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Prospa's operational update on recent business activities

Prospa Group Limited (ASX: PGL) ("Prospa" or "Company" or "Group") is pleased to provide an update at the Company AGM on business activities relating to new products and strategy announced during the Company's recent Investor Day held 21 October 2021.

Recent highlights include:

- Strong originations of \$40.0 million during the month of October 2021, up a significant 84% on prior corresponding period ("pcp") (Oct 20: \$21.7 million)
- Prospa Plus Business Loan product launched on 25 October 2021
- Investment in Prospa's core infrastructure and Line of Credit to scale automation in preparation of product and distribution expansion in 2022
- Prospa remains on-track to launch its new and innovative All-in-One Business Account in early 2022
- End-of-year marketing campaigns launched in Australia and New Zealand design to capitalise on SME economic recovery and increased momentum as restrictions lift in key markets

Trading update

Prospa is observing an increasing demand for credit from Small and Medium Enterprises ("SMEs") as restrictions relax in both Australia and New Zealand. Following strong originations of \$128.5 million for the quarter ended 30 September 2021 ("1Q22"), October 2021 originations jumped 84% on the pcp to \$40.0 million (\$21.7 million in October 2020).

The performance for the month demonstrates the positive sentiment across SMEs as restrictions continue to ease in time for seasonal peak end of year trade.

Prospa also launched its new marketing campaign targeted at helping businesses recover and strengthen. Highlights of the campaign include offering no repayments on new and refinanced small business loans for the first eight (8) weeks, up until 31 December 2021.

Prospa Plus, Line of Credit (New Zealand) and All-in-One Business Account

The Prospa Plus Small Business Loan ("Prospa Plus") is a premium loan product that provides funding of up to \$500,000 for higher credit quality SMEs. This new solution offers a range of complementary premium features, dynamic interest rates, longer terms, and allocation of a dedicated account manager throughout the life of the loan to ensure high quality customer service. Since launching on 25 October 2021, Prospa has received significant positive feedback regarding ease of application process and customer service. The Company is also preparing to expand its successful Line of Credit product, currently offered in Australia only, into the New Zealand market with further development continuing to refine the process and ease of access to credit before launch to market by mid next year.

Following the successful launch of Prospa Plus and impending release of Line of Credit in New Zealand, the Company remains on-track to launch Australia's first All-in-One transactional business account early next year. The launch of the All-in-One business account aligns with Prospa's strategic priority to attract and engage a broader market of potential customers through an enhanced range of digital solutions, prolonging the customer lifecycle with Prospa, and making available tailored features that will ease the administrative burden felt by small business owners.

Greg Moshal, Co-Founder and Chief Executive Officer, said:

"The new financial year has kicked-off to a great start, with increasing demand for credit set to drive strong momentum for originations over November and December, particularly in New Zealand. The introduction of Prospa Plus, has enabled us to support more Australian and New Zealand small businesses as both nations demonstrate significant economic recoveries. The next 12 months are an exciting period for Prospa, and our team looks forward to collaborating with customers and partners to grow and offer new financial solutions that will simplify cashflow management for the small business community."

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Additional update

Mr. Greg Ruddock will be retiring from his position as Non-Executive Director on 24 November 2021 after almost six years on the Board. The PGL Board has initiated a process to appoint a new Non-Executive Director.

Gail Pemberton, Chairman, said:

"I would like to take this opportunity to thank Greg for his invaluable counsel and strategic guidance over the last six years. Greg joined the Board prior to Prospa listing on the ASX and has been instrumental in guiding the business throughout its growth – from a private small business lender to the ASX-listed all-in-one financial platform it is becoming today. We wish him all the best for the future."

This announcement has been authorised for release by the Board.

For further information contact:

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About Prospa

Prospa Group Limited (ASX: PGL) is a financial technology company and a leading provider of cash flow products and services that help small businesses to grow and prosper. Headquartered in Sydney, the Company operates across Australia and New Zealand and employs more than 230 people.

Prospa builds cashflow products and services that allow small businesses to grow and run their businesses and help them pay for goods and services through a single app.

Through Prospa's unique, purpose-built credit decision engine, it quickly assesses small business credit applications using proprietary technology and analytics to deliver fast and informed credit decisions and approvals, with high levels of risk controls in place.

As of 30 June 2021, Prospa provided more than \$2.1 billion dollars of funding, has 11,900 loyal and active customers. Prospa's net promoter score increased in 2021 and now exceeds 80, demonstrating the team's commitment to servicing its customers.

The Company has been recognised as the MFAA National Fintech Lender of the Year four years in a row. Prospa was also recertified as one of Australia's Great Places to Work in 2021.