

CREDIBLE LABS INC.
(ASX: CRD)

ASX ANNOUNCEMENT
18 October 2018

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDING 30 SEPTEMBER 2018

Credible Labs Inc. ("**Credible**" or the "**Company**") (ASX: CRD), the San Francisco based technology company that operates a U.S. consumer finance marketplace, is pleased to report the following Business Update and Appendix 4C for the three month period ending 30 September 2018 ("**Q3 2018**") (unaudited).

As at 30 September 2018, Credible held approximately US\$30.4 million in cash and cash-like resources¹ (versus US\$36.3 million as at 30 June 2018), reflecting Credible's strategy of focusing on long-term growth and balancing investment with prudent fiscal management.

HIGHLIGHTS

- **Originated all-time record high quarterly Closed Loan Volume ("CLV") of US\$355 million in Q3 2018 (+56% on previous corresponding period and +89% on previous quarter)**
- **Continued to diversify and strengthen both Credible's platform and acquisition channels with the addition of 14 new marketing partners and 3 new lender partners; the launch of a Credible's first pre-screened direct mail campaign in student loan refinancing; and continued testing of TV advertising**
- **Successfully accelerated the development of Credible's mortgage refinancing marketplace during the quarter, resulting in the public launch of the platform on 10 October 2018 across 20 U.S. states**
- **Maintained strong cash and cash-like resources¹ position of \$30.4 million as at 30 September 2018**

BUSINESS UPDATE

- Credible achieved all-time record high quarterly Closed Loan Volume in Q3 2018 of \$355mn (up +56% from US\$228 million in Q3 2017 and up +89% from US\$188mn in Q2 2018), reflecting:
 - Strong underlying growth in the student loan refinancing and personal loan verticals as a result of initiatives undertaken in H1 2018 (these verticals represented the majority of volume growth during the quarter)
 - Seasonal impact of student loan origination
- Credible continued to scale its partner acquisition channel, consistent with its previously announced strategy. The Company grew CLV significantly while maintaining a disciplined approach to its investment in paid acquisition channels
- Credible continued its testing of new acquisition channels. During the quarter, such testing included: the launch of a multi-lender pre-screened direct mail campaign in student loan refinancing, continued testing of TV for student loan refinancing, and the launch of TV campaigns for student loan origination

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

- During the quarter, user accounts reached a cumulative total of ~1,086,000 as at 30 September 2018, compared to ~910,000 at 30 June 2018 and ~708,000 at 31 December 2017
- Credible's team grew to 129 people as at 30 September 2018, up from 126 at 30 June 2018 and 100 at 31 December 2017. The increase over the course of 2018 largely reflects hiring associated with the accelerated launch of Credible's mortgage marketplace and is expected to grow more modestly over the remainder of 2018 and early 2019

2018 INVESTMENT PRIORITIES

- During the quarter, the Company maintained focus on executing against its four stated areas for investment in 2018:

Building consumer awareness of the Credible brand

- Continued to invest in TV marketing for the student loan vertical to build consumer awareness and reach new potential customers. A new campaign titled "Don't Gamble" ran nationally, including on CNN, CNBC, Discovery, Fox Sports, Bloomberg, TNT, USA, TBS, HGTV, NBC Sports, NBA TV and NHL Network
- The Company also launched a direct mail campaign – a new channel for Credible – for its student loan refinancing marketplace. Credible's direct mail program represents, to the best of the Company's knowledge, a first-of-its-kind campaign where recipients were able to receive a piece of direct mail that included pre-screened offers from multiple lenders. The campaign was made possible due to Credible's multi-lender eligibility system

Deepening and expanding marketing and lender partnerships

- The Company signed 14 new marketing partnerships over the course of Q3 2018, further increasing the breadth and reach of the Company's distribution channels and bringing total added marketing partnerships for the year to 43
- Credible signed 3 new lending partners including with JMAC Lending and Stearns Lending for its mortgage refinancing marketplace, and Upgrade for its personal loans marketplace, bringing total lenders added to 12 for the year (including 4 of the top 10 lenders in mortgage which were previously added for Credible's private invitation-only pilot of its mortgage refinancing platform)

Continuously improving the Company's core technology platform and customer experience

- Credible implemented a "best rate guarantee" offer on its student loan refinancing platform during the quarter. The offer provided borrowers monetary compensation should they find a better rate than what is available on Credible's platform after closing a loan with Credible. The availability of the offer increased borrower conversion rates and reflects Credible's confidence in the strength of its marketplace offering
- Credible's investment in its core technology platform has been reinforced consistently by positive consumer ratings on Trustpilot. Credible maintained its 9.5/10 consumer rating (now based on over 1,500 consumer reviews as at 30 September 2018)

Broadening Credible's product offering

- During the quarter, Credible's personal loan marketplace continued to demonstrate strong underlying momentum, in part due to Credible broadening its lenders panel to include Marcus by Goldman Sachs and LightStream by SunTrust, resulting in strong quarter-on-quarter growth
- Credible accelerated the development of its mortgage refinancing platform, which went live on 10 October 2018 across 20 states in the U.S. representing a significant milestone for Credible as it continues to build on its first-mover advantage as the only deep-funnel loan marketplace in the U.S. The public launch of Credible's mortgage refinancing marketplace was consistent with its previous commitment to launch the platform to the general public during Q4 2018 and followed Credible's private invitation-only mortgage pilot which launched approximately 6 months ahead of schedule on 25 July 2018
- Credible refers investors to its announcement on 20 September 2018 for further details of its mortgage launch

CASH POSITION (AS AT 30 SEPTEMBER 2018)

The Company attaches its Appendix 4C for Q3 2018. As at 30 September 2018, Credible held approximately US\$30.4 million in cash and cash-like resources². In addition, the Company's receivables balance was \$6.4mn (unaudited) at the end of the quarter, up from \$2.4mn as at 30 June 2018. The Company is debt-free.

-ENDS

FOR MORE INFORMATION, PLEASE CONTACT:

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ABOUT CREDIBLE

Credible is a U.S. company based in San Francisco which operates a consumer finance Marketplace that helps consumers save money and make better financial decisions. Credible has developed a proprietary technology platform that is integrated with credit bureaus and financial institutions. Credible has developed a differentiated, and personalised user experience that enables consumers to compare instant, accurate pre-qualified rates from multiple financial institutions for student loans, personal loans and mortgages.

For more information, please visit: www.credible.com

² 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

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Credible Labs, Inc.

ARBN

621 866 813

Quarter ended ("current quarter")

30 September 2018

Consolidated statement of cash flows	Current quarter \$USD'000	Year to date (nine months) \$USD'000
1. Cash flows from operating activities		
1.1 Receipts from customers	5,147	14,344
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing	(5,488)	(13,062)
(d) leased assets		
(e) staff costs	(2,594)	(6,554)
(f) administration and corporate costs	(2,095)	(5,064)
1.3 Dividends received (see note 3)		
1.4 Interest received	155	491
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(4,875)	(9,843)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(18)	(206)
(b) businesses (see item 10)		
(c) investments		

Consolidated statement of cash flows	Current quarter \$USD'000	Year to date (nine months) \$USD'000
(d) intellectual property	(1,062)	(3,001)
(e) other non-current assets		
2.2 Proceeds from disposal of:		
(a) property, plant and equipment		
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets	120	216
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)	19	(558)
2.6 Net cash from / (used in) investing activities	(941)	(3,549)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares		
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options	11	20
3.4 Transaction costs related to issues of shares, convertible notes or options		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		(96)
3.10 Net cash from / (used in) financing activities	11	(76)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	36,253	43,916
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(4,875)	(9,843)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(941)	(3,549)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	11	(76)

Consolidated statement of cash flows		Current quarter \$USD'000	Year to date (nine months) \$USD'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of quarter	30,448	30,448

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$USD'000	Previous quarter \$USD'000
5.1	Bank balances	7,905	6,578
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details) See Note "1" below	22,543	29,675
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	30,448	36,253

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$USD'000
42

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7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$USD'000

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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$USD'000	Amount drawn at quarter end \$USD'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$USD'000
9.1 Research and development	1,400
9.2 Product manufacturing and operating costs	
9.3 Advertising and marketing	6,800
9.4 Leased assets	
9.5 Staff costs	3,100
9.6 Administration and corporate costs	1,500
9.7 Other (provide details if material)	
9.8 Total estimated cash outflows	12,800

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.
- 3 Includes investments of less than two-year maturity date with BBB+ or higher rating.

Sign here:..... Date: 18 October 2018
(Director/Company secretary)

Print name:Stephen Dash.....

Notes

1. Amount includes investments in BBB+ or higher rating with short term maturity dates of less than two years, with the majority less than one year.