

MoneyMe Limited (ASX: MME)

ASX Announcement

28 January 2021

Q2 FY21 TRADING UPDATE MONEyme ON GROWTH TRAJECTORY WITH RECORD RESULTS

MoneyMe Limited (ASX: MME) ("MoneyMe" or "Group") is pleased to provide this trading update for Q2 FY21.

MoneyMe is on a significant growth trajectory delivering 52% quarter on quarter origination growth, with product diversification and attractive unit economics.

Highlights

- **Record originations.** Q2 FY21 originations of \$69m were 52% ahead on Q1 FY21. December originations volume was \$25m, a new record, with January on a trajectory for over \$27m. The closing gross loan book was \$168.2m as at 31 December 2020 and is projected to increase significantly during the year.
- **Increased market opportunity.** Ongoing diversification is expanding the addressable market for customer receivables growth as MoneyMe's expanding product range and offerings attract new customers across wider opportunities.
- **Robust Margins & Returns.** Robust margins and business returns continue to be delivered alongside high balance sheet growth. Rolling net charge-off rates reduced further to 4% in Q2 FY21 while the average Equifax score increased further to 638.

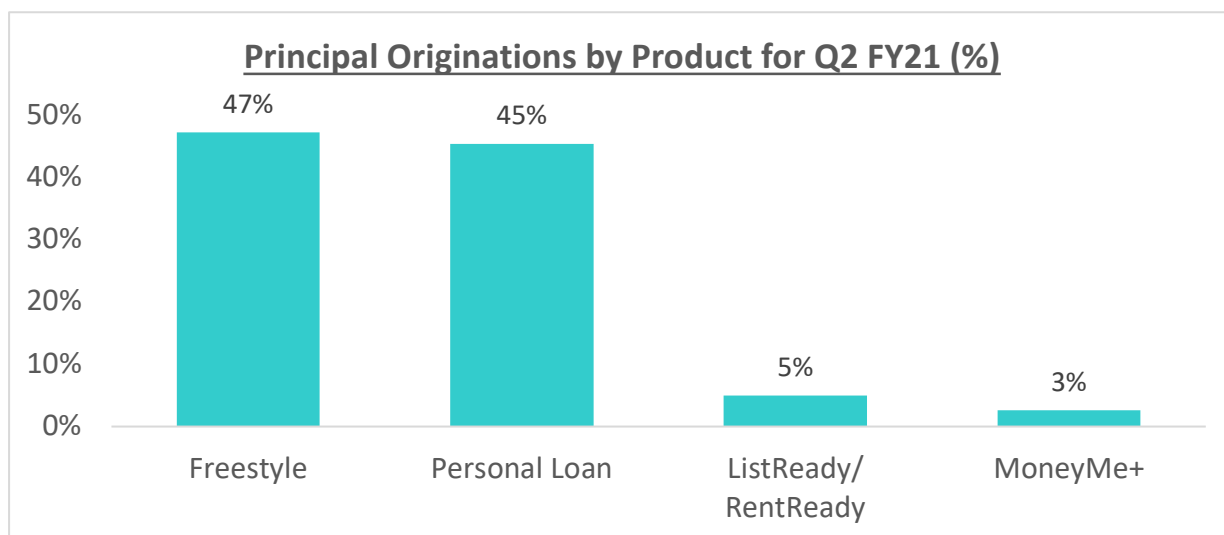
The Group expects to release its H1 FY21 Financial Report to 31 December 2020 on Wednesday 24th February 2021.

Clayton Howes, MoneyMe's Managing Director and Chief Executive Officer said:

"We are incredibly pleased with MoneyMe's results for the quarter, and origination momentum for the different products is setting the business up for high and profitable balance sheet growth. The 52% increase in origination volume reflects exceptional profitable growth and it is exciting to see the new funding warehouse facility delivering a step change to funding costs and increased capacity for growth. With our core and more recently launched products resonating so well with Generation Now, the innovation pipeline is continuing at pace as we continue to build for massive scale and product diversification opportunities."

Record Originations

Originations of \$69m were 52% ahead on Q1 FY21 (\$45m). January 2021 originations are set to exceed December 2020 to be over \$27m, a new record. As illustrated below, the record originations reflect increasing product diversification as the Group attracts new customers with innovations from PayAnyOne to MoneyMe Perks, and the recent POS product launch MoneyMe+.

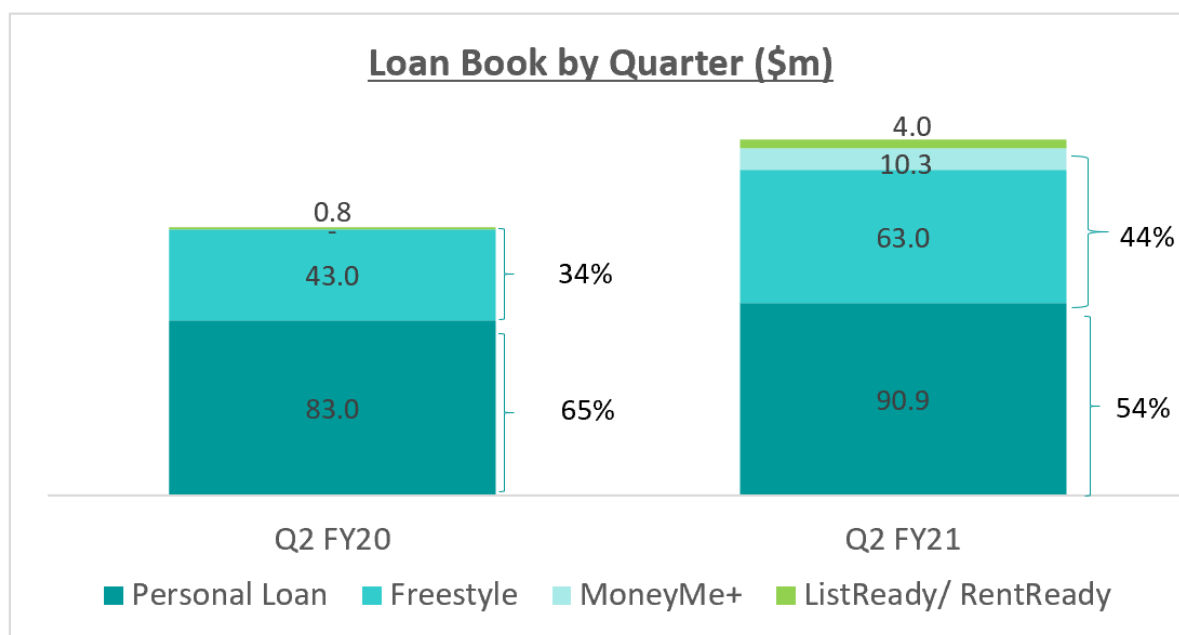


Increased market opportunity

Diversification is continuing to enhance loan book growth as the Group's expanding product mix and offerings attract new customers across a range of market opportunities.

Personal Loans represent 54% of the book at 31 December 2020, with an increasing average loan amount and higher credit rated borrower. The Freestyle virtual Mastercard resonates strongly with customers and represents 37% of the book at 31 December 2020, with increasing usage and the average credit limit.

MoneyMe's more recent product launches, List Ready, Rent Ready and MoneyMe+, have contributed to increase the opportunity further, with these products representing 9% of the book at 31 December 2020.



The existing product set and further products and distribution plans in development will continue our strategy towards diversification to meet consumers diverse borrowing needs and provide a best in class digital experience that reflects high process automation and customer focused innovation.

Robust Margins & Returns

Revenue is healthy recording \$11.7m in Q2 FY21 and growing in line with book growth. Significant cost of fund reductions are being delivered following the refinancing of the Velocity warehouse facility in November 2020 using the new Major Bank warehouse facility. The benefit of these reductions will continue to support business profitability and growth for 2021 and beyond.

The Group continues to fully leverage its unique proprietary Horizon technology platform to achieve low customer acquisition and servicing costs that support ongoing robust margins and business returns alongside the high balance sheet growth.

The Group is also continuing to deliver strong credit book quality with the average Equifax score increasing further to 638 (624 in Q2 FY20). Rolling net charge-off rates reduced further to 4% in Q2 FY21 (6% in Q2 FY20). The Group's loan provisioning to gross loan book in the 2021 Interim Financial Report to 31 December 2020 is also expected to be reduced to below the 9.6% reported as at 30 June 2020 and at 30 September 2020. The reduction is expected to reflect the improving macroeconomic environment and the strong receivables book performance with its robust underlying diversification and positive repayment profiles from customers. Covid-19 hardship payment plan deferrals were only 0.4% at 31 December 2020 (1.4% at 30 June 2020).

Authorised on behalf of the MoneyMe Board and Disclosure Committee by:
Clayton Howes
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ENDS

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About MoneyMe

MoneyMe is a leading player in the digital credit business with technology (Horizon Technology Platform) and AI to deliver highly automated innovative products and customer experiences.

We originate through a diversified mix of credit products and distribution channels to create significant scale and long term customer advantages. Our personal loans, revolving credit accounts and at point of sale retail products are for credit approved customers who are seeking simplicity, fair pricing and flexibility.

Our technology platform enables applications to be completed and checked within minutes and funds to be disbursed, or credit limits to be available, to the customer shortly after approval.

MoneyMe is an ASX-listed, licensed and regulated credit provider operating in Australia.