

**CREDIBLE LABS INC.
(ASX: CRD)**

**ASX ANNOUNCEMENT
28 February 2019**

RELEASE OF 2018 FULL YEAR FINANCIAL RESULTS FOR PERIOD ENDING 31 DECEMBER 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 release its full year financial results Investor Presentation, Business Update and Appendix 4E for the twelve-month period ending 31 December 2018 ("**FY 2018**").

As previously disclosed, as at 31 December 2018 Credible held approximately US\$29.6 million in cash and cash-like resources¹ (versus US\$43.9 million as at 31 December 2017), reflecting Credible's strategy of focusing on long-term growth and balancing investment with prudent fiscal management.

All financials are presented in US dollars. Credible operates on a calendar year end.

HIGHLIGHTS

- **Originated all-time record high annual Closed Loan Volume ("CLV") of US\$1,104 million in FY 2018 (+40% growth on FY 2017 CLV of US\$787 million)**
- **Generated revenue of US\$26.4 million and gross profit of US\$6.8 million in FY 2018 (+34% and +20% growth respectively from US\$19.8 million and US\$5.8 million in FY 2017)**
- **During the year, Credible focused distribution towards scalable partnerships channels, resulting in ~3x (+175% Q4 2018 vs Q4 2017) contribution from partnerships channels**
- **Credible demonstrated the scalability of its platform in H2 2018 with CLV growth of +89% over H1 2018 CLV as compared with headcount growth of +22% (122 as at 31 December 2018, up from 100 as at 31 December 2017)**
- **Credible made a significant investment in building and launching its mortgage marketplace in 2018 – the Company's home purchase product will launch in stages during H1 2019**
- **Maintained strong cash and cash-like resources¹ position of US\$29.6 million at 31 December 2018, down from US\$43.9 million as at 31 December 2017**

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

CEO Commentary

Credible CEO Stephen Dash commented on the full year's results:

"In 2018, we achieved all of our stated priorities, and we are well positioned for long-term success. We're confident in Credible's prospects and expect that our momentum in H2 2018 will continue into 2019.

We've made meaningful investments in our mortgage marketplace which provides Credible with the opportunity to participate in the largest consumer debt category in the US. We will be deliberate in the way we build distribution by targeting sustainable channels that will deliver value over the long-term.

We continue to maintain a strong balance sheet with cash and cash-like resources balance of US\$29.6m, which provides us with the capacity to invest in our business across a range of positive return projects while ensuring sufficient capital to fund our future operations.

We have the right model, a considerable technology advantage, a strengthening market position, and the resources necessary to build the dominant consumer loan marketplace in the U.S."

BUSINESS UPDATE

Record Closed Loan Volume

Credible posted strong growth in CLV during the year.

- Credible originated CLV of US\$1,104 million in FY 2018, up +40% from US\$787 million in FY 2017, reflecting strong momentum in H2 2018 as a result of continued growth in the student loan refinancing and personal loan verticals supported by initiatives undertaken in H1 2018 to focus customer acquisition towards partnership channels
- The company achieved consecutive quarters of all-time record CLV of US\$354 million in Q3 2018 (+56% on Q3 2017) and US\$368 million in Q4 2018 (+108% growth on Q4 2017)
- The accelerating growth in H2 2018 was in contrast to a lower CLV in H1 2018, which reflected a reduction in marketing spend across digital paid channels (principally Google, Facebook) as a result of deliberate efforts by management to exercise margin discipline during a period of increased costs in those channels

Strong Financial Performance, Particularly in H2 2018

Credible achieved US\$26.4 million in revenues in FY 2018, representing +34% growth from US\$19.6 million in FY 2017.

- Revenue growth was principally driven within Credible's Student Loan Refinance and Personal Loans marketplaces in line with the overall growth in CLV experienced during the year
- In particular, Credible's Personal Loans marketplace benefitted from an expanded group of top tier lenders, including SunTrust and Marcus by Goldman Sachs, which improved Credible's ability to serve a broader range of loan requests from borrowers
- Gross profit grew +20% to US\$6.8 million up from US\$5.8 million, representing a gross margin for FY 2018 of 26%, below FY 2017 gross margin of 29%
- Gross margin improved considerably in H2 2018 to 29%, compared to 21% in H1 2018. This was driven by Credible's focus on partnership channels in H2 2018 where gross profit grew by more than +110% y-o-y exceeding revenue growth of +70% y-o-y

Healthy Marketplace Dynamics

Credible continued to strengthen its marketplace during the year by expanding its panel of lenders, diversifying product contribution to CLV, and significantly growing the contribution from its partner channel.

- Lender diversification:
 - Credible added 10 new lenders during the year including a number of top tier lenders which successfully diversified lender concentration across both its student loan and personal loan verticals, bringing the total number of lenders on the Credible platform to 37 at year end
 - As stated above, Credible’s personal loans marketplace benefitted from an expanded group of lenders, including SunTrust and Marcus by Goldman Sachs, which enabled Credible to address a broader population of borrowers
- Product diversification:
 - The Company successfully launched its mortgage marketplace in Q4 2018 (~6 months ahead of schedule)
 - Personal loans now represent a significant contributor to Credible’s CLV. This provides benefits of product and CLV diversification, and demonstrates Credible’s ability to leverage its platform to extend into new markets
- Expanded acquisition channels:
 - The company added 66 new marketing partners during the year as it continued to scale its partner channel in line with its stated strategy. CLV from Credible’s partner channel almost tripled from Q4 2017 to Q4 2018 (+175% growth)
 - Credible continued to invest appropriately in brand development and brand marketing as it builds its reputation and recognition among potential borrowers. In particular, Credible continued to invest in TV during 2018 and recently launched a series of ads focused on “testimonials” from Credible customers. These ads went live in February 2019 across national broadcast TV, various cable channels, Facebook and Instagram
- Growing user base:
 - User accounts reached a cumulative total of ~1,255,000 compared to ~708,000 as at 31 December 2017. Long term, the Company expects that access to these user accounts will allow it to provide uniquely curated and targeted offers to consumers
 - Cumulative closed loans funded across the Credible platform totaled ~60,740 as at 31 December 2018 up from ~29,220, as of 31 December 2017.

Accelerated Mortgage Launch

Credible successfully launched the first phase of its mortgage marketplace in Q4 2018, ~6 months ahead of schedule.

- Mortgage represents a significant milestone for Credible. The acceleration into mortgage positions Credible to provide a comprehensive suite of consumer loan products, and provides Credible with exposure to the US\$1.6 trillion U.S. mortgage market
- Credible launched its mortgage refinance marketplace as its first product in Q4 2018
 - The Company expanded its mortgage licensing footprint from 20 U.S. states (as at October 2018) to 35 states as at the date of this release providing access to 80% of U.S mortgage originations ²

² 2017 Nationwide Mortgage Licensing System (NMLS) Mortgage Industry Report

- Credible’s initial mortgage marketplace launch partners included four (4) of the top 10 U.S. mortgage originators, including Quicken Mortgage and Loan Depot, representing a significant endorsement of its platform
- As previously communicated and expected, there was limited mortgage refinancing activity in Q4 2018
- As announced on 30 January 2019, Credible commenced development of its home purchase mortgage marketplace during Q4 2018 and expects to launch the marketplace in H1 2019
 - The home purchase mortgage product is more complex than the mortgage refinancing product but will enable Credible to significantly expand its addressable audience, and unlock additional partnership distribution opportunities
 - Today, the Company is pleased to announce that it has publicly launched its “home purchase contract flow” – providing access to Credible’s home purchase mortgage marketplace for those who have signed a contract to purchase a property
 - The Company expects to release an expanded home purchase experience by the end of H1 2019 that will cater to consumers in the early stages of their home purchase journey (pre-contract)
- Based on its experience in building marketplaces in the student and personal loans categories and taking into account the complexity of the mortgage ecosystem, Credible expects it will take approximately two years for its mortgage marketplace to reach scale

Demonstrated Platform Scalability

During the year, the scalability of Credible’s technology platform was demonstrated.

- Credible achieved CLV growth of +89% between H2 2018 and H1 2018 and more than doubled CLV in Q4 2018 as compared with Q4 2017, while only increasing headcount by 22% from 31 December 2017 to 31 December 2018
- As at 31 December 2018, the Credible team consisted of 122 people, up from 100 at 31 December 2017. Based on its current plan, management expects 2019 team growth will be similar to that of 2018.
- This scalability was demonstrated in spite of a significant focus from the Credible team on building and launching its mortgage marketplace
- Credible remains open to considering additional investment in the business in support of value-accretive partnerships

Outlook

Management believes Credible is well positioned to become the dominant consumer loan marketplace in the U.S.

- Successfully delivered on 2018 priorities and strengthened marketplace health
- Demonstrated significant scalability of Credible’s platform
- Strong cash and cash-like resources³ of US\$29.6 million
- Momentum from H2 2018 expected to continue in 2019

-ENDS

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



FOR MORE INFORMATION, PLEASE CONTACT:

Investors

Richard Chan

investors@credible.com

+1 (415) 570 9488

ASX Representative

Naomi Dolmatoff

Naomi.Dolmatoff@companymatters.com.au

+61 2 8280 7355

ABOUT CREDIBLE

Credible (ARBN: 621 866 813) 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