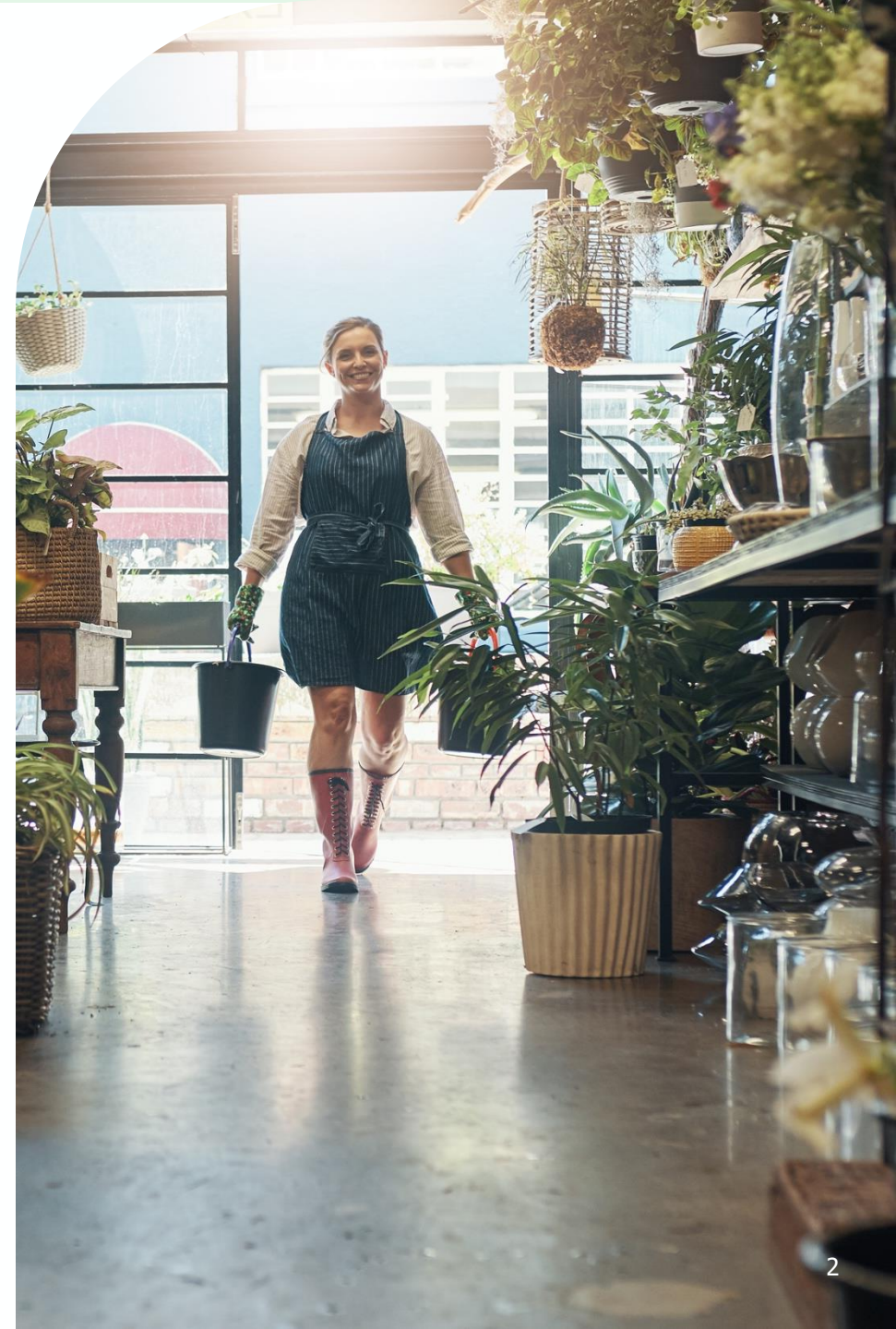


prospa

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

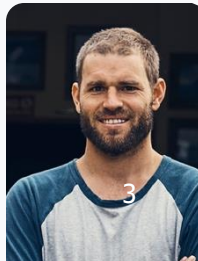
10,000

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 ProsparPay 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





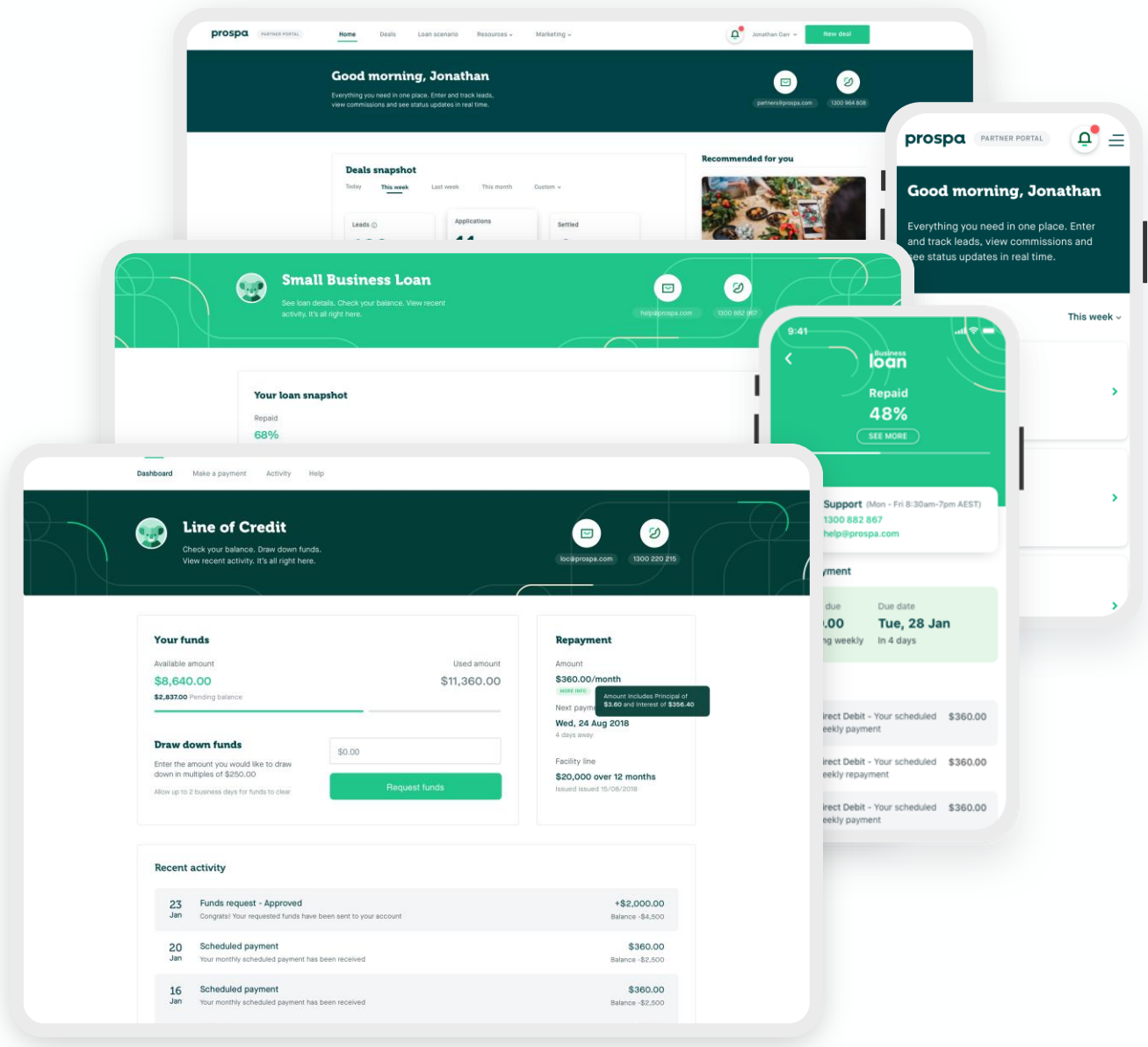
Our products

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



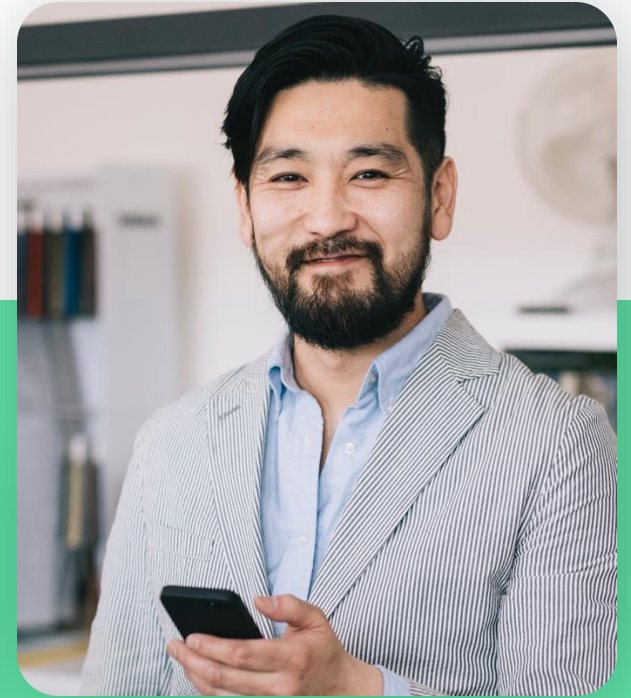
Lengthy credit applications and low approval rates in a segment underserved by traditional banks

“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%

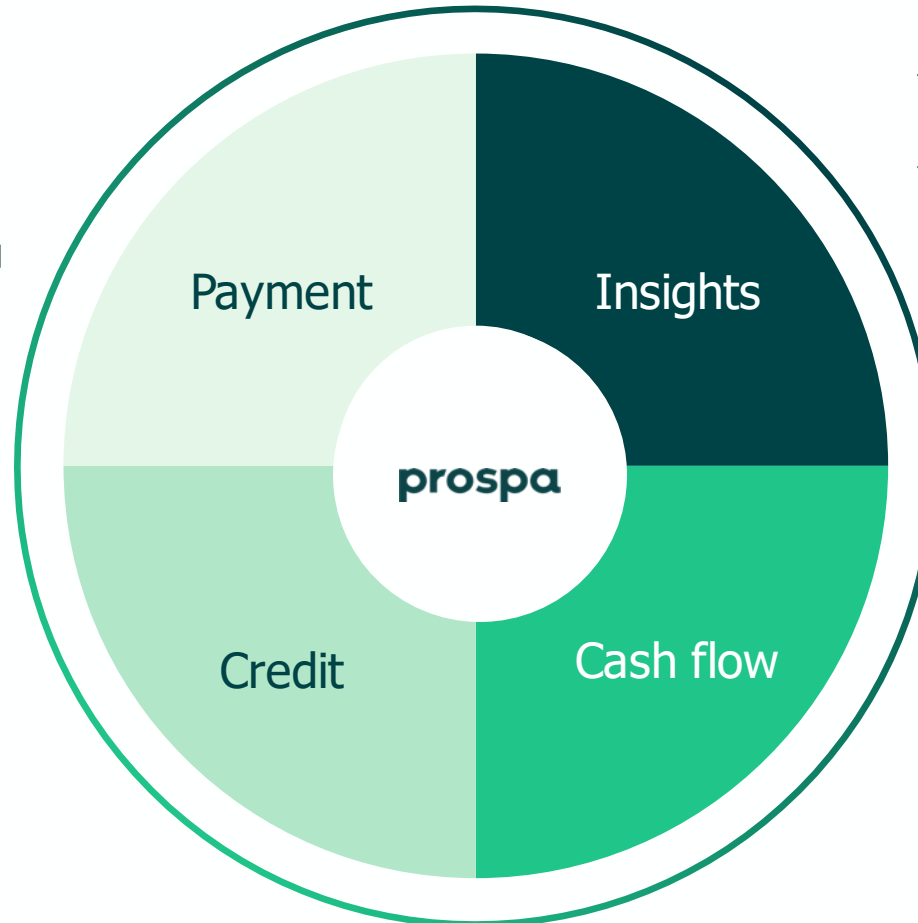
Desire a business account with an overdraft facility

Future state

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

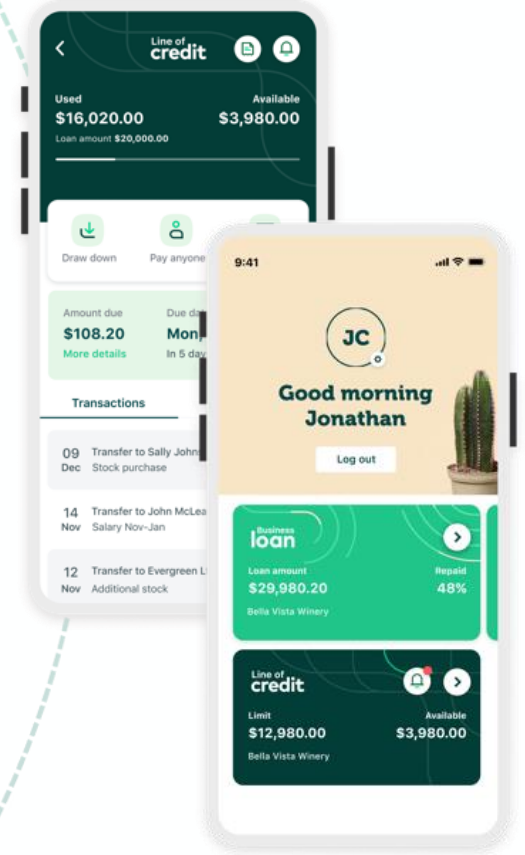
- ✓ Enable customers to pay for goods and services
- ✓ Manage daily expenses, bills and accounts payable

- ✓ Fund growth opportunities
- ✓ Re-stock, re-hire, upgrade equipment









- ✓ Identify challenges and opportunities
- ✓ Smarter, data-driven decisions

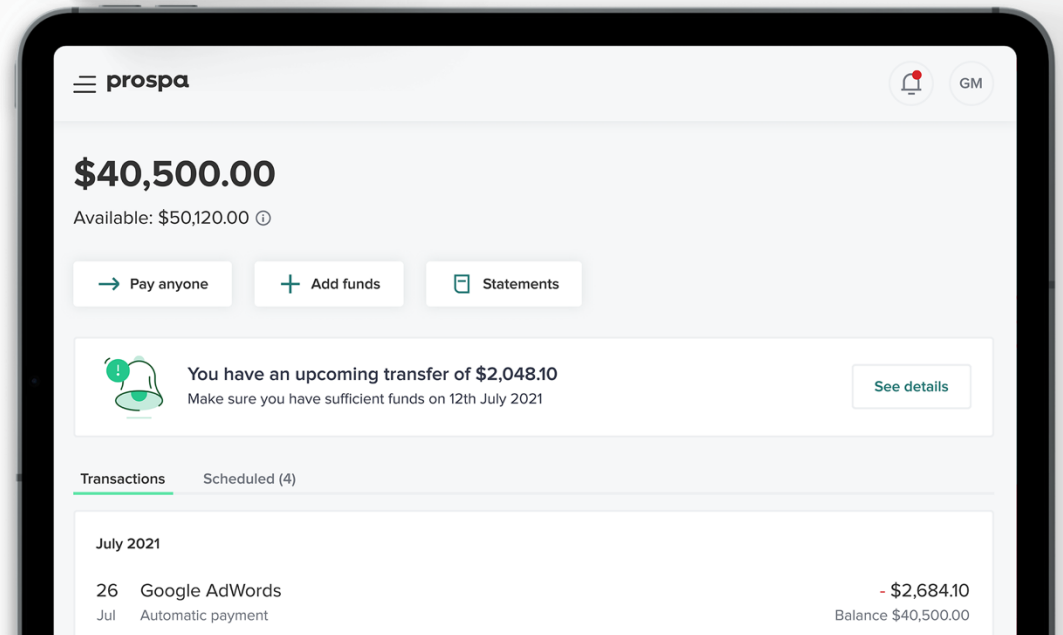
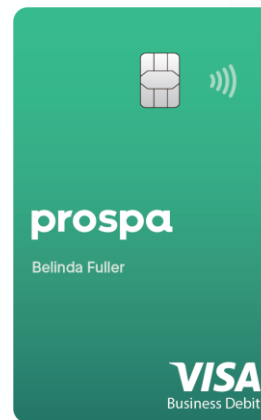
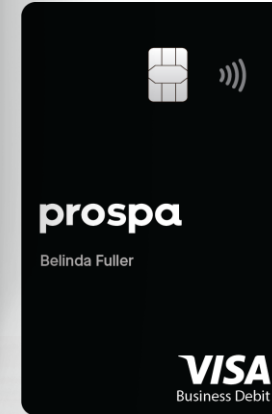
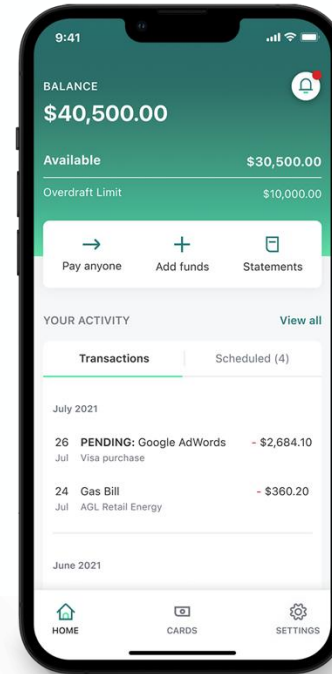
- ✓ Improve cash flow management
- ✓ Manage shortfalls and surplus
- ✓ Understand cash position and projections







Prospa's All-in-One Business Account

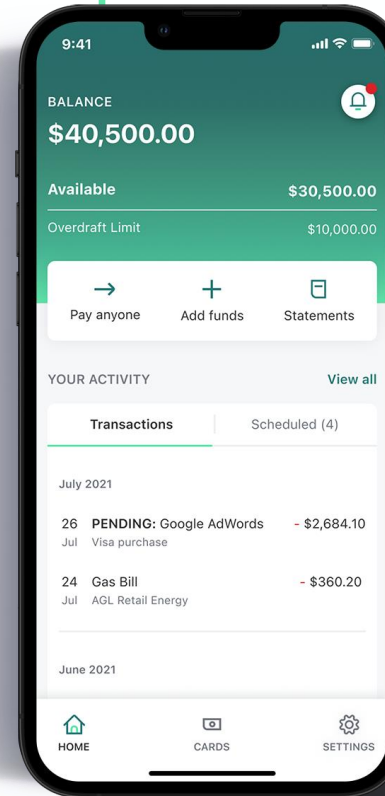
-  Transaction account
-  Visa business card
-  Credit products
-  Invoicing
-  Bill pay
-  Expense Management

Illustrative only

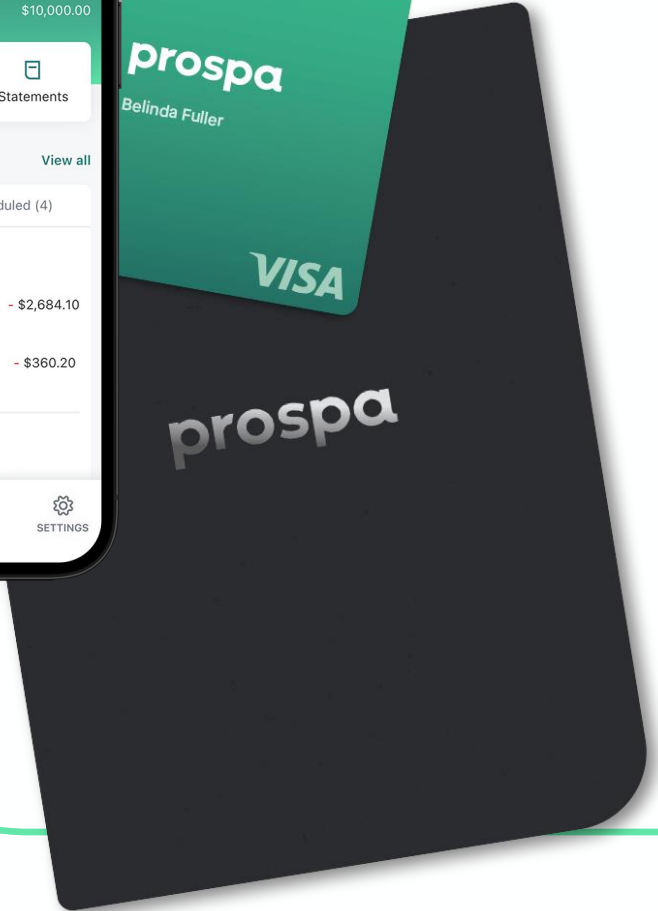


Prospa's transaction account

-  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



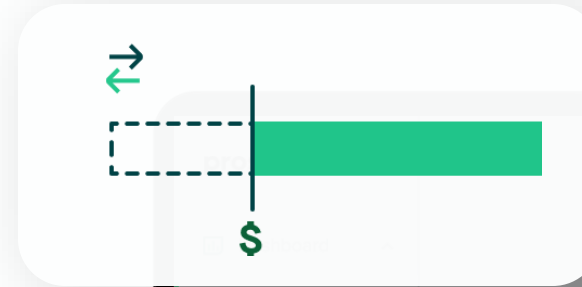
Overdraft facility



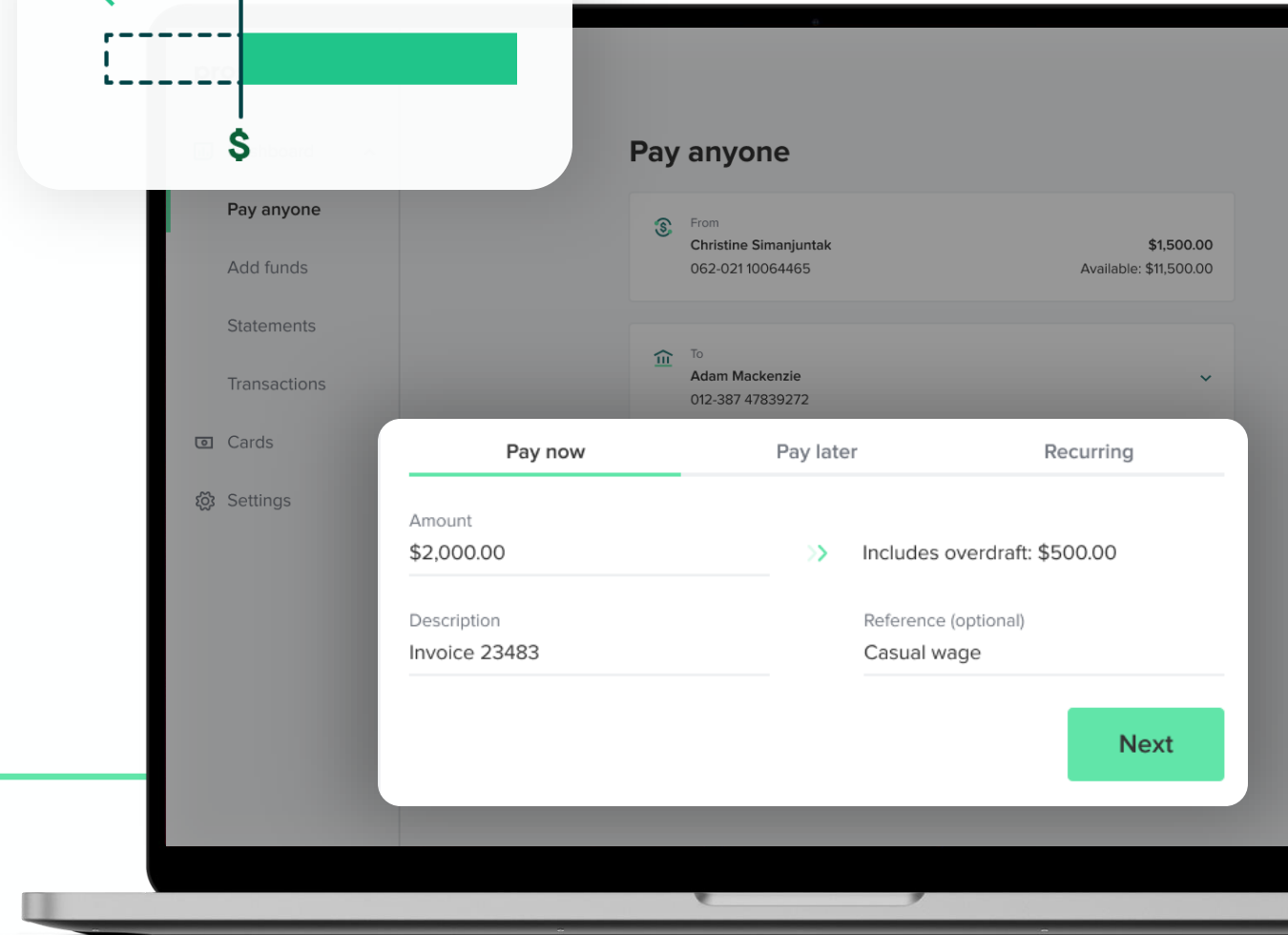
Conveniently built into the transaction account



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



Illustrative only



Invoicing

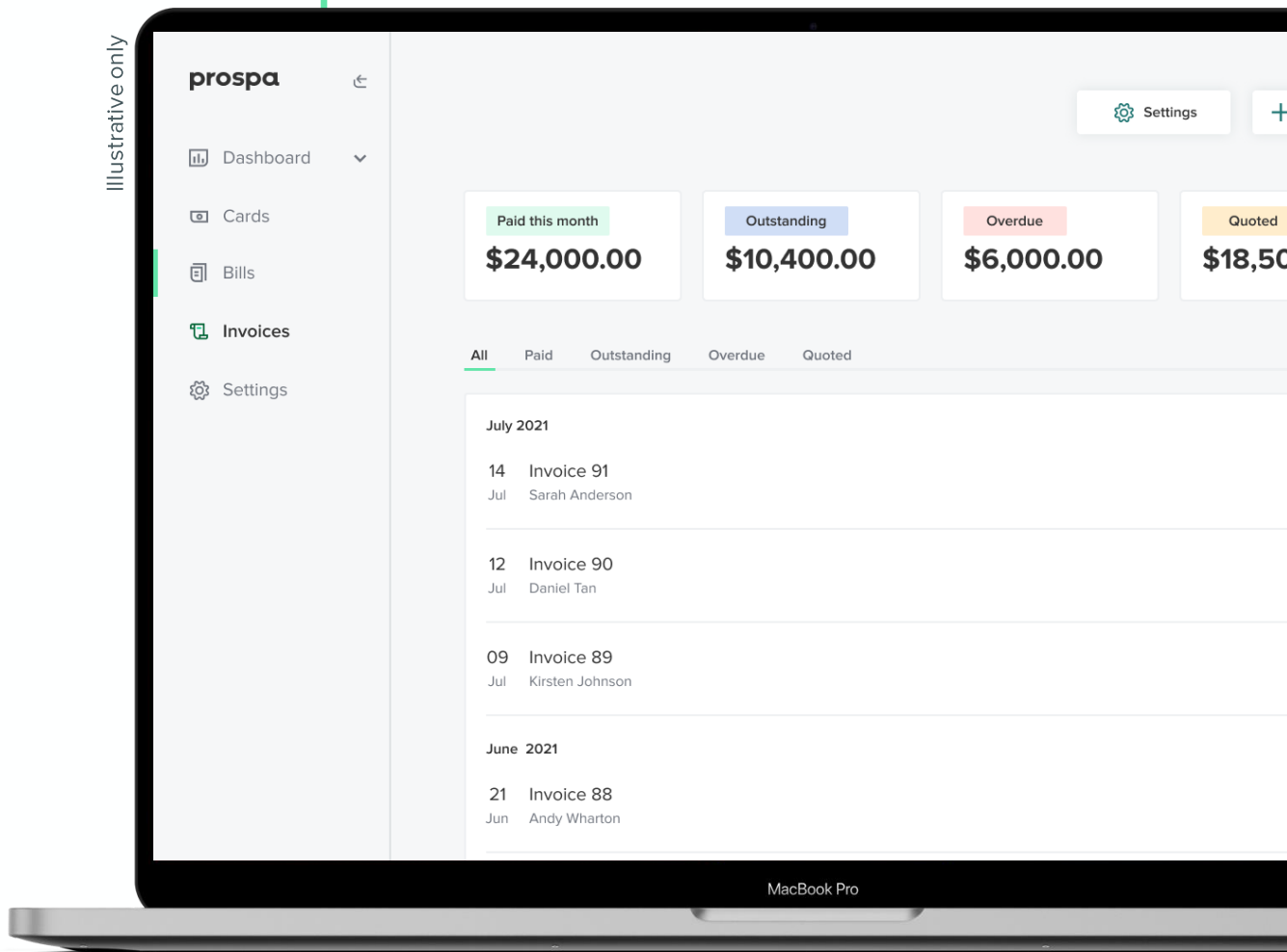


Create, send
and track invoices



Automated reminders
and reconciliation

Illustrative only



Bill pay



Automating accounts payable







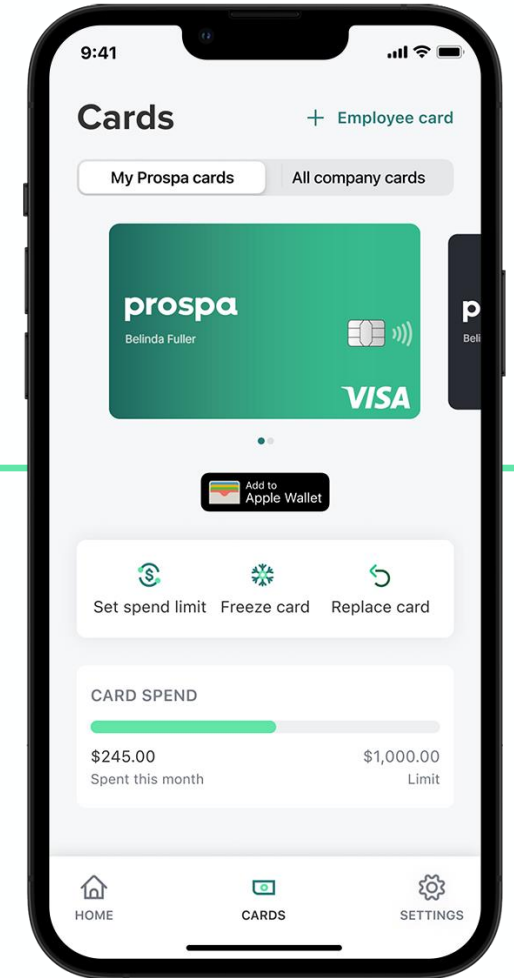
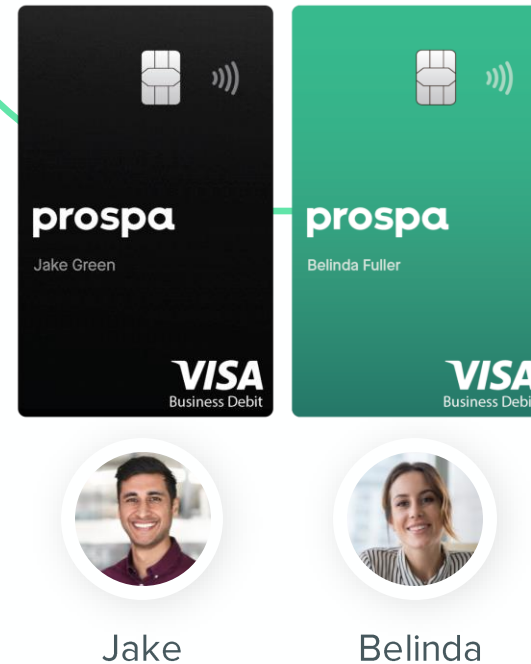
Scheduling bills payable



Illustrative only

Expense management

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



Illustrative only

Sync your
business accounts

Cash position
& predictions

Borrowing
capacity

Reports &
recommendations

Small
Business
Loan

Line of Credit

Overdraft
with Card

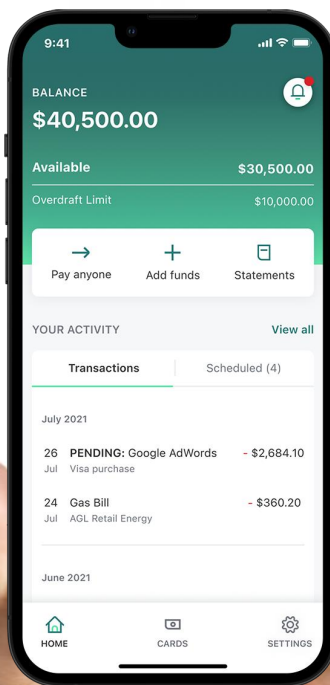
Pay bills

Manage
invoices

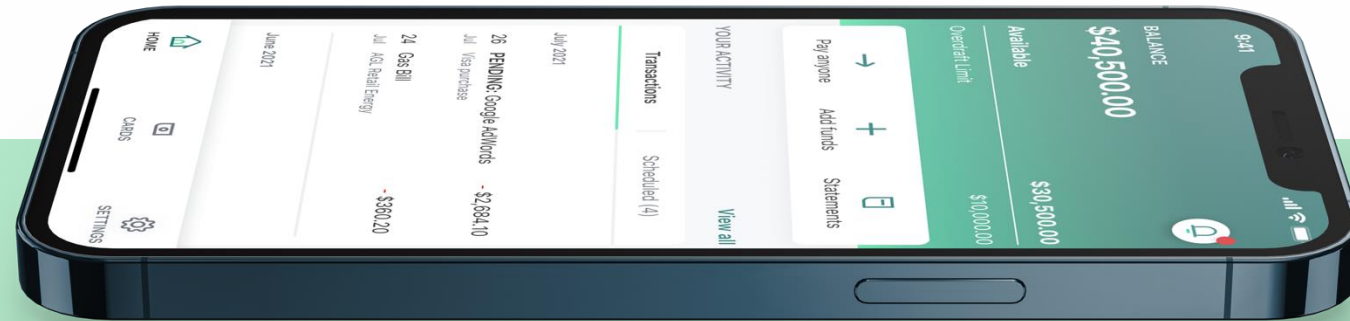
Capture
receipts

Manage
cards

Illustrative only



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, Prospera 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

ersonal use only

Our Business Model

Strong long-term economic model



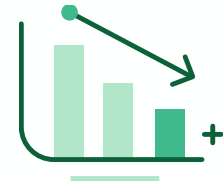
Customer
growth



Average
customer
lifetime value



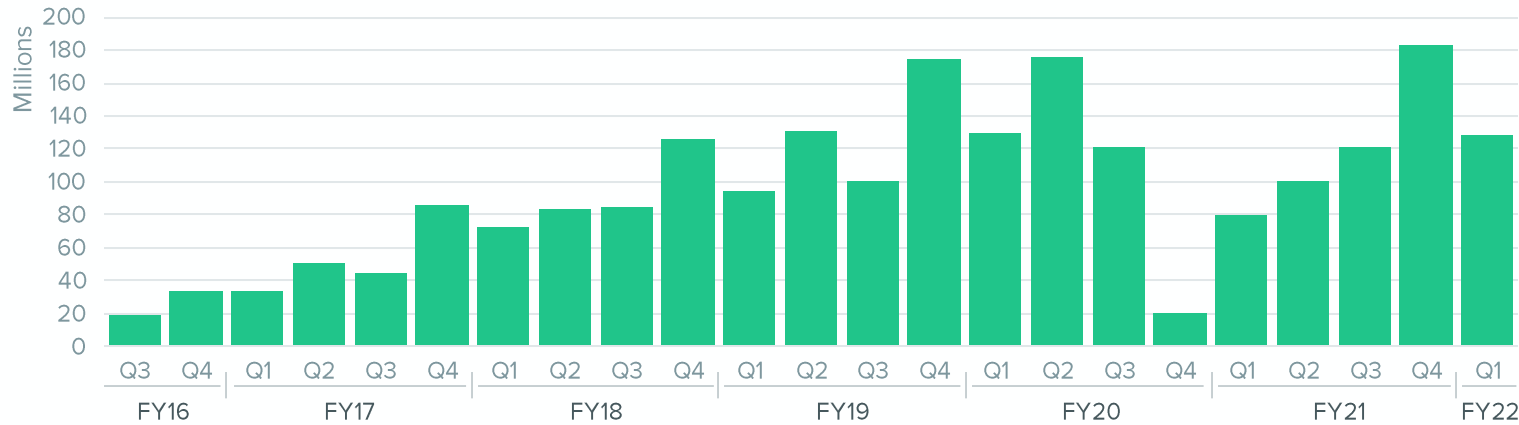
Directly
attributable
costs



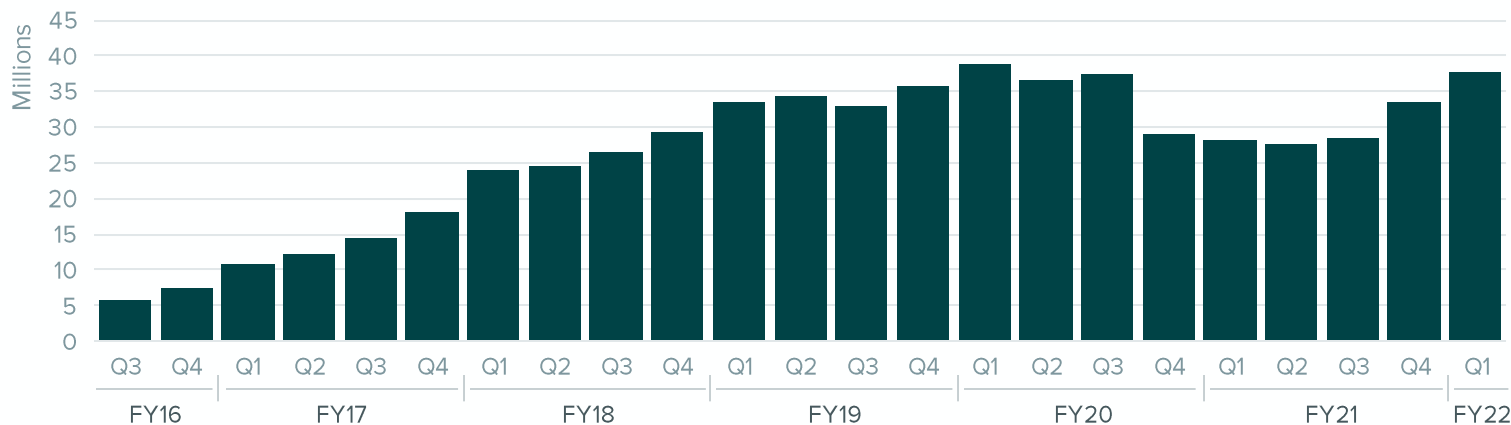
OPEX
scalability

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 ProsPay 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%

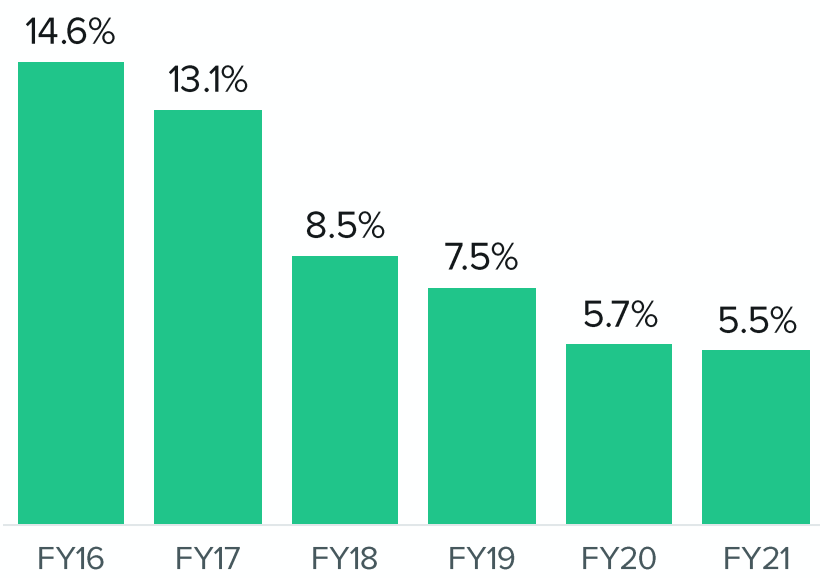
Line of credit / overdraft (per 24 month period)

	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

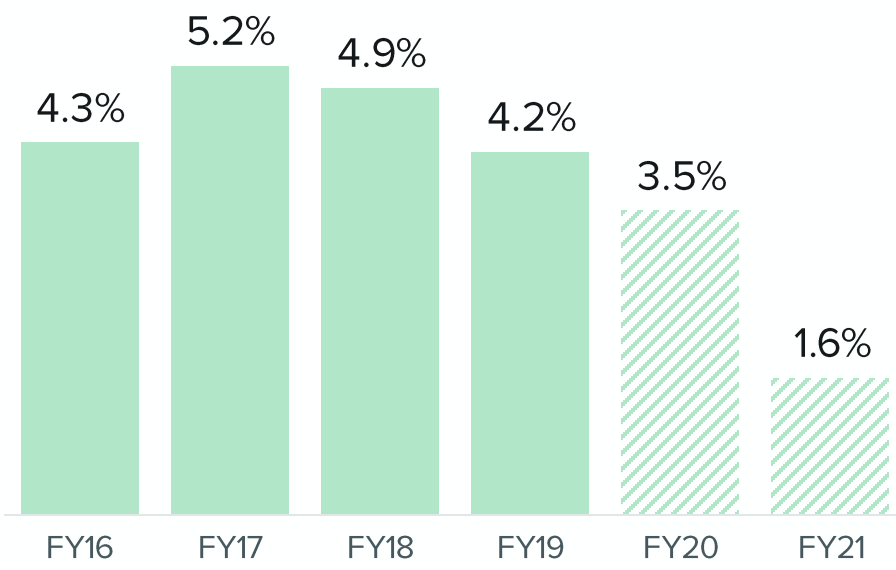
1. Attributable costs include cost of funds, transaction costs including external and internal commissions, marketing costs and loan impairment.

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.

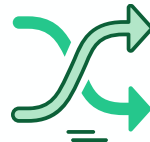
Integrated suite
of digital products
expected to drive
active customer
lifetime and slower
OPEX growth



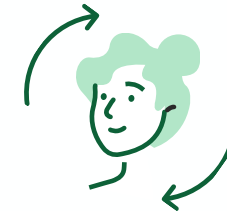
Increased
automation driving
scalability



New product
innovation
increasing active
customer lifetime

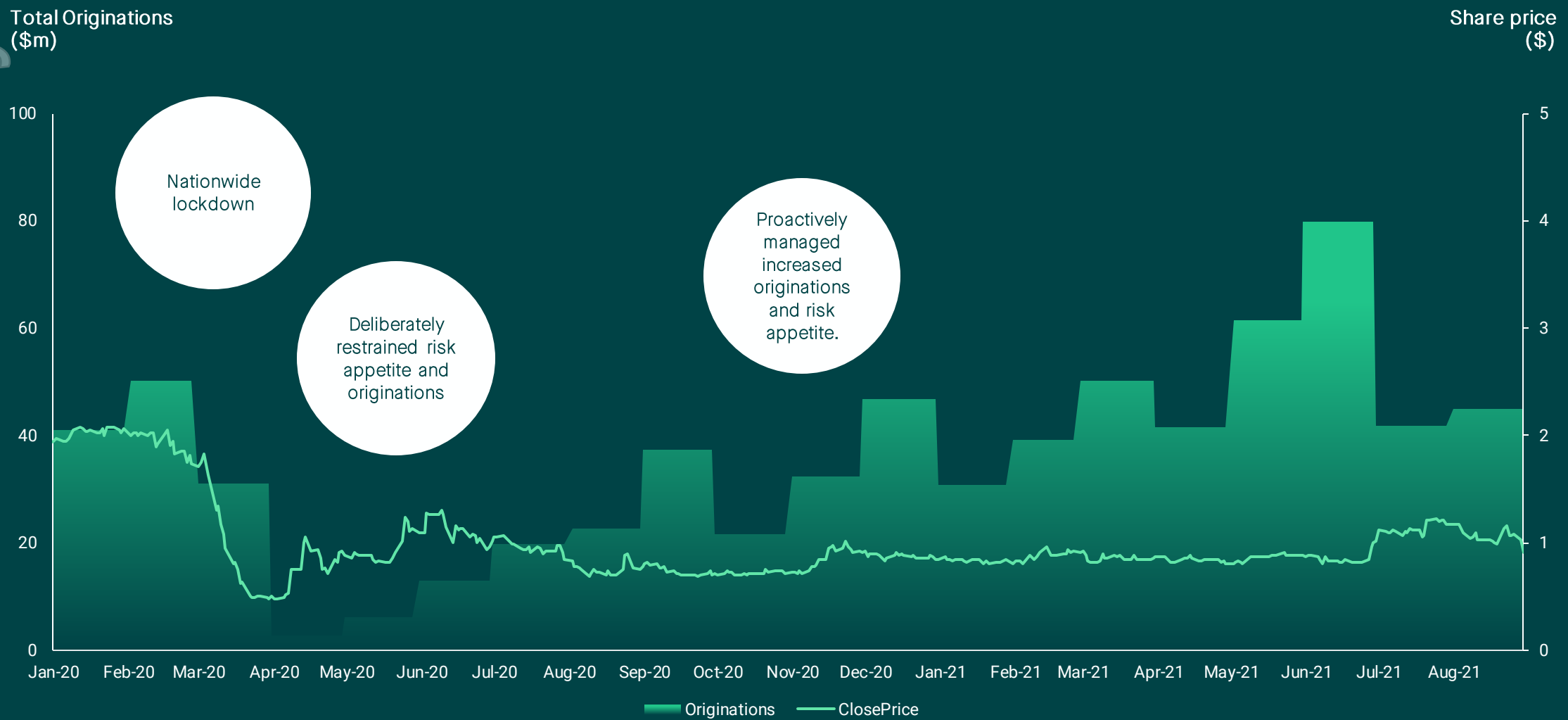


Cross-selling
products for optimal
share of wallet

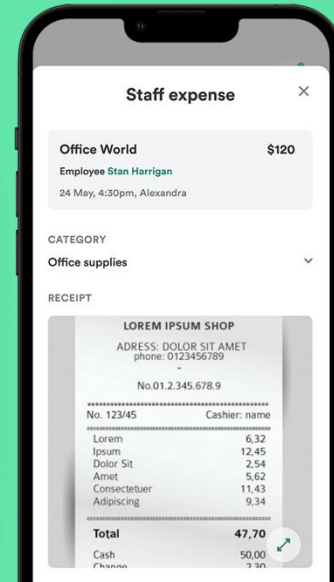
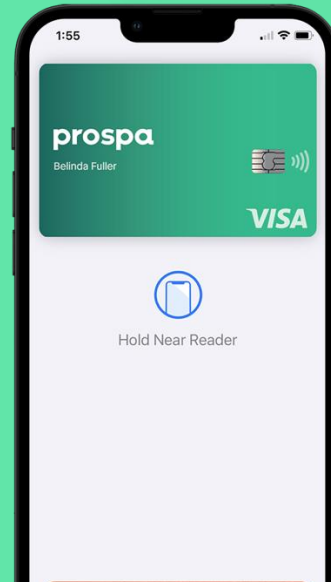
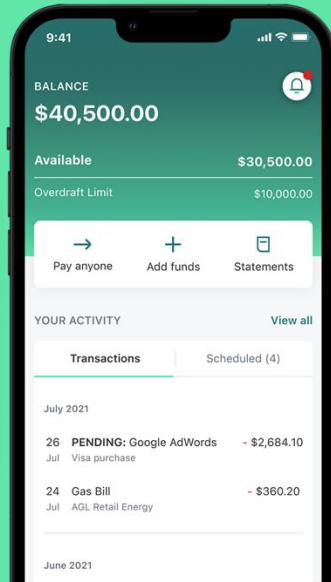
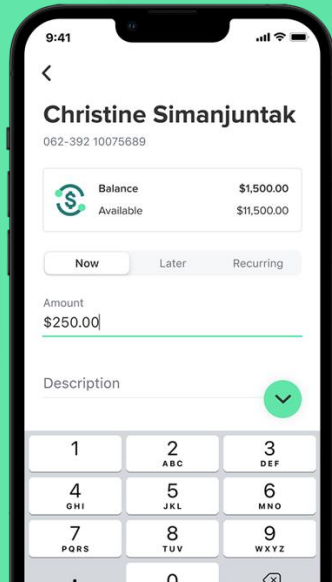
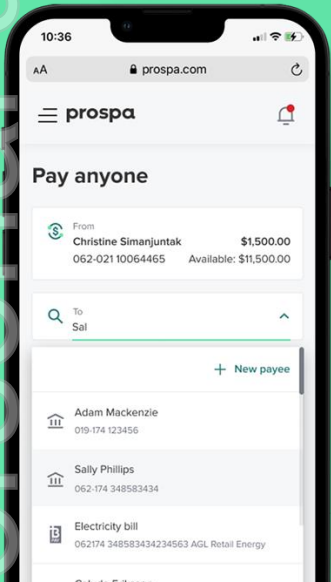
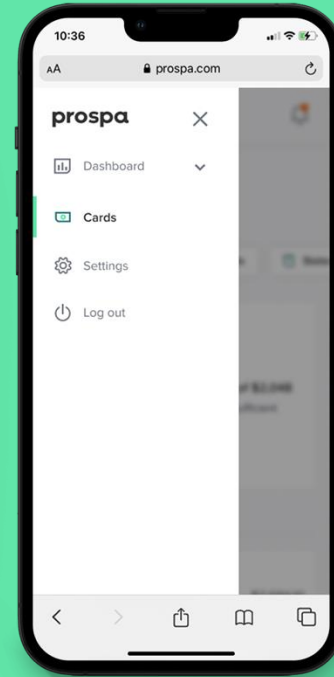
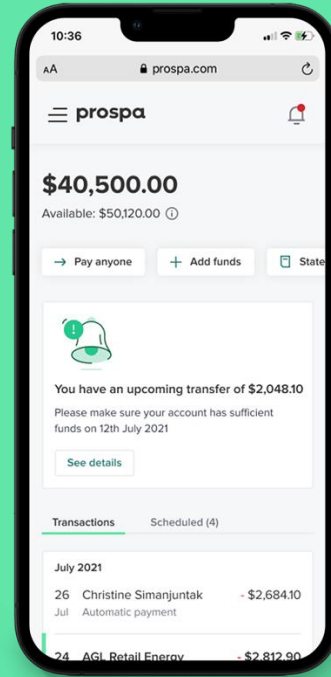
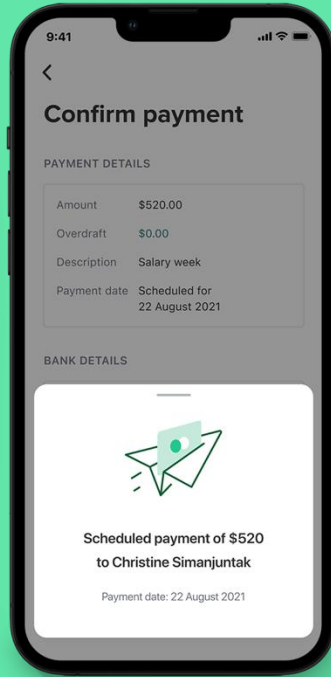
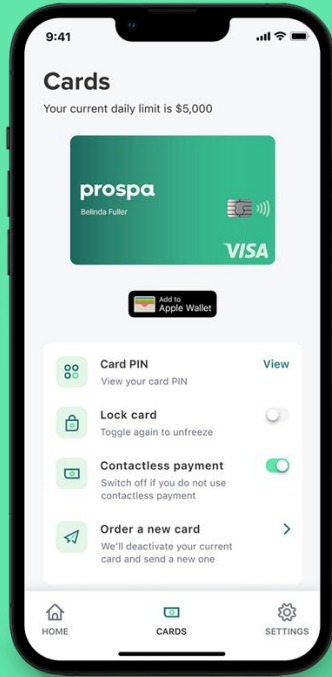
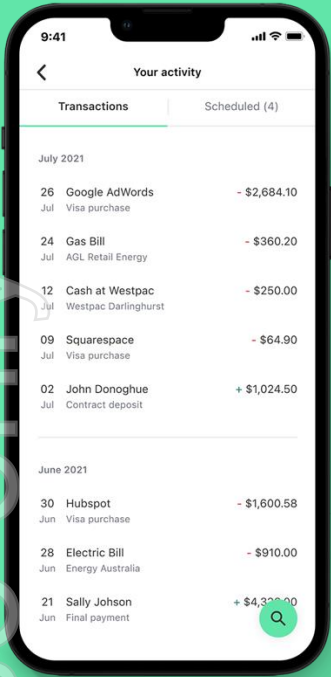


Increasing repeat
customers with
lower cost to serve

Untapped potential in shareholder value



Source: IRESS as of close 31 August 2021



Illustrative only

Q&A

Got a question?

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Thank you