

Plenti maintains profitable growth

Plenti Group Limited (**Plenti**) is pleased to provide its full year results for the year ended 31 March 2023 (**FY23**).

Financial highlights

- Record loan portfolio of \$1.8 billion, up 36% on prior year
- Record loan originations of \$1.1 billion, up 3% on prior year
- Record revenue of \$143 million, up 62% on prior year
- Strong credit performance, with a 0.68% net loss rate
- Record Cash NPAT of \$4.5 million, up \$4.0 million on prior year
- Delivered on 2H23 growth, profitability and efficiency objectives

Operational highlights

- Materially reduced cost-to-income ratio, further evidencing operating leverage inherent in Plenti's technology-led business model
- Completed two asset-backed securities (**ABS**) transactions, bringing total ABS issuance to over \$1.3 billion, and establishing Plenti as a programmatic issuer with domestic and international investor support
- Delivered enhancements to proprietary technology platform, improving customer experiences, speed of service and efficiency

Strategic highlights

- Launched GreenConnect, an innovative platform which brings together renewable energy product manufacturers, energy retailers and equipment installers, with Plenti's finance offerings
- Undertook substantial retail investor platform enhancements, including the simplification of investment markets and the introduction of a new investment market to provide exposure to Plenti ABS notes
- Broadened automotive loan offering and distribution, while growing stronger credit segment electric vehicle and commercial automotive loan originations

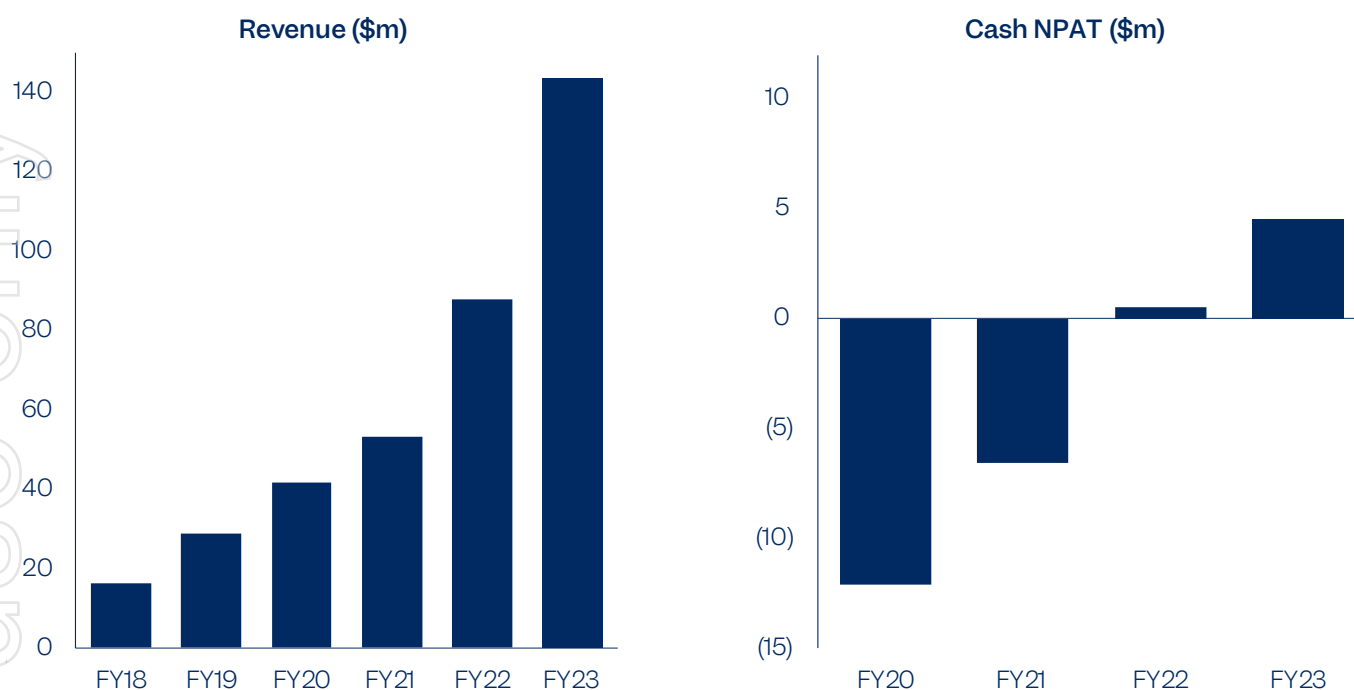
Daniel Foggo, CEO and founder, said:

“Growing cash NPAT to \$4.5 million in a year when funding costs increased materially is testament to the strength of our technology-led business model and our talented team.

We leveraged our product diversity and capabilities across customer reach, funding and credit, to deliver another differentiated performance.

We enter our new financial year confident of our ability to continue building market share in each of our loan verticals, and our ability to translate these market share gains into robust profit growth.”

Revenue and positive Cash NPAT generation



Plenti generated revenue of \$143 million, up 62% on the prior year, supported by strong growth in its loan portfolio.

As previously communicated, with significant increases in funding costs early in the year, the Company made a strategic decision to prioritise increasing customer yields (to restore net interest margins earned on new loans), rather than maximising loan origination volumes. This decision supported the Company's capital position as well as its profitability.

Plenti continued to demonstrate the operational leverage inherent in its technology-led business model, materially reducing its cost-to-income ratio to 34% from 48% in the prior year.

Strong revenue growth, the prioritisation of loan margins, and continual operational efficiency improvements, translated into a positive Cash NPAT result for the year of \$4.5 million, a \$4.0 million increase from the prior year. Cash NPAT in the second half of the year was \$3.1 million, up 125% on the \$1.4 million Cash NPAT achieved in the first half.

Technology enhancements

Plenti delivered significant advancements in its technology platform across the year, including improvements to customer experiences, credit decisioning and pricing, partner integrations and operational efficiency.

Plenti recently launched GreenConnect, a platform which provides Australian households with simpler and more cost-effective solar-battery packages and access to exclusive Virtual Power Plant (VPP) offers. Plenti's network of 750+ renewable vendors and installers can access GreenConnect to match clients with combined offerings from battery manufacturers, energy retailers, equipment installers and Plenti's finance.

During the year, Plenti renewed its focus its retail investor platform, the Plenti Lending Platform, a unique funding source with over 26,000 investors. Significant improvements to customer investment options were delivered, and new investment options were launched.

Consistent with prior years, all investment in product and technology was expensed through the profit and loss statement, rather than capitalised onto the balance sheet. The full \$10.4 million investment in product and technology in FY23 is therefore reflected in the Company's Cash NPAT result.

Credit performance

Plenti delivered another strong credit performance, reflecting the prime nature of its loan portfolio. The net credit loss rate for the year was 0.68%, up from the 0.54% in FY22, with the increase reflecting the seasoning of the loan portfolio and generally higher credit losses across lending markets following a period of low losses supported by COVID-19 related fiscal and monetary stimulus. Plenti completed its first sale of previously written-off loan receivables, which helped support loan recoveries and reduce the net credit loss rate in the second half of the year.

90+ day arrears were 0.42 % at the end of the year, a low level relative to the market, although higher than 0.26% at the end of FY22, again reflecting the seasoning of the loan portfolio and generally higher levels of arrears across loan markets.

The strength of this credit performance in part reflects the high proportion of lower-risk secured automotive loans and renewable energy loans in Plenti's loan portfolio. Together these represented ~68% of the loan portfolio, consistent with the prior year.

Financial position and funding

As part of its renewed focus on its retail investor platform, a new investment market, the Notes Market, was introduced to provide eligible investors with a higher investment return option through providing exposure to notes issued as part of Plenti's ABS transactions. The Notes Market provides further diversity to Plenti's ABS funding whilst also releasing corporate capital.

Plenti completed two ABS transactions, across ~\$740 million of receivables. This brought its total ABS issuance to over \$1.3 billion and helped to establish Plenti as a recognised programmatic issuer with strong domestic and international investor support. The first ABS issued, a secured automotive loan transaction, was completed in June 2022, and was subsequently voted the KangaNews ABS Deal of the Year for 2022 by industry participants. The second ABS issued, of renewable energy and personal loan receivables, was notable for \$73.5 million of the notes being green-certified under the Climate Bonds Standard, and for the margin discount achieved relative to the equivalent non-green Aaa rated tranche. This is believed to be the first time a "greenium" has been achieved in a public market debt issuance in Australia for over five years.

Plenti established a corporate debt facility agreement in late FY22 with an Australian funder to provide capital to support its ongoing business growth. The facility limit is linked to the size of Plenti's securitised loan portfolio, providing the ability to access more capital with loan portfolio growth. A further \$4.5 million was drawn under the facility, bringing the total drawn amount to \$22.5 million, which was below the year-end facility capacity.

Strategy and outlook

Plenti's strategy is to establish market leadership positions in each of its lending segments, extend its product and technology advantages and optimise its funding. Plenti pursues its strategy within a robust risk management framework.

Plenti expects to increase its focus on driving loan origination growth as FY24 progresses, supporting continued growth in its loan portfolio and allowing further economies of scale to be realised. Robust full year Cash NPAT growth is expected to be achieved in FY24, with a more pronounced weighting towards the second half of the year (primarily

due to increased digital loan acquisition spend and a return towards historical credit loss rates in the first half of the year).

Plenti's FY24 priorities and objectives are set out below:

Priority	FY24 objective
Growth	<ul style="list-style-type: none">- Drive solid growth in loan originations and loan portfolio- Grow revenue to over \$200 million
Profitability	<ul style="list-style-type: none">- Deliver robust full year Cash NPAT growth, skewed towards 2H24
Efficiency	<ul style="list-style-type: none">- Reduce cost-to-income ratio to <30%- Remain on target to deliver \$25m in efficiencies as loan portfolio scales towards \$3 billion

Investor webcast

An online investor presentation will be held at 9.30m AEDT / Sydney time on 24 May 2023. Investors can register for the online investor presentation through the following link:

https://plenti-au.zoom.us/webinar/register/WN_r34msr3HQo-QKj5laPhypA

This release was approved by the Plenti Board of Directors. For more information please contact:

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About Plenti

Plenti is a fintech lender. We provide faster, fairer loans by leveraging our smart technology.

We offer award-winning automotive, renewable energy and personal loans, delivered by our proprietary technology, to help creditworthy borrowers bring their big ideas to life.

Since our establishment in 2014, our loan originations have grown consistently, supported by diversified loan products, distribution channels and funding, and underpinned by our exceptional credit performance and continual innovation.

For more information visit plenti.com.au/shareholders.