

MoneyMe Limited (ASX: MME)

ASX Announcement

27 September 2021

MONEYME SECURES \$50M INITIAL FUNDING COMMITMENT IN STRATEGIC FUNDING PARTNERSHIP WITH PACIFIC EQUITY PARTNERS

MoneyMe Limited (“MoneyMe” or “Group”) is pleased to announce that it has formed a strategic funding partnership with leading Australian investment firm, Pacific Equity Partners (“PEP”).

Under the terms of the partnership MoneyMe has secured an initial \$50m funding commitment through a four-year secured hybrid funding instrument documented under a Syndicated Facility Agreement (“SFA”).

The new funding will be used to accelerate growth across MoneyMe’s product suite and is well timed to meet the high demands of its new and rapidly growing Autopay car financing product.

MoneyMe will also deploy this capital to continue to develop and deliver new and enhanced products to its customers, building on the success of its ListReady, Autopay, MoneyMe+ and Freestyle products.

The new funding structure enables significant expansion of the Group’s securitisation warehouse program which maintains a cost of funds of < 5%. A portion of this initial funding will also be used to repay MoneyMe’s existing A\$22m Secured Note facility.

PEP and MoneyMe plan to collaborate on further funding and broader value enhancing initiatives through the agreed SFA.

Clayton Howes, MoneyMe’s Managing Director and CEO said:

“The strategic partnership with PEP is a significant development for MoneyMe. Being able to access efficient debt capital, with a leading Australian investment firm with over A\$7bn in funds under management and more than 20 years of operating success, creates immense value.

“MoneyMe’s high growth trajectory from its personal loan and Freestyle products has accelerated with the recent launch of products in the larger B2B2C markets including Autopay and MoneyMe+ which are unlocking significant incremental growth pathways for the Group. The partnership with PEP is instrumental to securing the very large opportunity in front of us.”

Managing Director of PEP, Jake Haines, said:

"Pacific Equity Partners is delighted to become a part of the MoneyMe journey. We see MoneyMe as a leading platform within the consumer lending space with great people, technology and products and a relentless drive to provide excellent service and innovative solutions to its customers. We have been impressed with its track record thus far and look forward to supporting MoneyMe in achieving its growth ambitions."

Key Facility and Warrant Terms

Borrower	MoneyMe Finance Pty Ltd
Lenders	Funds administered by Pacific Equity Partners (PEP)
Guarantors	MoneyMe Financial Group Pty Ltd, MoneyMe Limited, MoneyMe Technology Pty Limited, MoneyMe Partnerships Pty Limited & List Ready Pty Limited, MoneyMe Finance Pty Ltd
Facility Type	Senior Secured Loan
Facility status and ranking	Direct, secured, unsubordinated and unconditional obligation of the Borrower with the benefit of a guarantee from the Guarantors.
Initial Facility size	A\$50 million
Initial Term	4 years from the date of the first draw.
Warrants	<p>Aligning lender and shareholder returns, an additional coupon will be activated when MoneyMe's market valuation appreciates, with the maximum coupon being 4.5% where market valuation increases by 45% or more since entry into the SFA.</p> <p>The warrant holder can elect to settle the warrants at any time during the SFA term through the issuance of new MoneyMe ordinary shares (up to a maximum 5 million shares (3.4% of total shares today), with the actual number of shares to be determined by dividing the redemption amount by a VWAP) or in cash. The warrants contain standard anti-dilution protections for MoneyMe and PEP.</p>
Other Structuring Items	The SFA has been structured to accommodate future incremental fund raisings subject to certain conditions being met, from either PEP or other lenders.
Covenants	The Facility has the benefit of covenants, and is subject to conditions, typical of a transaction of this nature.

The arranger for the transaction was Morgan Stanley. Gilbert + Tobin acted as MoneyMe's legal adviser. The settlement of the PEP facility is expected to occur in October 2021.

Authorised on behalf of the MoneyMe Board and Disclosure Committee by:
Clayton Howes
Managing Director & CEO

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About MoneyMe

MoneyMe is a leader in innovation with its own technology (Horizon Technology Platform) and AI to deliver highly automated innovative credit products and customer experiences.

MoneyMe originates through a diversified mix of credit products and distribution channels to create significant scale and long-term customer advantages. Our automotive finance, personal loans, revolving line of credit and at point-of-sale instalment products are for credit approved customers who are seeking simplicity, fair pricing and flexibility.

MoneyMe's technology platform enables applications to be completed and checked within minutes, security to be established, 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.