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prospa

Investor Day – 21 October 2021

Our purpose is to keep small business moving



ANZ's leading online lender to small business¹



loans originated since inception²

80+ NPS Score³

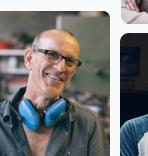
230+ employees³

34k+

customers since inception³ **10,000** distribution partners³

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. 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. As at 30 June 2021







Our products

Loans



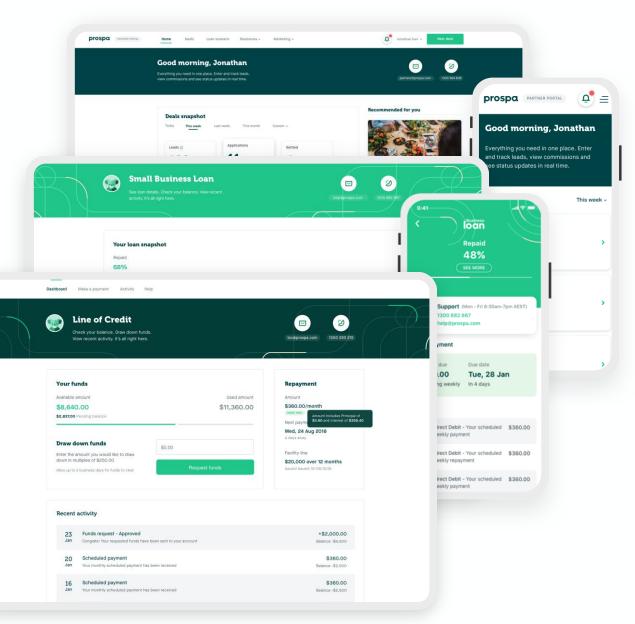
Prospa Plus
Small Business Loans ANZ

Line of Credit



⊡

New Zealand



Changing customer expectations

Evolving market

SME bounceback

Product & innovation D D

The challenge

Too many time consuming and manual tasks

?

Difficult to understand and manage complete cash flow picture E

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 \checkmark expenses, bills and accounts payable

Fund growth \checkmark opportunities Re-stock. \checkmark

equipment

Insights Payment prospa Cash flow Credit re-hire, upgrade

Identify challenges \checkmark and opportunities Smarter, data-driven \checkmark decisions

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



prospa



		prosp
	9:41I * The strative only	
	Available \$30,500.00	
	Overdraft Limit \$10,000.00	
	→ + ⊡ Pay anyone Add funds Statements	
	YOUR ACTIVITY View all	
	Transactions Scheduled (4)	
	July 2021	
	26 PENDING: Google AdWords - \$2,684.10 Jul Visa purchase	
	24 Gas Bill - \$360.20 Jul AGL Retail Energy Belinda Fuller	
	June 2021	
	In I	
	Business Debit	
)))	\equiv prospa	GM
	\$40,500.00	
	Available: \$50,120.00 ①	
prospa		
Belinda Fuller	→ Pay anyone + Add funds	
VISA Business Debit	You have an upcoming transfer of \$2,048.10 Make sure you have sufficient funds on 12th July 2021	See details
	Transactions Scheduled (4)	
	July 2021	
		- \$2,684.10
	26 Google AdWords Jul Automatic payment	- \$2,884.10 Balance \$40,500.00

Prospa's transaction account

Deposit funds



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\$

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Make and receive payments instantly

Manage your account online 24/7

No account fees

Overdraft Limit	\$10,000.00			
→ + Pay anyone Add fun	ds Statements Bel	rospa ^{Dda Fuller}		
YOUR ACTIVITY	View all			
Transactions	Scheduled (4)			
26 PENDING: Google Adv Jul Visa purchase 24 Gas Bill Jul AGL Retail Energy June 2021	Nords - \$2,684.10 - \$360.20	prost	ba	
HOME CARDS	S SETTINGS			
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Visa business card

Use anywhere Visa is accepted worldwide

No foreign exchange fees

Digital and physical



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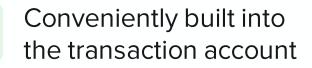
\$£

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Overdraft facility

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

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Pay anyone		3	From Christine Simanjuntak		\$1,500.00
Add funds Statements			062-021 10064465		Available: \$11,500.00
Transactions		白	To Adam Mackenzie 012-387 47839272		~
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	Description Invoice 23483			Reference (optional) Casual wage	
					Next
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Invoicing

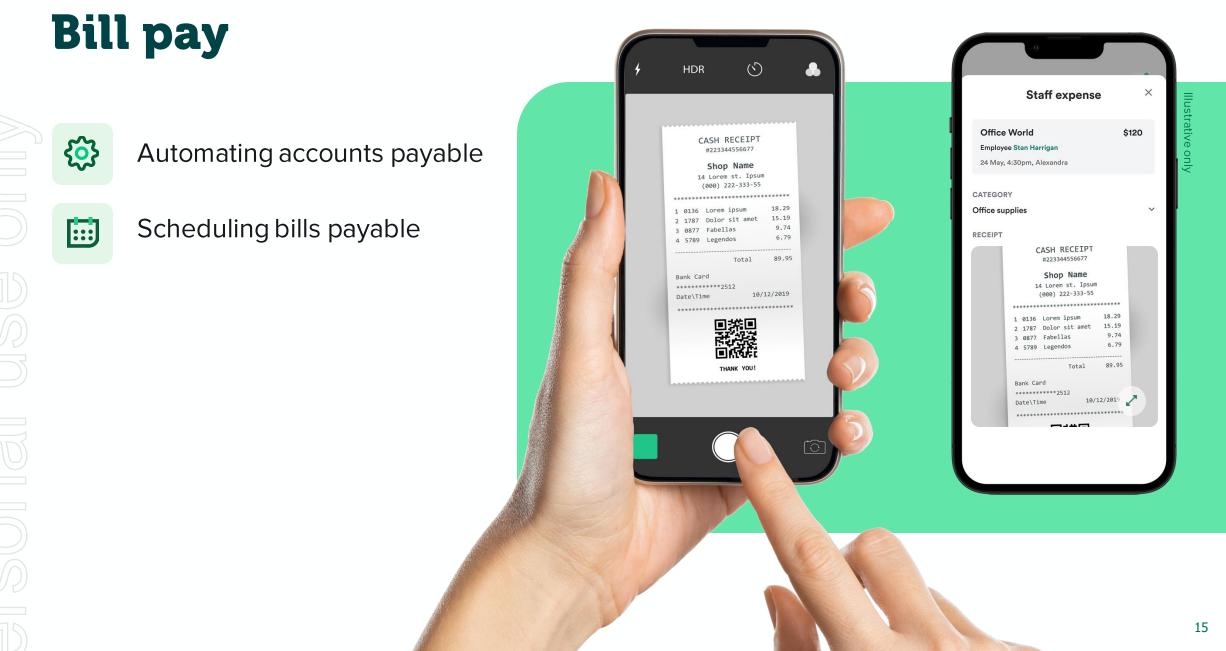
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Create, send and track invoices

Automated reminders and reconciliation

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prospa	÷				ැලූ Settin	ngs 🕇
🔟 Dashboard	~					
Cards		Paid this month Out	standing	Overdue		Quoted
E Bills		\$24,000.00 \$10	,400.00	\$6,000.0	00	\$18,50
1 Invoices		All Paid Outstanding Overdue	Quoted			
ැනී Settings						
		July 2021				
		14 Invoice 91 Jul Sarah Anderson				
		12 Invoice 90 Jul Daniel Tan				
		09 Invoice 89 Jul Kirsten Johnson				
		June 2021				
		21 Invoice 88 Jun Andy Wharton				

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Beli

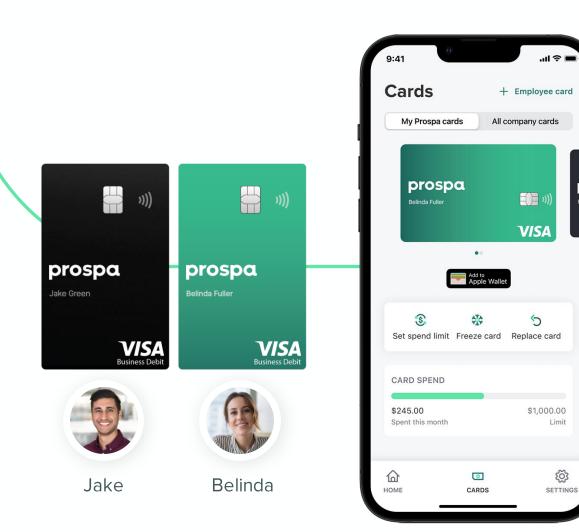
Expense management \bigcirc Monitor company expenses -

C

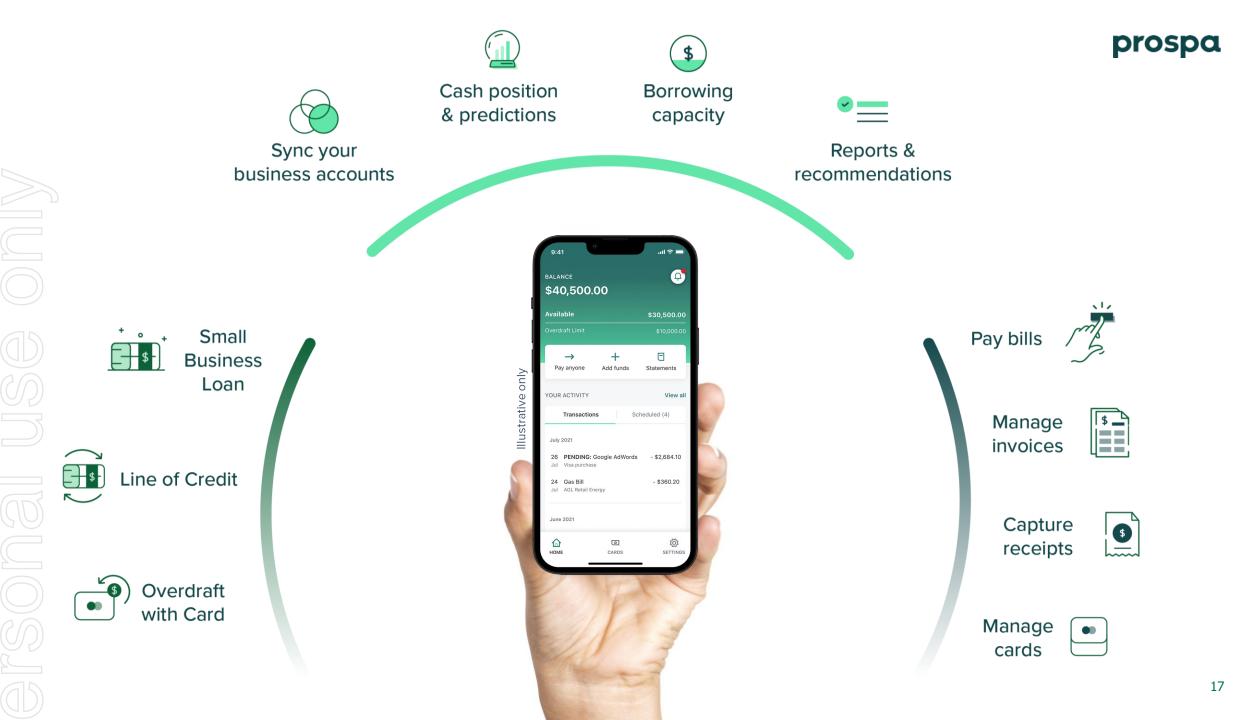
Issue employee cards

Set budgets

Match receipts







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

Hore 2027	July 2021 26 PENDING: Google HAllfords - \$2,684,10 Jul Visa punchase 24 Gas Bill Jul ACI: Real Energy - \$360,20	Sche	Overdiaft Limit \$10,000,00 → + El Paramonone Add funds Statements	540,500.00 \$40,500.00 Available \$30,500.00	ل الله الله الله الله
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opportunities -

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Small Business the backbone of the economy

2.4m
small businesses
in Australia

AU

44% of Australian workforce

35% of Australia's GDP

NZ Ministry of Business, Innovation and Employment The Australian Small Business and Family Enterprise Ombudsman NZ 🗄

530,000 small businesses in New Zealand

å 29%

Of New Zealand Jobs

28% of New Zealand's GDP

Market opportunity

 \bigcirc

\$97.0bn

Value of credit

received by SMEs

in last 12 months¹

+ \$28bn

Value of additional credit required by SMEs in last 12 months¹

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Potential Market Expansion

- Payments
- Financial software

RFi Consulting – Understanding the Addressable Market – Australia, June 2021 RFi Consulting – Understanding the Addressable Market – New Zealand, June 2021 prospa



Our Value Proposition







online lender to small business¹

50%+

repeat customers

P

New product

Enhance customer engagement

Diversify revenue

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.

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

2

Smarter, faster credit decision engine Data collection and analysis

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Drivers for growth



Scale existing products



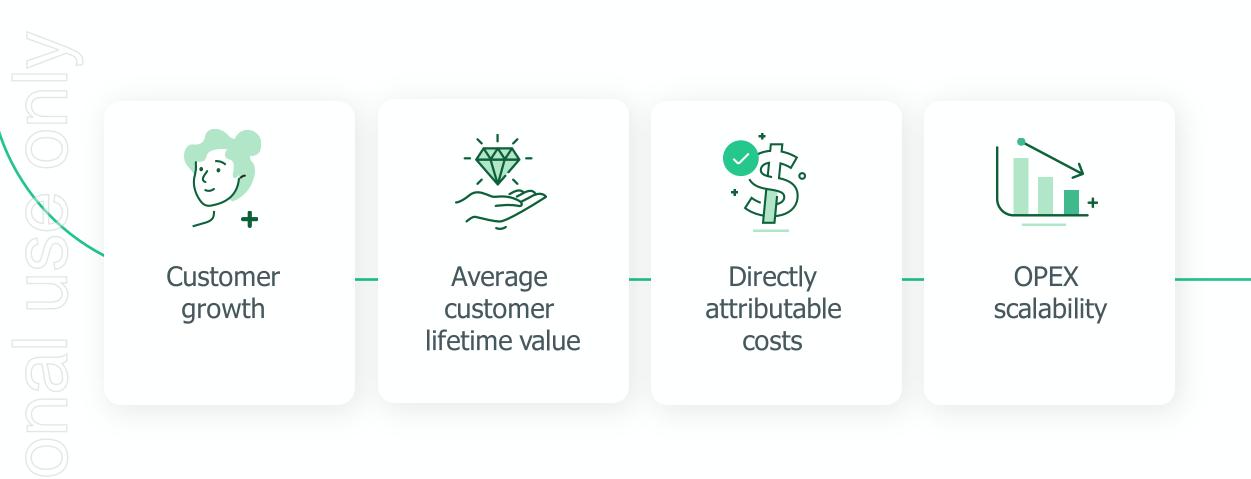
Expand through new solutions



Reach new markets

Sour Business S Model rsonal

Strong long-term economic model



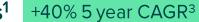
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Strong growth profile underpinned by strategic investment in platform

> 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. Total revenue before transaction costs.

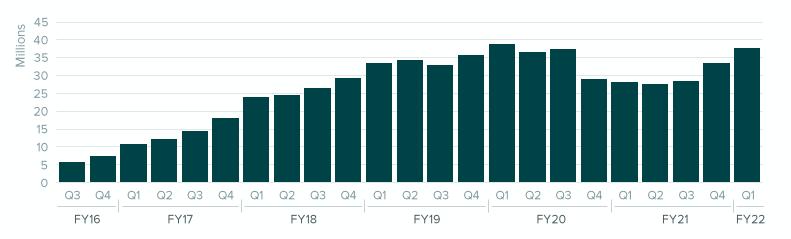
5 year CAGR from FY16 to FY21

Originations¹





Revenue² +37% 5 year CAGR³



Product economics continue to improve with time

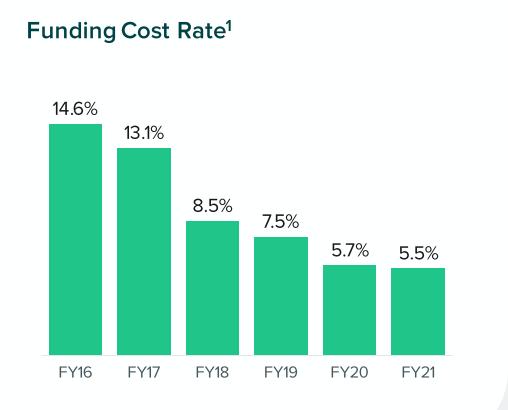
Small business loan

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

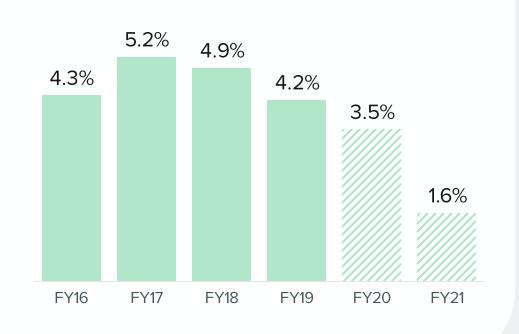
Line of credit / overdraft (per 24 month period)

	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

Funding costs decrease with stable static loss



Static Loss Rate²



Funding cost rate is equal to funding costs divided by average third party funding debt

 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

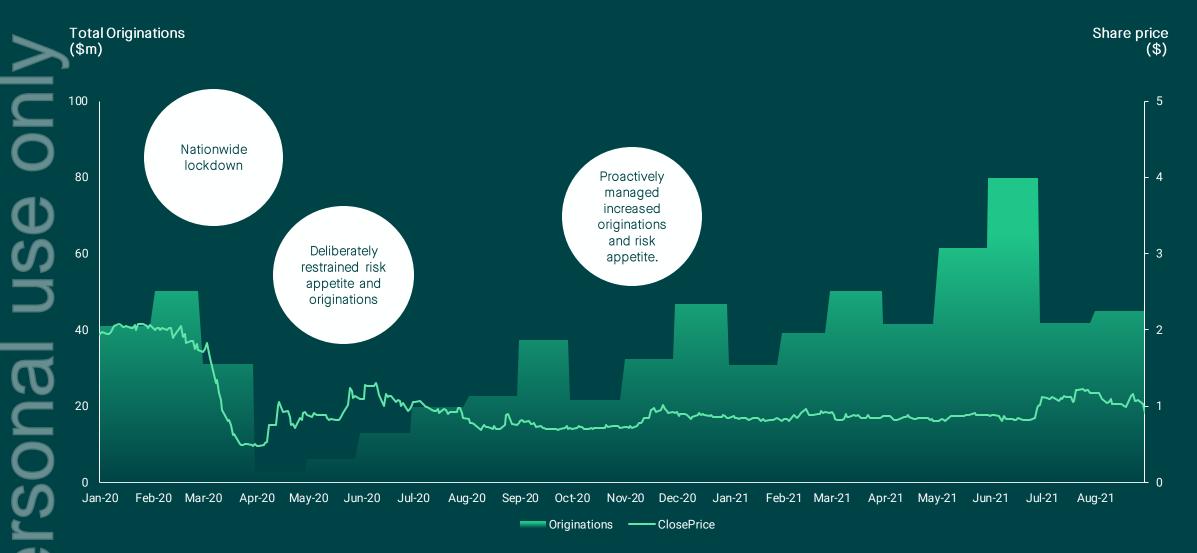


Cross-selling products for optimal share of wallet



Increasing repeat customers with lower cost to serve

Untapped potential in shareholder value



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July	2021	
	Google AdWords	- \$2,684.10
	Visa purchase	- 92,004.10
24	Gas Bill	- \$360.20
	AGL Retail Energy	
12	Cash at Westpac	- \$250.00
Ju	Westpac Darlinghurst	
	Squarespace	- \$64.90
Jul	Visa purchase	
02		+ \$1,024.50
Jul	Contract deposit	
Jun	e 2021	
30	Hubspot Visa purchase	- \$1,600.58
Jun	Visa purchase	
28 Jun	Electric Bill Energy Australia	- \$910.00
	Sally Johson Final payment	+ \$4,320.00 Q
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Adam Mackenzie

Sally Phillips 062-174 348583434

Electricity bill 062174 348583434234563 AGL Retail Energy

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5	Order a new card We'll deactivate your current card and send a new one	>
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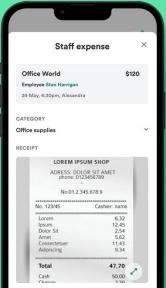
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