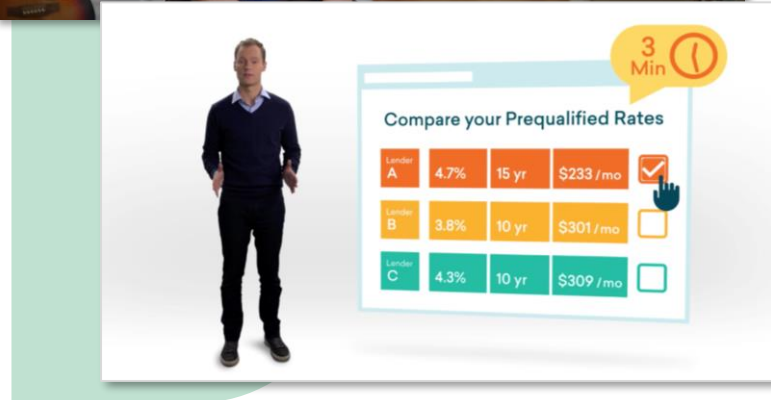
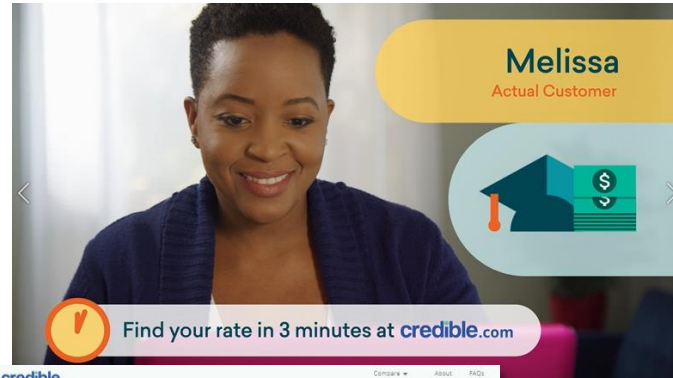


1. CLV from Credible's partner channel almost tripled between Q4 2017 and Q4 2018 (+175% growth)

Marketplace health

Credible is growing consumer awareness ...

For personal use only



Bloomberg



Marketplace health

... and building long term partnerships on both sides of marketplace

For personal use only

230+

MARKETING PARTNERS

UP FROM¹
140+



Citizens Bank® Quicken Loans® SUNTRUST

loanDepot CALIBER HOME LOANS UWM MARCUS BY GOLDMAN SACHS®

SallieMae® Payoff LendingClub PROSPER AVANT

purefy Upstart LENDINGPOINT CollegeAVE DISCOVER PENFED CREDIT UNION

RISLA Nvested iHELP EDUCATION LOAN FINANCE mefa KHESLC iEInvestinU

raise^ Connxt freedomplus+ upgrade bestegg ADVANTAGE Education Loan

Stearns Lending JMAC Ascent BARCLAYS WELLS FARGO CHASE

37

FINANCIAL INSTITUTION PARTNERS

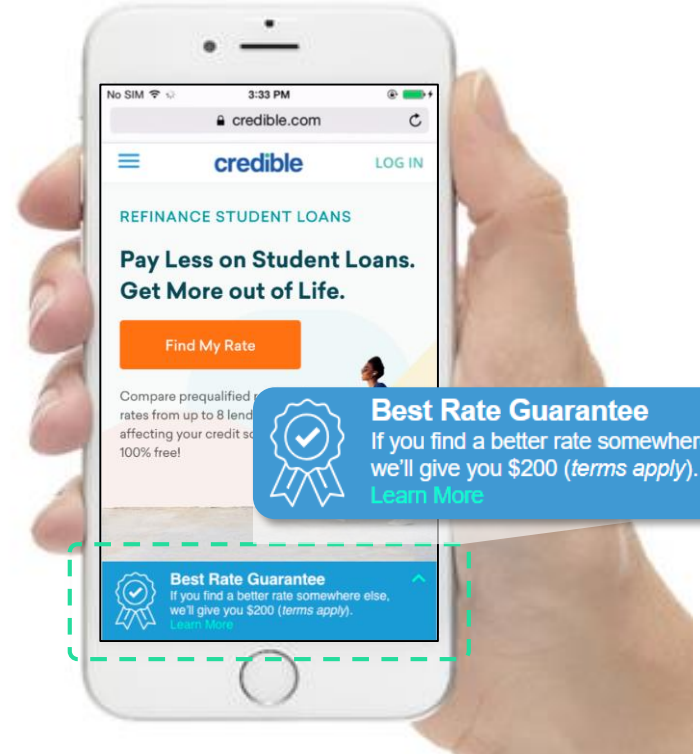
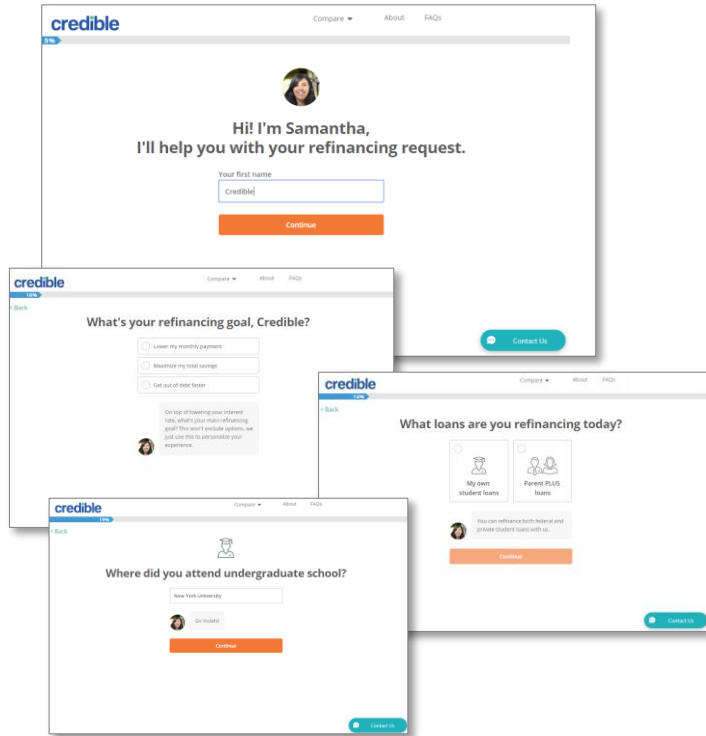
UP FROM¹
24

1. Statistic as disclosed in Credible's Prospectus dated 28 November 2017

For personal use only

Marketplace health

Credible is leveraging data to continuously invest in best-in-class user experiences across both mobile and desktop ...



Marketplace health

... and is rolling out its proven playbook across new verticals

For personal use only

credibile

Compare About FAQs Log In

HOME LOANS

You found a great home. Now, find a great loan.

- Compare mortgage lenders and save money
- Fewer documents for fast closing
- Unbiased loan experts when you need them

Get My Mortgage

credibile

Compare About FAQ Log In

MORTGAGE REFINANCE

Get the cash you need and the rate you deserve

- Compare lenders and save on interest
- Get cash out to pay off high-interest debt
- Prequalify in just 3 minutes

Compare rates from: CALIBER HOME LOANS

Quicken Loans Stearns UWM

HOW WE'RE DIFFERENT

We'll make sure you have a pain-free mortgage

- Choose with confidence**
Know you have a great rate by comparing top lenders in the U.S.
- Clear status and steps**
Stay in the loop about your loan and what else needs to get done.
- Hassle-free process**
Upload docs from the comfort of your home or your commute.

Refinance My Mortgage

Check my rates

- Property
- Finance
- Profile

Select loan option

Finalize my loan

Property

Welcome to Credible! Comparing multiple lenders is how you'll find the right rate for you. Let's get started, this usually takes 3 minutes.

What property are you refinancing?

Property Address: 1 FI/Unit

- 1415 Mission Street, San Francisco, CA, USA
- 1100 El Camino Real, San Francisco, CA, USA
- 1053 Market Street, San Francisco, CA, USA

Refinance My Mortgage

Check my rates

Select loan option

1226 Ortega Street
Requested \$415,000
Rates updated just now
Congratulations on receiving prequalified

Stephen, let's choose the best rate for you.

Eligible Terms: 30-Yr Fixed 25-Yr Fixed 5/1 ARM More terms

Sort By: Total fees

Lowest total cost near 4.750% on Credible

Quicken Loans	\$2,165	4.750%	\$0	Apply
<small>NMLS #3030</small>	<small>Mo. Payment</small>	<small>4.78% APR</small>	<small>Total Fees</small>	

Member Profile

credibile

Compare Rate & Earn About FAQs stephen-0327138@credibile.com

Back to My Documents GREAT'S BANK ASSETS Mortgage Ref #RM-MR56A

Chase (US)

Stephen, verify your Chase (US) assets

File added. Remember to click "Submit" at the bottom of the page to send us the files.

Institution	Account type	Approx. balance	Status
Chase (US)	checking	\$23,000	Uploaded
Chase (US)	checking	\$23,000	Uploaded

One last step! Once you've finished uploading documents, you'll need to click "Submit" to send them to your loan officer.

Submit

\$823 Total Fees

Apply




SECTION 4

GROWTH INITIATIVES AND
OUTLOOK



Credible has strong momentum across all key verticals, and significant near-term growth opportunities

For personal use only

	Annual Industry Originations ¹	Platform Development Complexity	Maturity	Time to \$300mn cumulative CLV	Commentary
Student Loans	~\$20bn		Growth Stage	~4 years (2017)	<ul style="list-style-type: none"> Student Loan Refinancing is a mature market where Credible has a strong market share position and a representative set of products Continuing to grow brand recognition amongst consumers and partners to further consolidate market share Seeing benefits of scale as the leading online marketplace
Personal Loans	~\$150bn 8x Student Loans		Growth Stage	~3 years (2019)	<ul style="list-style-type: none"> Significant acceleration in 2018, as a result of user experience enhancements, and adding new lenders allowing for wider credit box and tighter pricing Big market, relative to student loans, with substantial room to continue to increase market share via channel partners
Mortgages	~\$1,600bn 80x Student Loans		Launch Stage	Est. ~2 years (Mid-2021)	<ul style="list-style-type: none"> First of it's kind Mortgage Refinance platform launched in the context of a challenging refinancing environment Home Purchase marketplace in development and expected to expand partnership opportunities Scaling distribution will focus on high-quality partnerships and will take time consistent with Credible's experience in other verticals

1. All figures reflect estimated annual originations. Mortgage originations are based on latest Mortgage Bankers Association forecast for 2019, Personal Loans originations reflects annualized Q3 2018 originations based on TransUnion data, Student loans originations includes student loan refinancing and private student loan origination and is based on management estimates based on market data

Growth initiatives and outlook

Significant investments already made in mortgage will open Credible up to ~US\$1.6 trillion annual origination opportunity

- Mortgage refinance experience
- 20 U.S. states
- 6 lenders (incl. 4 of top 10)
- Conforming / jumbo

- "Contract flow" home purchase experience
- 35+ U.S. states
- Instant pre-qualification

- Home purchase experience
- Instant "streamlined pre-approval letter"
- Expanded lender panel / non-QM eligibility



Lenders added to platform

Quicken Loans *loan depot*



Sources: Market coverage estimates based on Nationwide Mortgage Licensing System (NMLS) Mortgage Industry Report and Inside Mortgage Finance data

Credible will focus on the following core areas of investment in 2019

For personal use only

Partnerships

- Develop and broaden distribution partnerships
- Continue to add high quality new lenders as appropriate
- Expand product suite with existing lenders

Consumer Awareness

- Cost effectively build consumer awareness through partners
- Complete update to brand voice and positioning
- Continue to test new marketing channels

Technology Platform & Customer Experience

- Further leverage platform to generate process efficiencies
- Deepen technology integrations with lenders & distribution partners
- Improve and iterate on customer experience & conversion

Mortgage Roll-out

- Expand mortgage product into home purchase
- Test distribution partnerships with a focus on scalable opportunities
- Expand credit box and iterate on product experience

Closing remarks

Credible has positioned itself to become the dominant online consumer loan marketplace



Successfully delivered on 2018 priorities and strengthened marketplace health



Demonstrated significant scalability of Credible's platform



Strong cash and cash-like resources balance of ~US\$29.6mn¹



Momentum from H2 2018 expected to continue into 2019

1. Includes investments in BBB+ or higher rated instruments with short term maturity dates of less than two years, with the majority less than one year

For personal use only

Q&A

credible