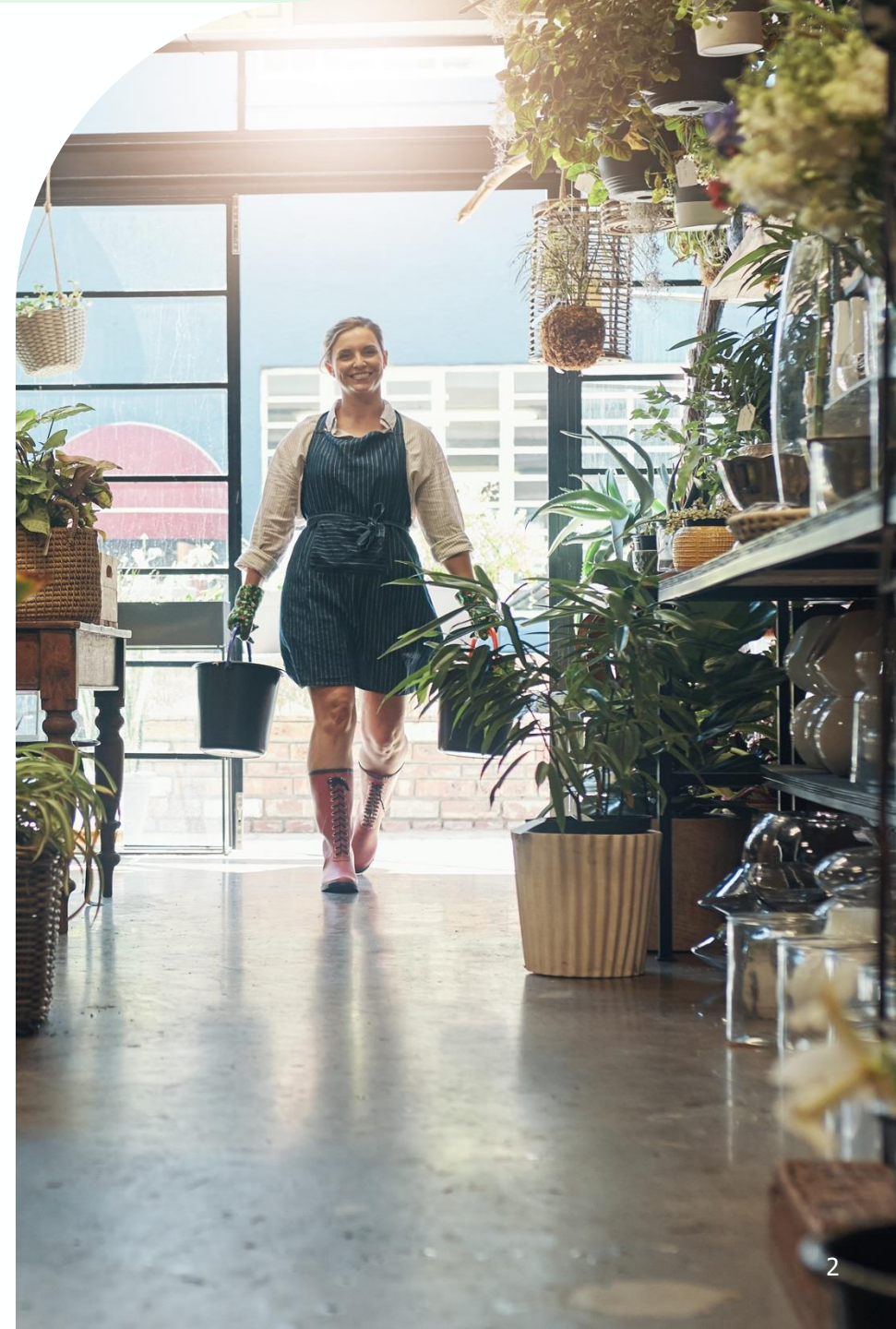


prospa

Investor Day – 21 October 2021

Our purpose

is to keep
small business
moving



ANZ's leading
online lender to
small business¹

\$2.1b+

loans originated
since inception²

80+

NPS Score³

230+

employees³

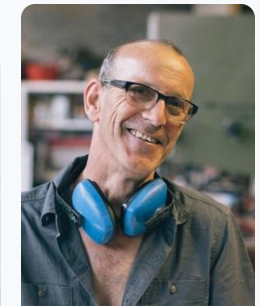
34k+

customers
since inception³

10,000

distribution partners³

1. In the Non-bank Financial Services category, Prospa is the #1 ranked online small business lender in Australia and New Zealand on independent review site TrustPilot with a TrustScore of 4.9 and over 6,200 reviews in Australia and a TrustScore of 4.9 and over 800 reviews in New Zealand as at 30 June 2021.
2. All references to Originations in this document are from all sources, including Small Business Loan, Line of Credit (including undrawn amounts), Back to Business Loan, Back to Business Line (including undrawn amounts) and ProspaPay in Australia and New Zealand, unless otherwise indicated. Small retrospective changes in origination figures may occur as result of back dated cancellations or modifications to support customer outcomes.
3. As at 30 June 2021



Our products

Loans

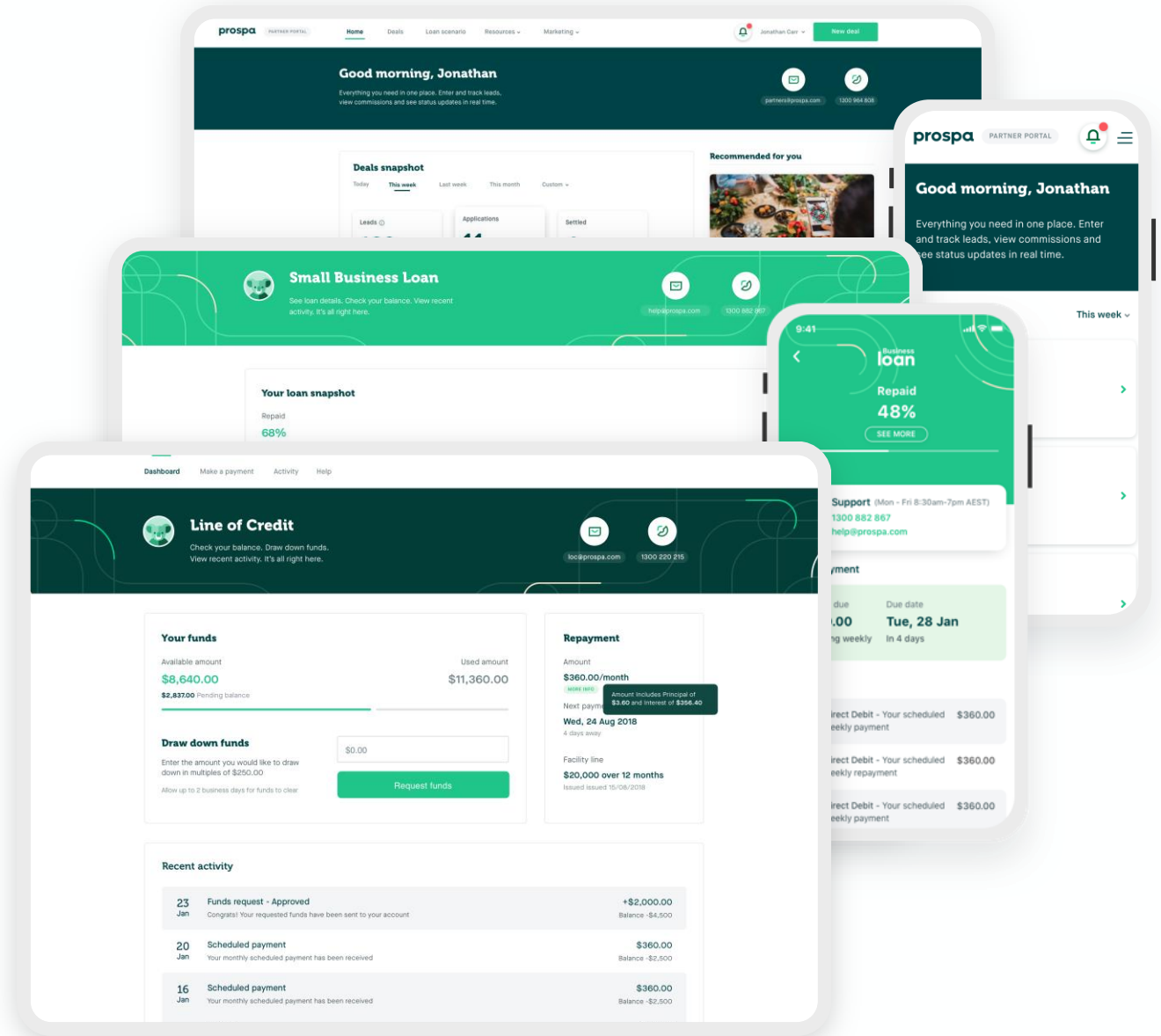
 Small Business Loans

 **NEW** Prospa Plus
Small Business Loans ANZ

Line of Credit

 Australia

 **NEW** New Zealand



Changing customer expectations

Evolving market

SME bounceback

Product & innovation

The challenge



Too many time consuming and manual tasks



Difficult to understand and manage complete cash flow picture



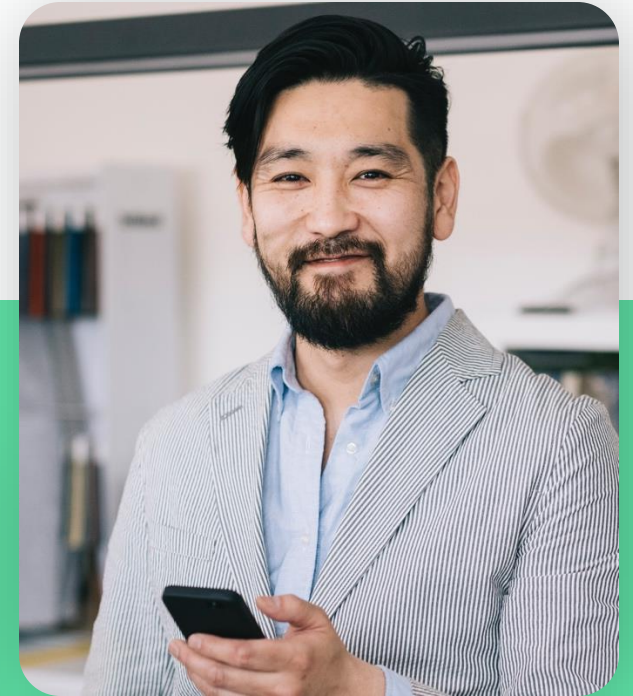
Lengthy credit applications and low approval rates in a segment underserved by traditional banks

“I got into business to do what I love, not all the admin parts.”

Business owners are open to change

67%

Seek a business app that details all accounts and assists with invoice creation, tracking & management



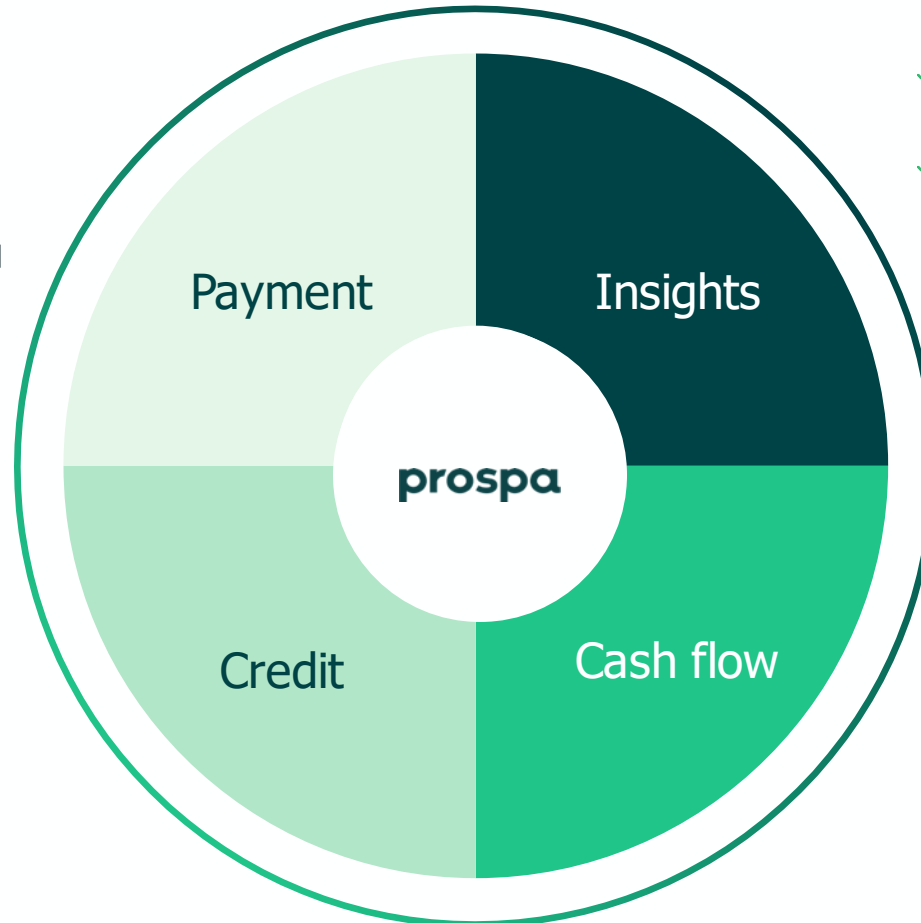
59%

Desire a business account with an overdraft facility

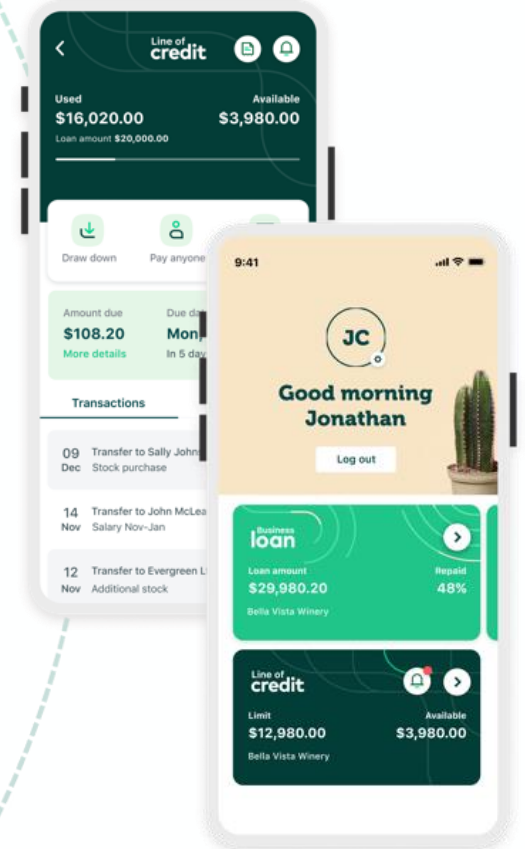
Future state

A cohesive platform that makes Prospa digitally indispensable to SMEs – helping them grow, run and pay







- ✓ Enable customers to pay for goods and services
- ✓ Manage daily expenses, bills and accounts payable
- ✓ Fund growth opportunities
- ✓ Re-stock, re-hire, upgrade equipment

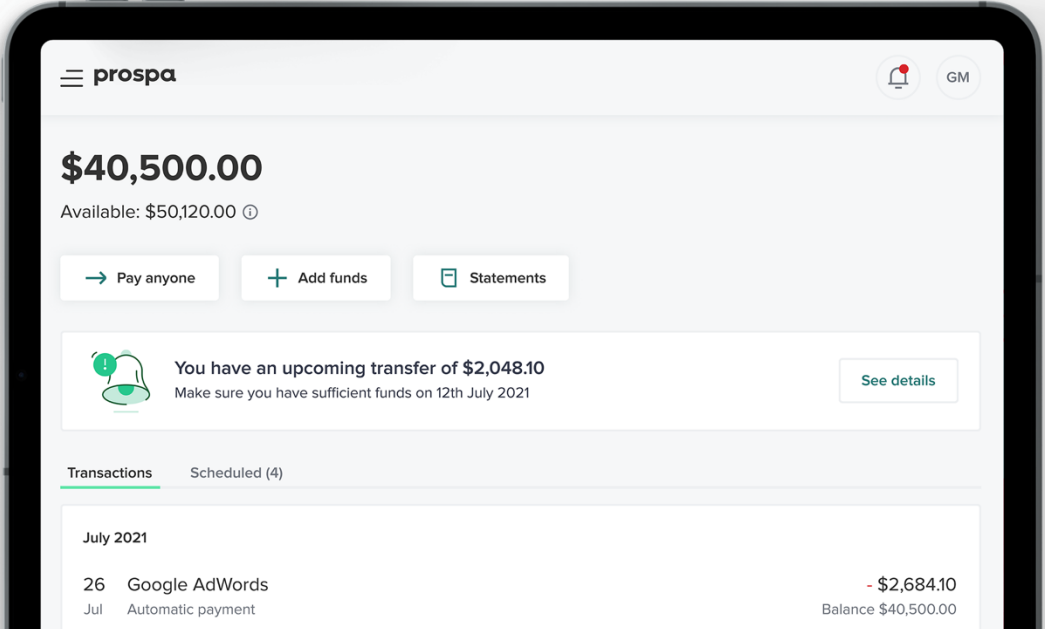
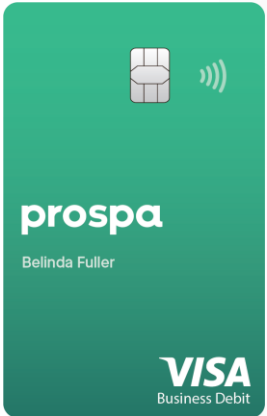
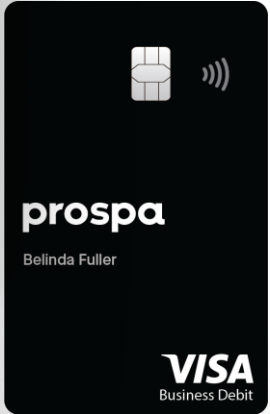
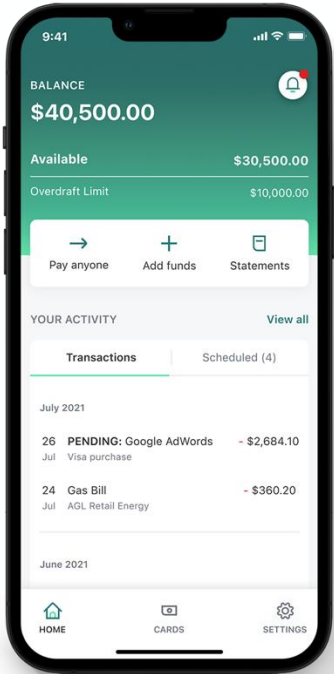


- ✓ Identify challenges and opportunities
- ✓ Smarter, data-driven decisions
- ✓ Improve cash flow management
- ✓ Manage shortfalls and surplus
- ✓ Understand cash position and projections



Prospa's All-in-One Business Account

-  Transaction account
-  Visa business card
-  Credit products
-  Invoicing
-  Bill pay
-  Expense Management



Prospa's transaction account



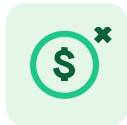
Deposit funds



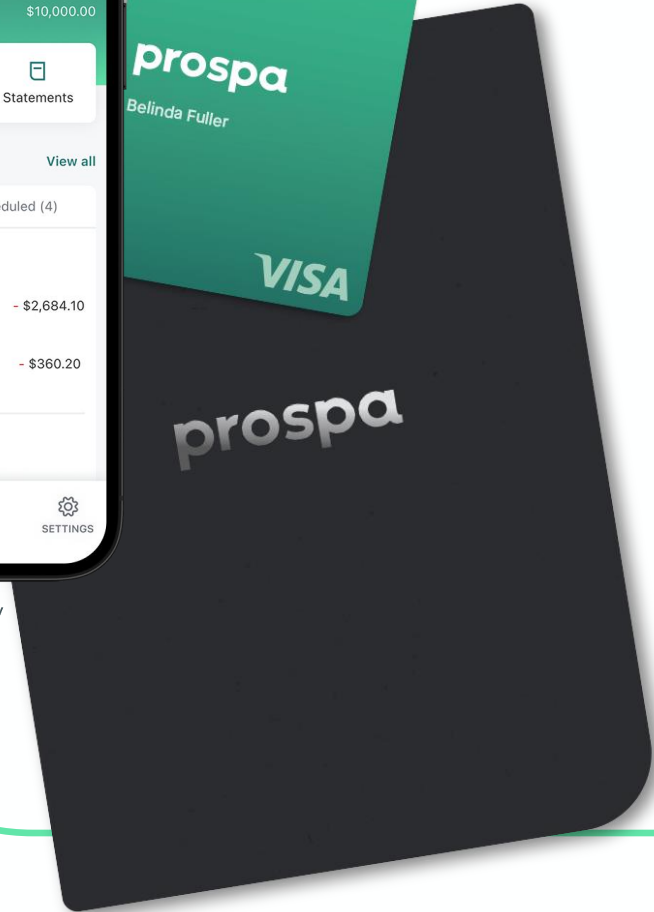
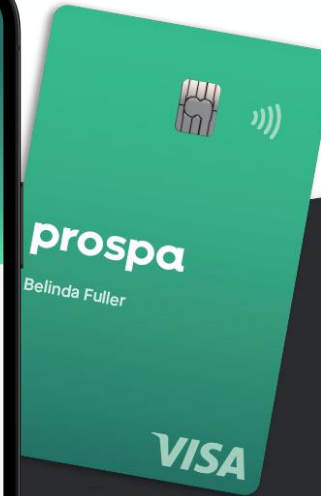
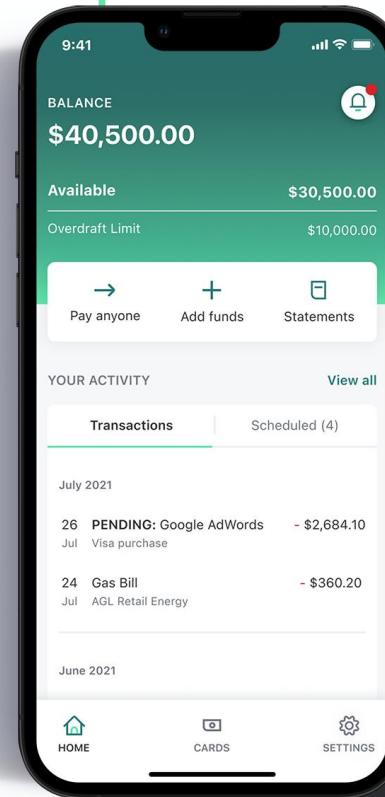
Make and receive payments instantly



Manage your account online 24/7



No account fees



Illustrative only

Visa business card



Use anywhere Visa is accepted worldwide



No foreign exchange fees



Digital and physical



Overdraft facility



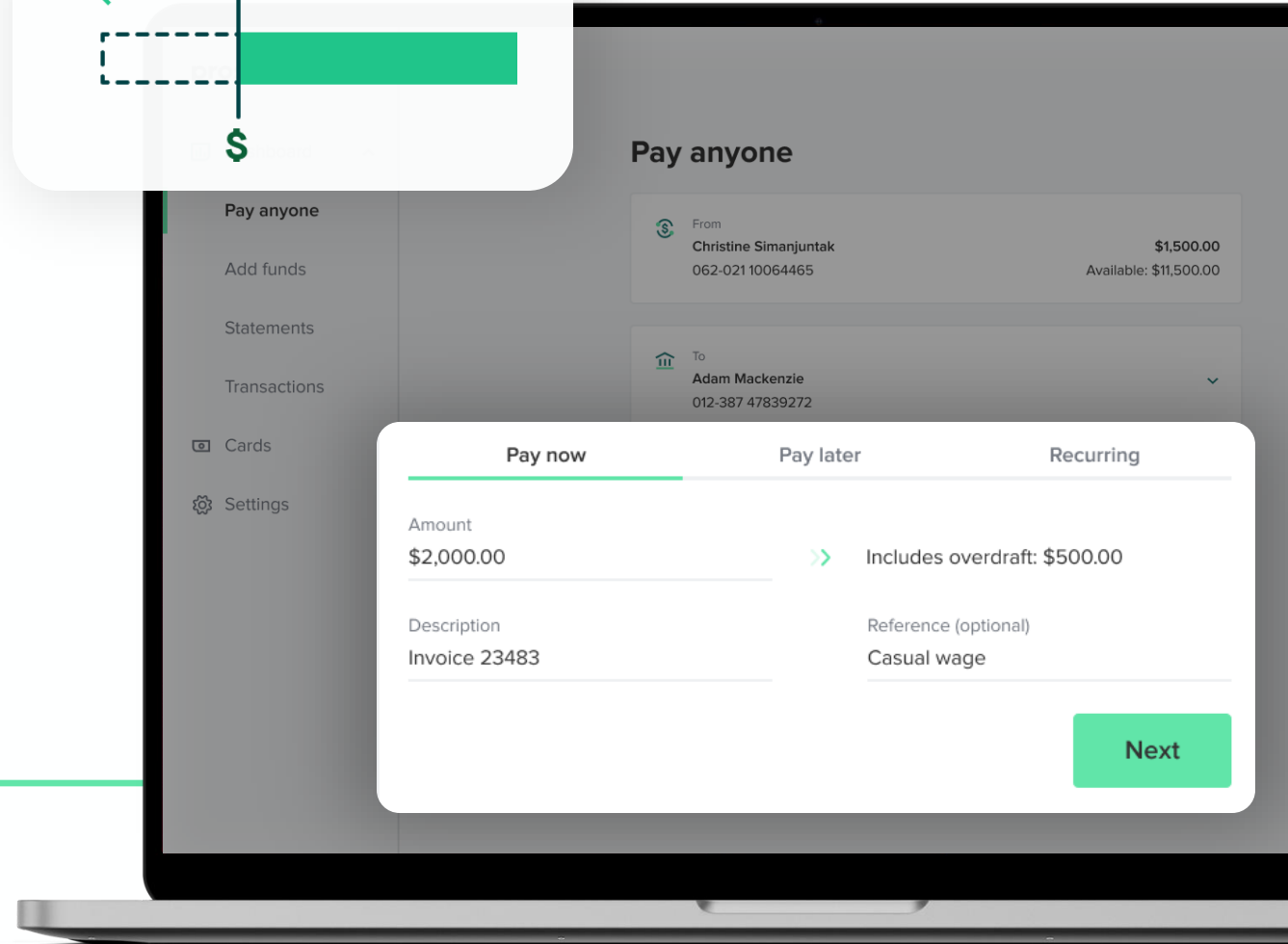
Conveniently built into the transaction account



Quick approval for immediate access of up to \$100K



Illustrative only



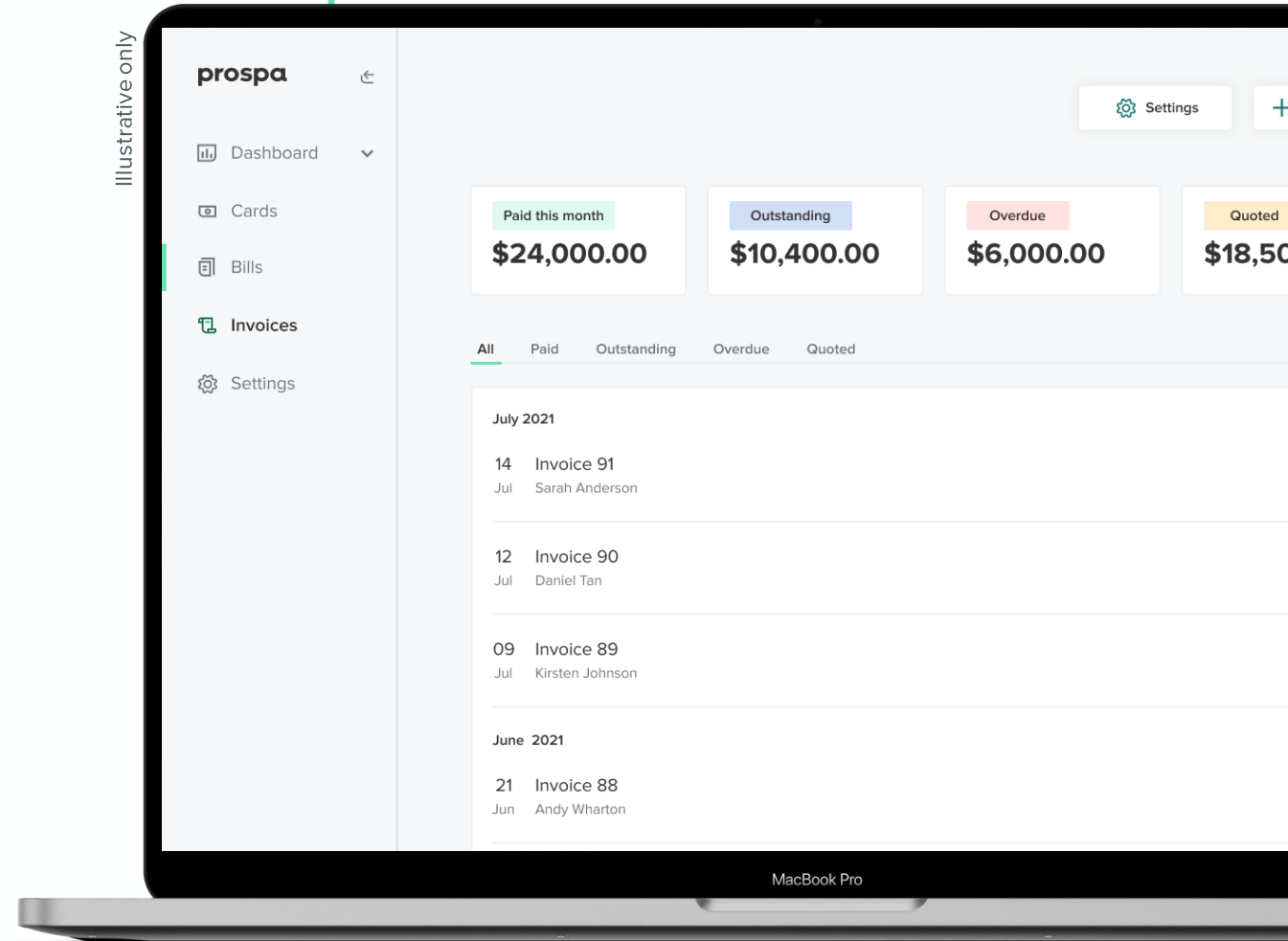
Invoicing



Create, send and track invoices



Automated reminders and reconciliation



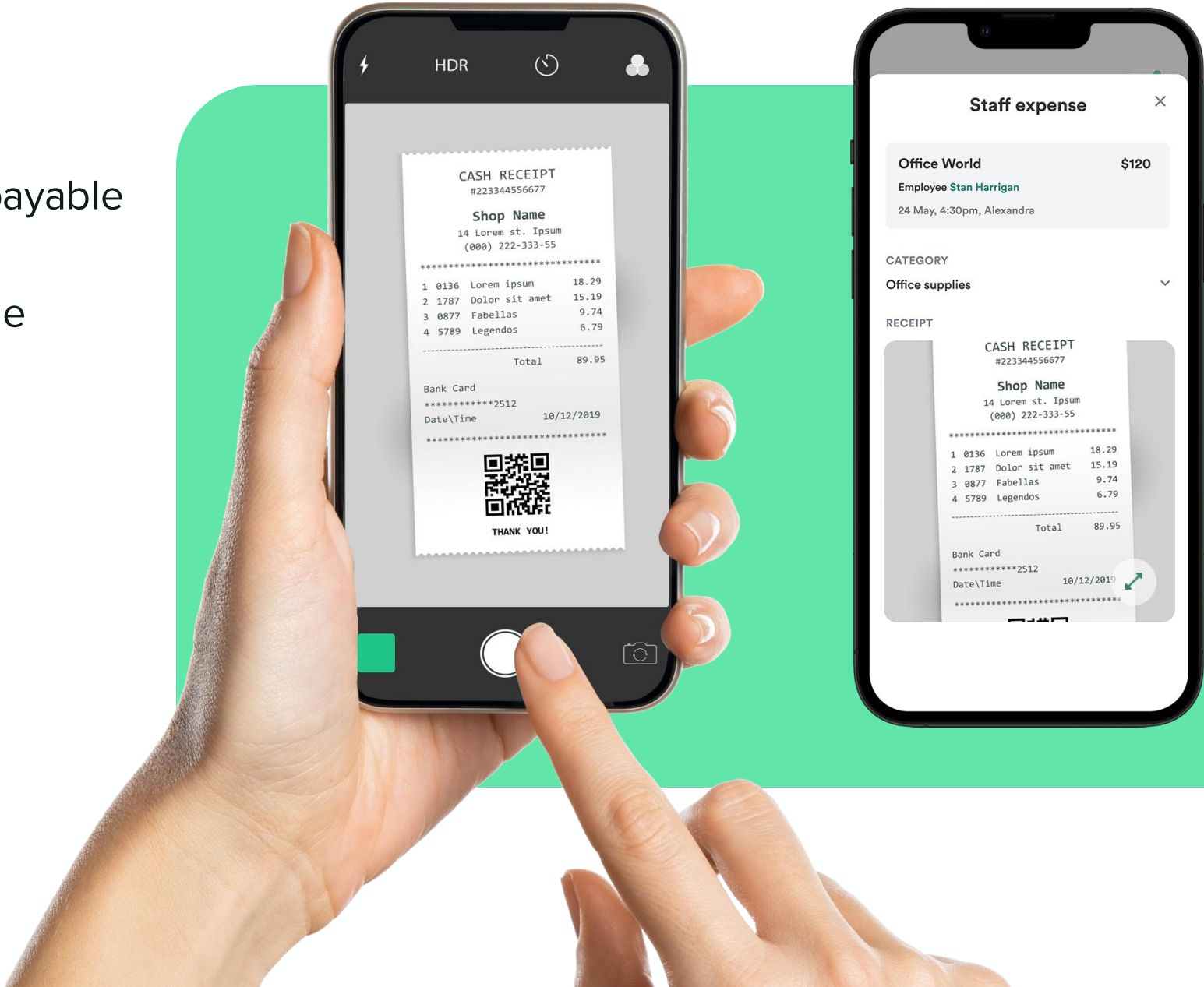
Bill pay



Automating accounts payable







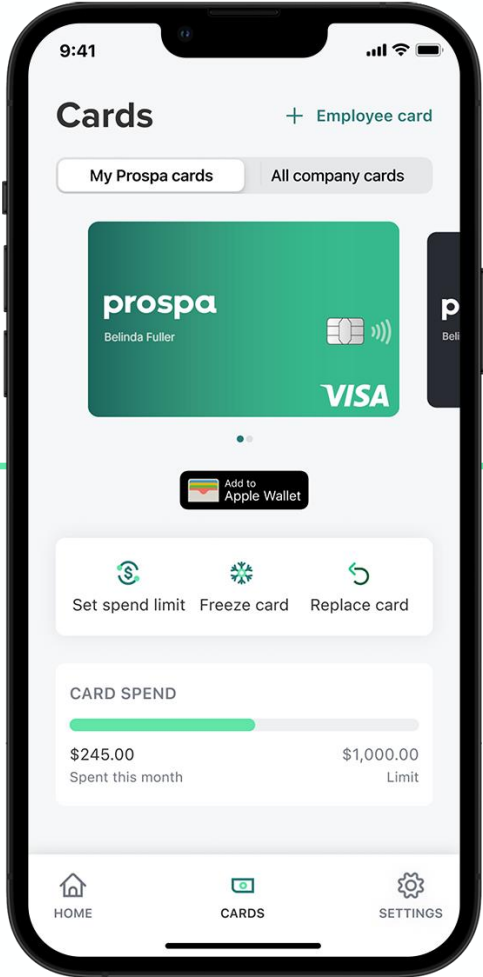
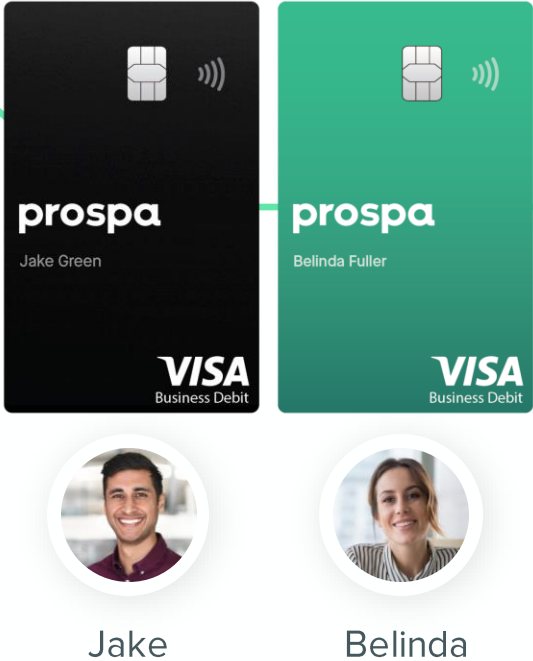
Scheduling bills payable



Illustrative only

Expense management

-  Monitor company expenses
-  Issue employee cards
-  Set budgets
-  Match receipts





Sync your business accounts



Cash position & predictions



Borrowing capacity



Reports & recommendations



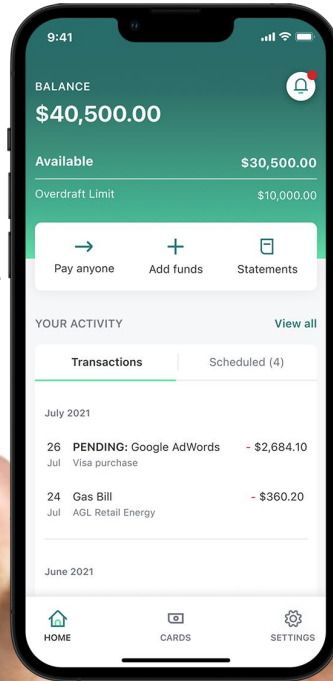
Small Business Loan



Line of Credit



Overdraft with Card



Illustrative only



Pay bills



Manage invoices

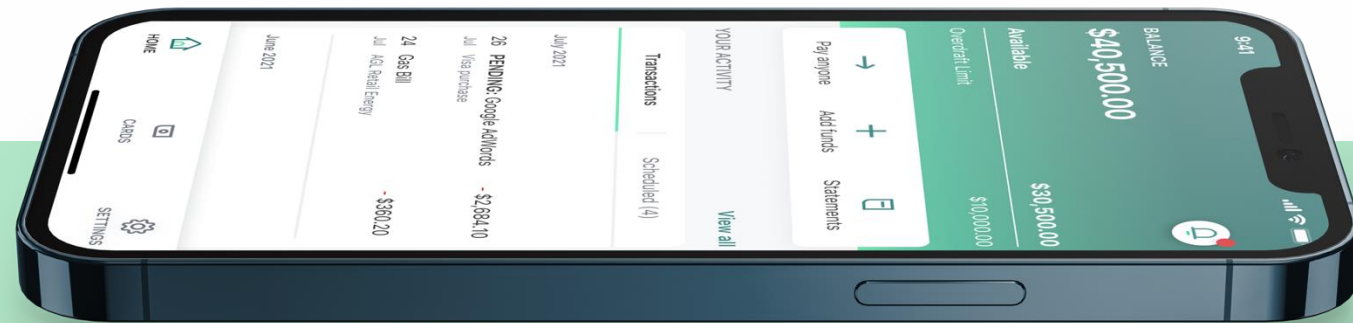


Capture receipts



Manage cards

From 'in the moment' to **indispensable**



Opportunities

Small Business the backbone of the economy

AU



2.4m

small businesses
in Australia



44%

of Australian workforce



35%

of Australia's GDP

NZ



530,000

small businesses
in New Zealand



29%

Of New Zealand Jobs



28%

of New Zealand's GDP

Market opportunity



\$97.0bn

Value of credit received by SMEs in last 12 months¹



\$28bn

Value of additional credit required by SMEs in last 12 months¹



Potential Market Expansion

- Payments
- Financial software

Our Value Proposition



#1

online lender to
small business¹



50%+

repeat customers



New product

Enhance customer
engagement

Diversify revenue

1. In the Non-bank Financial Services category, Prosopa is the #1 ranked online small business lender in Australia and New Zealand on independent review site TrustPilot with a TrustScore of 4.9 and over 6,200 reviews in Australia and a TrustScore of 4.9 and over 800 reviews in New Zealand as at 30 June 2021.

Our multi channel sales approach

Intermediaries	Enterprise + Platforms	Digital + Affiliates	Existing Customers
Finance mortgage brokers + aggregators	Cloud accounting	Digital/Direct performance	All sources, all products
Accountants	Platform market places	ISOs	
Insurance Brokers	Inventory management	Affiliates	
Suppliers + Inventory Management	B2B Enterprise Programs		

Underpinned by brand, marketing & partnerships that influence customer attitudes and behaviour

Our technology will power success



Technology driving
product innovation



Smarter, faster
credit decision
engine



Data collection
and analysis

Drivers for growth



Scale existing products



Expand through new solutions



Reach new markets

Our Business Model

Strong long-term economic model



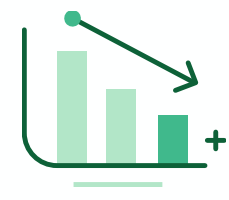
Customer growth



Average customer lifetime value



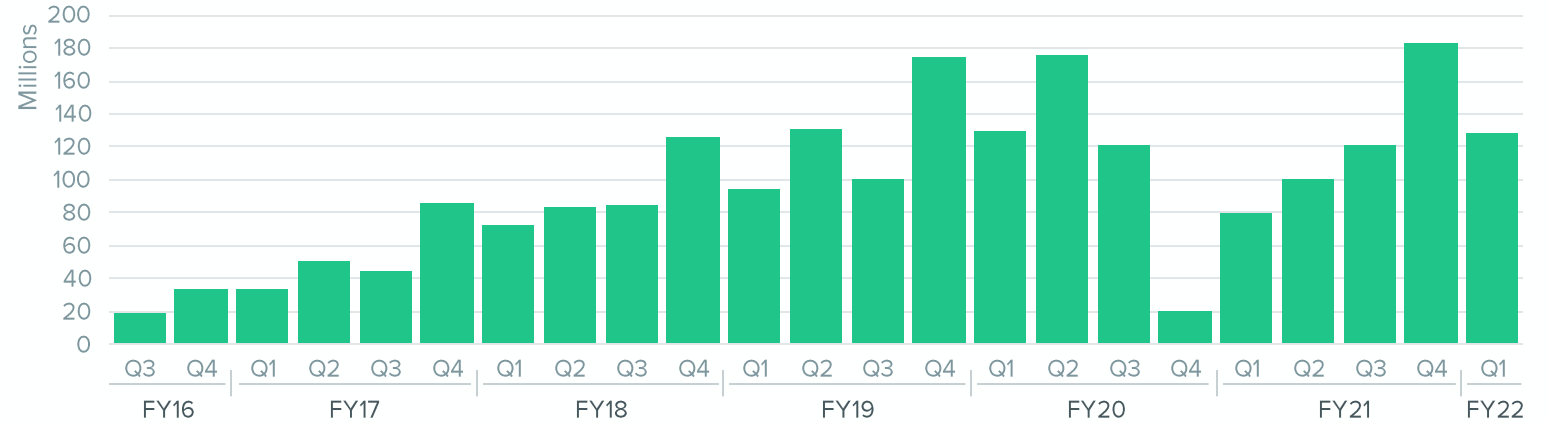
Directly attributable costs



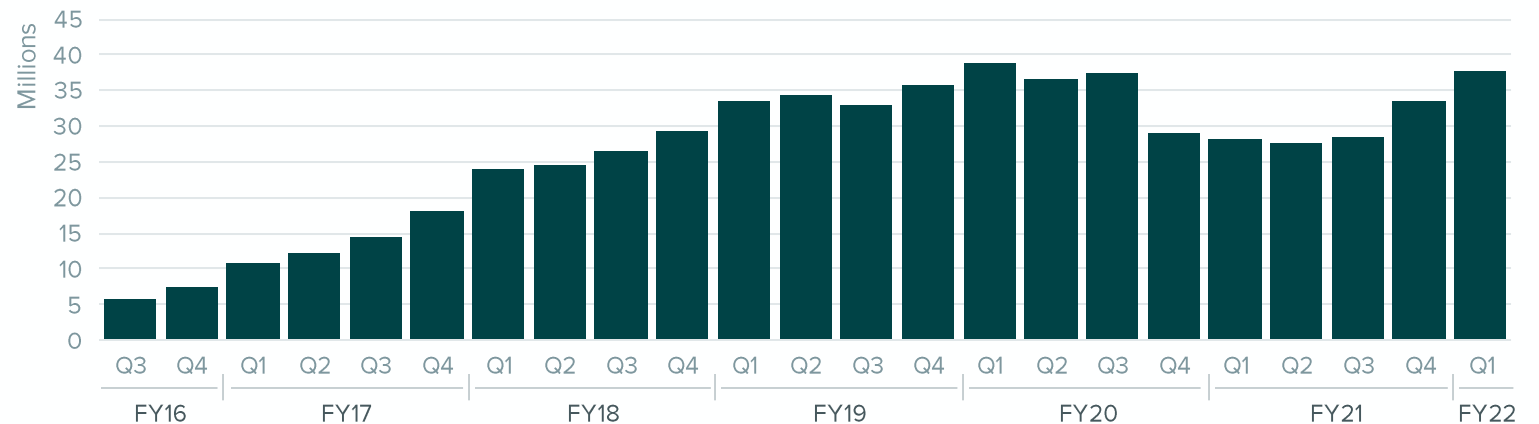
OPEX scalability

Strong growth profile underpinned by strategic investment in platform

Originations¹ +40% 5 year CAGR³



Revenue² +37% 5 year CAGR³



1. Originations are from all sources, including Small Business Loan, Line of Credit (including undrawn amounts), Back to Business Loan, Back to Business Line (including undrawn amounts) and ProspaPay in Australia and New Zealand, unless otherwise indicated.
 2. Total revenue before transaction costs.
 3. 5 year CAGR from FY16 to FY21

Product economics continue to improve with time

Small business loan

	CY18	FY21	Change over 3 years
Avg loan size & term	\$28,832 (12mth)	\$35,965 (16mth)	↑ \$7,133
\$ Revenue	\$7,500	\$9,200	↑ \$1,700
Attributable costs ¹	\$4,300	\$5,300	↑ \$1,000
Contribution margin	\$3,200	\$3,900	↑ \$700
# renewals	2.7x	2.9x	↑ 7%

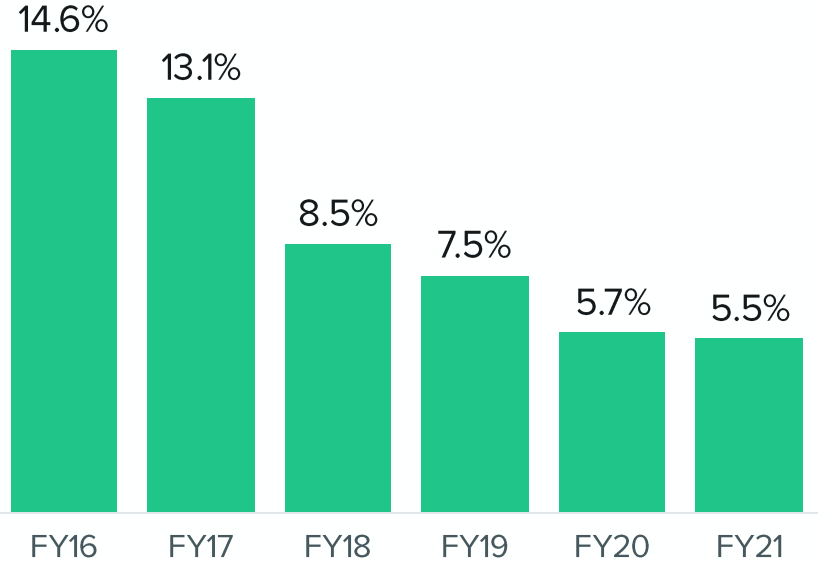
Line of credit / overdraft (per 24 month period)

	FY21
Avg facility size	\$46,000, 50% drawn on avg
\$ Revenue	\$13,900
Attributable costs ¹	\$7,000
Contribution margin	\$6,900
# renewals (expected)	At least 1x

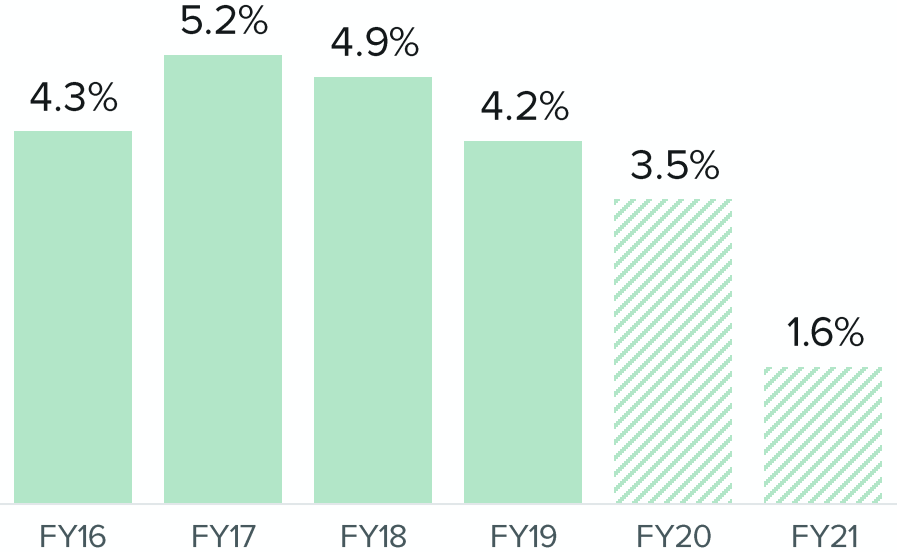
1. Attributable costs include cost of funds, transaction costs including external and internal commissions, marketing costs and loan impairment.

Funding costs decrease with stable static loss

Funding Cost Rate¹



Static Loss Rate²



1. Funding cost rate is equal to funding costs divided by average third party funding debt
2. Static loss rate net of recoveries as at 30 September 2021 for the Australian small business loan product and Government Guarantee Scheme loan products. Banded columns reflect cohorts which are still seasoning. FY20 and FY21 cohorts too early to demonstrate material loss data including taking into account the impact of COVID-19 deferrals.
3. Banded columns reflect cohorts which are still seasoning.

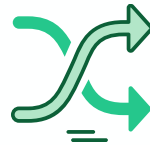
Integrated suite of digital products expected to drive active customer lifetime and slower OPEX growth



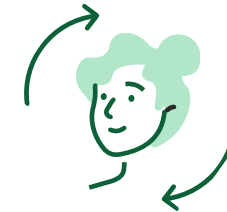
Increased automation driving scalability



New product innovation increasing active customer lifetime

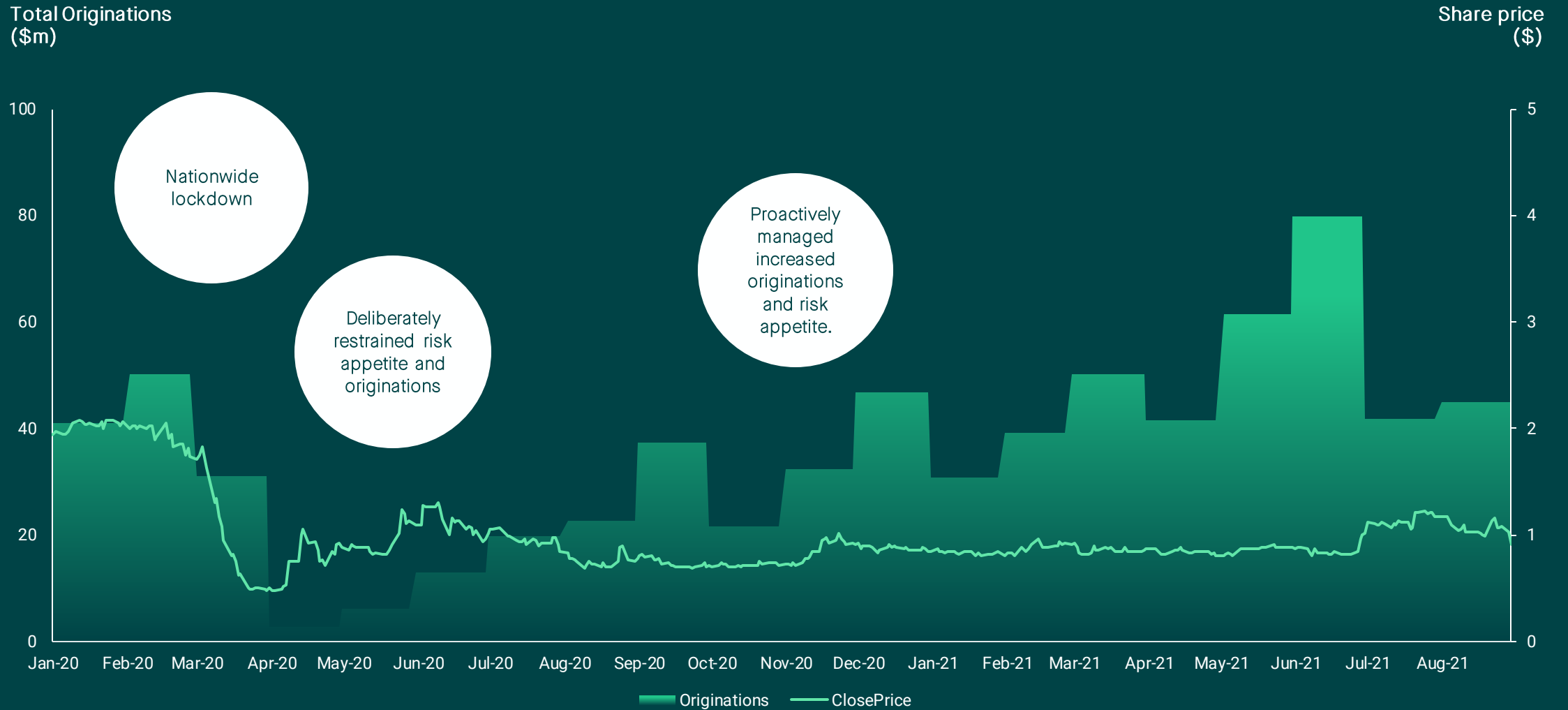


Cross-selling products for optimal share of wallet

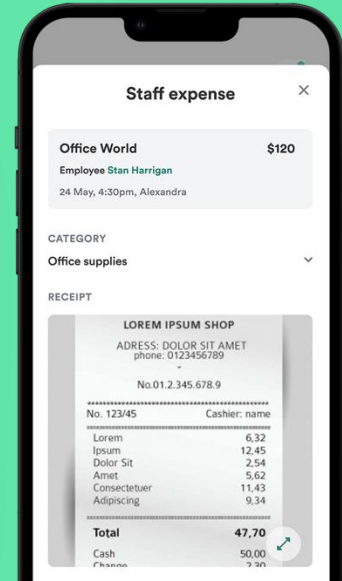
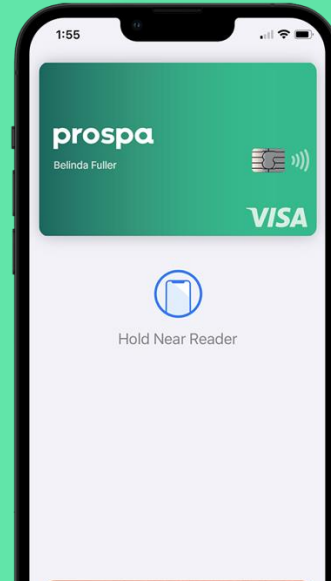
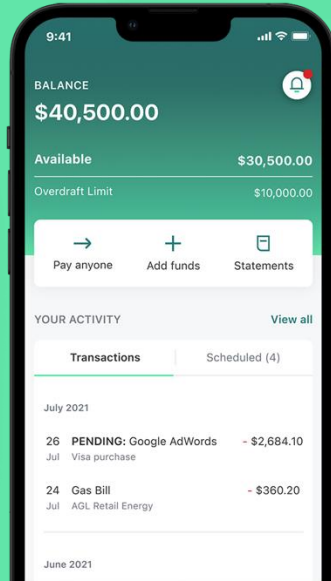
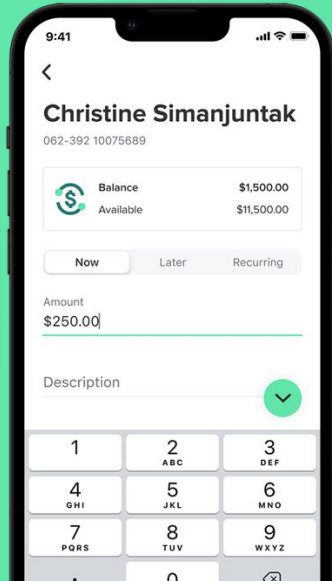
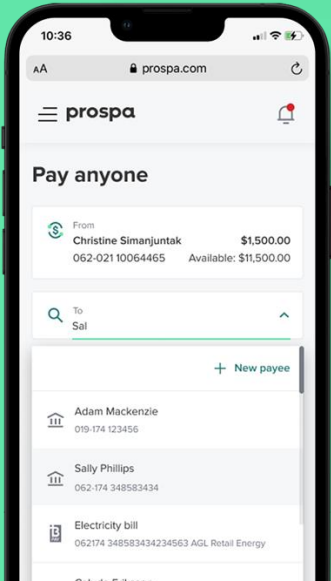
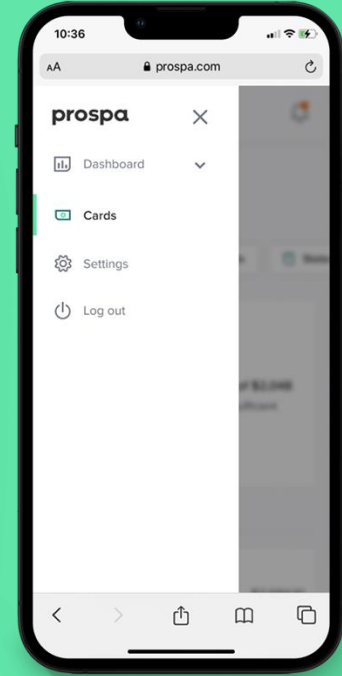
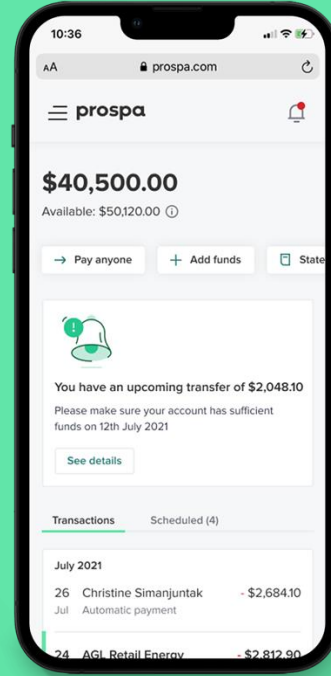
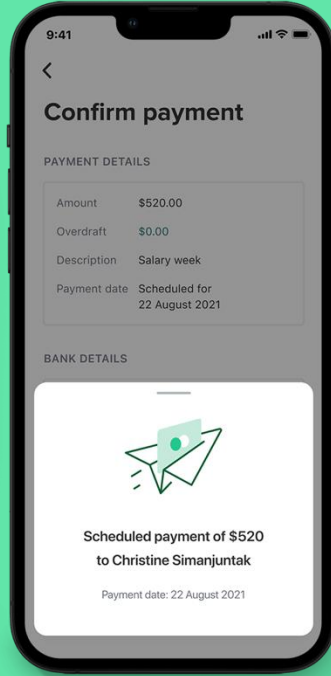
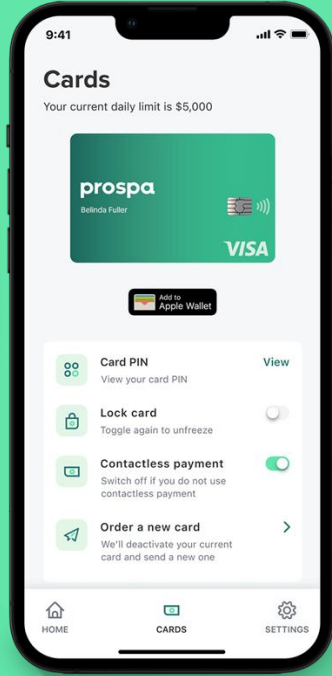
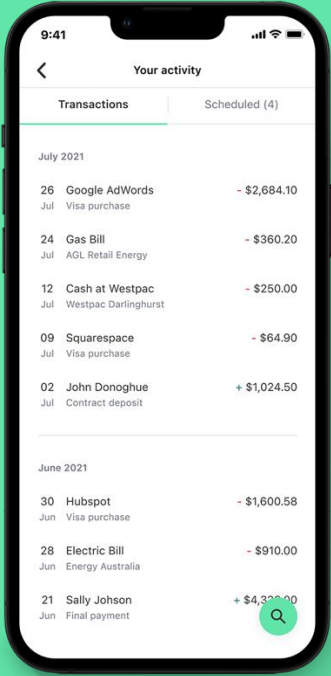


Increasing repeat customers with lower cost to serve

Untapped potential in shareholder value



Source: IRESS as of close 31 August 2021



Illustrative only

Q&A

Got a question?

Important Notice and Disclaimer

The material in this presentation has been prepared by Prospa Group Limited (PGL) and is general background information about Prospa's (PGL and its subsidiaries) activities and is current at the date of the presentation, 21 October 2021.

This presentation may contain statements that are, or may be deemed to be, forward looking statements. Such statements can generally be identified by the use of words such as “believe”, “estimate”, “plan”, “target”, “project”, “anticipate”, “expect”, “intend”, “likely”, “may”, “will”, “could” or “should” and similar expressions. Indications of strategy, plans, objectives, targets, goals, future events or intentions are also forward looking statements.

You should not place undue reliance on such forward-looking statements. Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of PGL or any of its related entities which may cause actual results to differ materially from those expressed or implied in such statements.

No representation or warranty, express or implied, is made as to the accuracy, reliability, adequacy or completeness of the information contained in this presentation.

Past performance information in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

The information in the presentation is given for informational purposes only, is in summary form and does not purport to be complete. It is intended to be read by a professional analyst audience in conjunction with PGL's other announcements to ASX. It is not intended to be relied upon as advice to current shareholders, investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular shareholder or investor. No representation is made as to the accuracy, completeness or reliability of the presentation.

The views expressed in this presentation may contain information that has been derived from publicly available sources that have not been independent verified. No representation or warranty, express or implied, is made as to the accuracy, reliability, adequacy or completeness of the information. Market share information is based on management estimates except where explicitly identified.

To the maximum extent permitted by law, PGL and any person involved in the preparation of this presentation disclaim all liability and responsibility (including without limitation, any liability arising from fault or negligence) for any direct or indirect loss or damage which may arise or be suffered through use or reliance on anything contained in, or omitted from, this presentation.

PGL is not obliged to, and does not represent that it will, update the presentation for future developments. All currency figures are in Australian dollars unless otherwise stated. Totals may not add up precisely due to rounding.

prospa

Thank you