

**prospa**

# **H1 FY20 Results**

27 February 2020



## Contents

<b>Section 1</b>	CEO welcome and performance highlights	<b>2</b>
<b>Section 2</b>	Financials, funding and credit	<b>6</b>
<b>Section 3</b>	Business update	<b>15</b>
<b>Section 4</b>	Outlook and close	<b>22</b>
<b>Section 5</b>	Appendices	<b>25</b>

## Section 1

# **CEO welcome and performance highlights**

# We're helping small business owners prosper and grow the economy

We are the #1 online lender to small business. Prospa's solutions are addressing a significant market which has been under-served by incumbents.



2.75m

Small businesses in AU and NZ<sup>1</sup>



26,900

Customers across AU and NZ (<2% market penetration)<sup>2</sup>



\$5.6b

Impact on GDP<sup>3</sup>



80,000+

Jobs maintained<sup>3</sup>



Small businesses do have the opportunity to make huge changes in our communities, and thanks to Prospa, we can keep doing that.”

Sandy  
Orewa, NZ

1. ABS 8165 June 2018 (released in February 2019); and Small Business in New Zealand\* Ministry of Business, Innovation & Employment, June 2017.  
2. Based on 1.2 million Australian small businesses and 450,000 New Zealand small businesses forming our addressable market.  
3. Using Prospa lending to 31 December 2018. Source: RFI Group and The Centre for International Economics: "The Economic Impact of Prospa Lending to Small Business" (January 2019), commissioned by Prospa.

# 1H20

## Performance highlights

### Customers<sup>1</sup>

**26.9K+ +45%**

Growth on PCP

### Originations<sup>2</sup>

**\$306.8m +37%**

Growth on PCP  
Ahead of Guidance

### Revenue

**\$75.6m +12%**

Growth on PCP  
In line with Guidance

### Avg. Gross Loans

**\$428.9m +46%**

Growth on PCP

### Loan Impairment<sup>3</sup>

**6.6% 28%**

Improvement on PCP

### Net Promoter Score

**>77**

Consistent over CY19

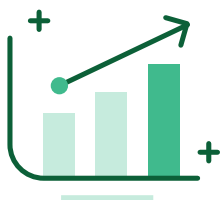
1. Customer count as at 31 December 2019. Originations, revenue and pro forma EBITDA for the 6 months ended 31 December 2019 ("HY20").  
2. Originations from all sources, including Small Business Loan, Line of Credit and ProsparPay; and all geographies including Australia and New Zealand.  
3. Loan Impairment as a percentage of Average Gross Loans, annualized.  
4. All figures in this document are in Australian \$ unless otherwise indicated.

# Strong business momentum

prospa

Prospa is leveraging scale and investing in product and market diversity

## Portfolio Quality



- ✓ Strong growth in loan book
- ✓ Focused on achieving balanced risk and return
- ✓ Loan impairment expense improving
- ✓ Premium risk grades 48% of total book<sup>1</sup>

## Diversified funding



- ✓ Further growth in funding capacity to support expansion
- ✓ NZ funding structure established and NZ junior facility of NZ\$45m onboarded
- ✓ New senior bank facility of \$70m in AU
- ✓ Two junior funding facilities totalling \$52.5m onboarded in AU

## Technology Development



- ✓ Straight Through Processing<sup>2</sup> double the volume of prior quarter
- ✓ Full launch of Line of Credit
- ✓ Prospa App gaining traction

## Geographical expansion



- ✓ New Zealand continues to exceed expectations
- ✓ NZ\$52.8m originations to date<sup>3</sup>
- ✓ Risk and yield performance in line with expectations
- ✓ Leveraging Australian operations and resources

1. Premium risk grades are the top three risk grades (in terms of credit quality) which were introduced into the business in May 2017.

2. Our Straight Through Processing has been developed to allow automated decision making for applications that meet the strict criteria of our credit policy.

3. Originations from inception to 31 December 2019.

## Section 2

# Financials, funding and credit

# H1FY20 Profit & Loss // **Headline results**

Strong year-on-year top line growth while continuing to invest

P&L   Statutory	H1FY20	H1FY19	Var. \$	Var. %
	Actuals	Actuals		
Originations	306.8	224.5	82.2	37%
Total revenue	75.6	67.7	7.9	12%
Net revenue	71.1	63.4	7.8	12%
Total operating expenses	(66.9)	(58.3)	(8.6)	18%
EBITDA	4.3	5.1	(0.8)	(16%)
EBITDA margin	5.6%	7.5%	n/a	(1.9%)

- ✓ Originations grew strongly on prior corresponding period across all sources of business, up 37%
- ✓ Total revenue grew at a slower pace than originations with new rate card in market from April 2019
- ✓ Total operating expense growth reflects benefits in Funding Costs and Loan Impairment
- ✓ Continued investment for growth, impacting short term profitability but building towards long term value creation
- ✓ EBITDA result of \$4.3m, up 6.8% on guidance
- ✓ Guidance met across originations, total revenue and EBITDA
- ✓ On track for FY20 guidance

# H1FY20 Profit & Loss // Expenses

Total operating expenses in line with forecast

P&L   Statutory	H1FY20 Actuals	H1FY19 Actuals	Var.	Var.%
<b>Originations</b>	<b>306.8</b>	<b>224.5</b>	<b>82.3</b>	<b>37%</b>
Interest income	69.8	62.4	7.4	12%
Other income	5.9	5.3	0.5	10%
<b>Total revenue</b>	<b>75.6</b>	<b>67.7</b>	<b>7.9</b>	<b>12%</b>
<b>1</b> Transaction costs	(4.5)	(4.3)	(0.2)	4%
<b>Net revenue</b>	<b>71.1</b>	<b>63.4</b>	<b>7.8</b>	<b>12%</b>
<b>2</b> Funding Costs	(9.4)	(10.7)	1.3	(12%)
<b>3</b> Sales & Marketing	(15.4)	(11.8)	(3.6)	30%
<b>4</b> Product Development	(6.1)	(4.4)	(1.7)	38%
<b>5</b> General & Administrative	(21.8)	(17.9)	(3.9)	22%
<b>6</b> Loan Impairment	(14.1)	(13.4)	(0.7)	5%
<b>Total Operating Expenses</b>	<b>(66.9)</b>	<b>(58.3)</b>	<b>(8.6)</b>	<b>15%</b>
<b>EBITDA</b>	<b>4.3</b>	<b>5.1</b>	<b>(0.8)</b>	<b>(16%)</b>

**1** Transaction costs grew marginally on prior corresponding period

**2** Funding costs reduced by 12% on prior corresponding period with new senior bank facilities despite increase in portfolio

**3** Sales & marketing grew by 30%, in line with originations growth and driving a 45% increase in customers

**4** Product development expense grew by 38% as we continued to invest in new products and geographies

**5** General & administration grew by 22%, slower than the pace of originations. This includes investment in growth in the form of New Zealand expansion and new funding structures

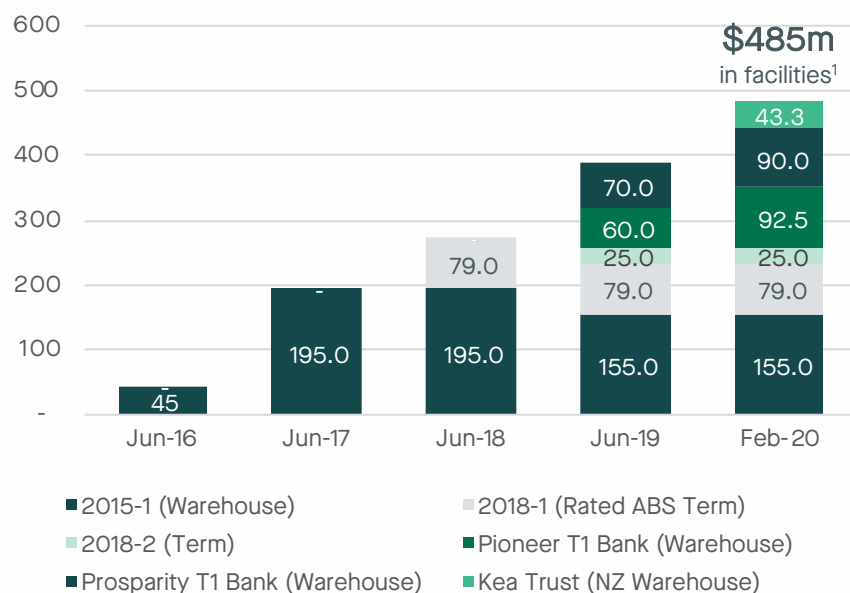
**6** Loan impairment grew marginally. Benefits realised from lower provision rate (\$2.0m) and debt sale proceeds (\$4.7m)

# Market leading funding platform continues to scale

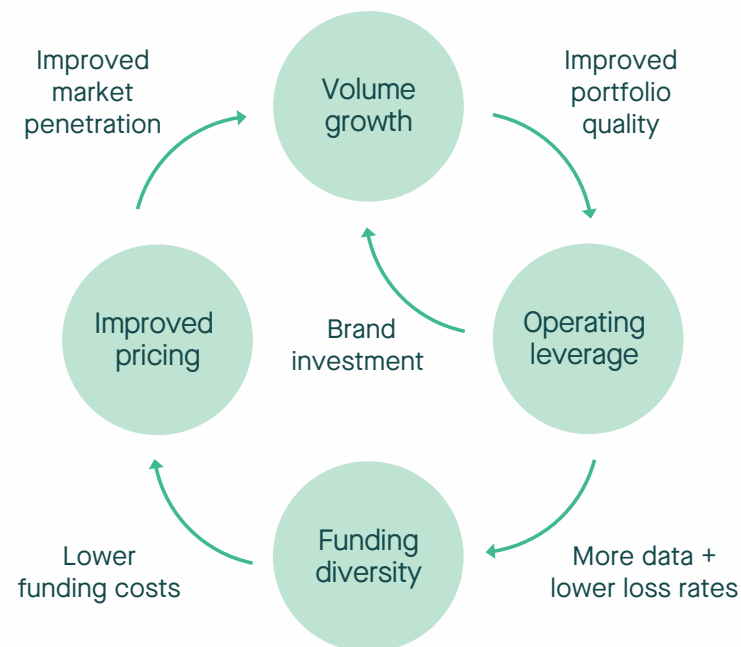
prospa

Highlighted by additional Tier 1 banks and New Zealand funding warehouse

## Funding sources diversified and capacity increasing over time, reducing risk and optimising cost of funds



## Funding optimisation allows for rates with broader customer appeal



- ✓ Completed first New Zealand funding line (NZ\$45m)
- ✓ Completed junior note into Prosperity trust (A\$20m)
- ✓ Released total equity of \$33.8m to be reinvested in further growth opportunities

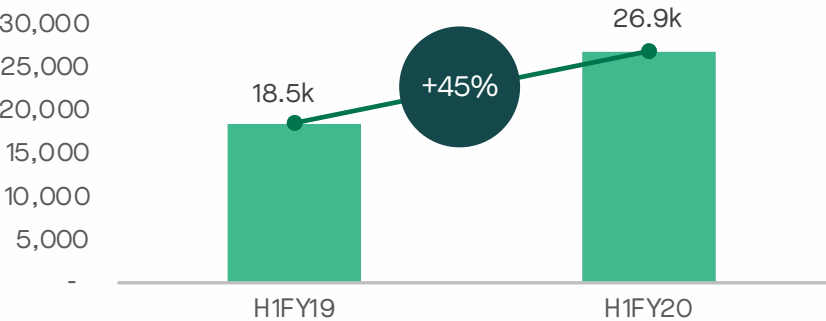
- ✓ Base rate improvements through to bottom line
- ✓ Cost of funds has improved from 14.6% in FY16 to 5.8% currently<sup>2</sup>

1. Available third party facilities as at 26 February 2020. New Zealand trust facility converted at exchange rate of 0.961.

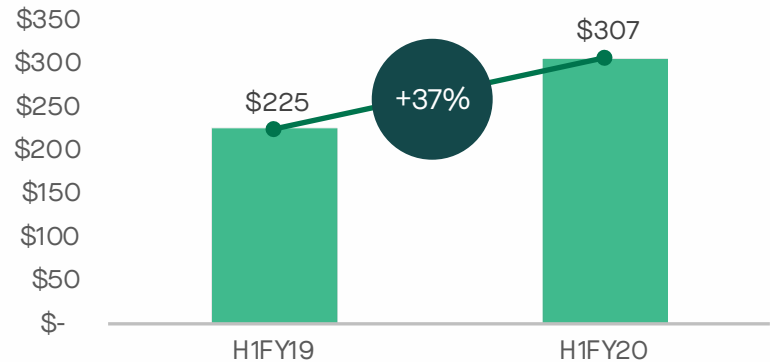
2. Source: 2018 Prospectus, Page 66 for FY16 cost of funds. February 2020 cost of funds on a fully drawn basis including Australia and New Zealand funding structures.

# Growth in all key areas with strong underlying economics

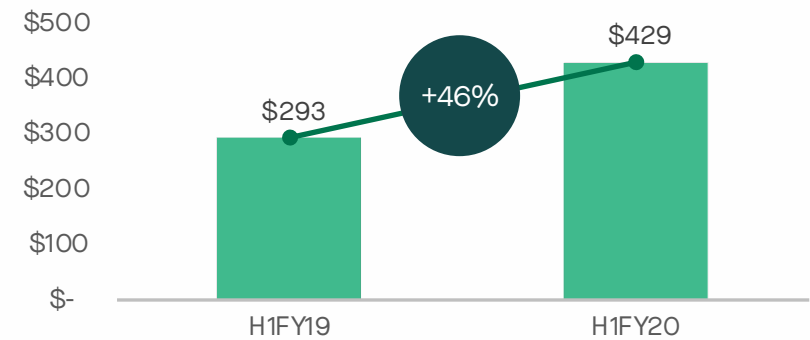
Customers (#)



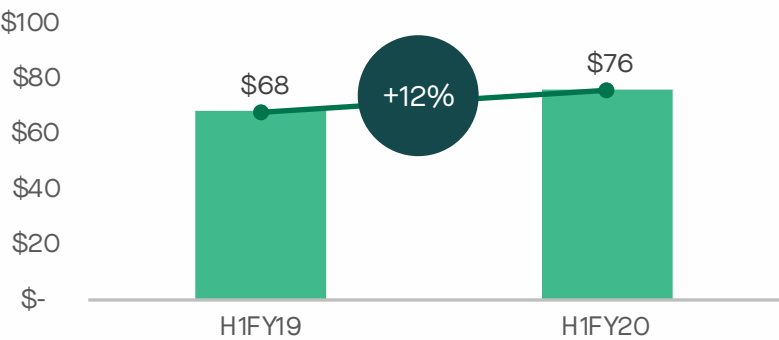
Originations (m)



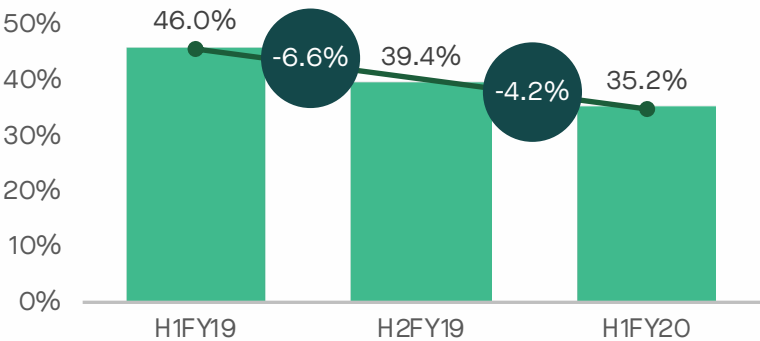
Average gross loans (m)



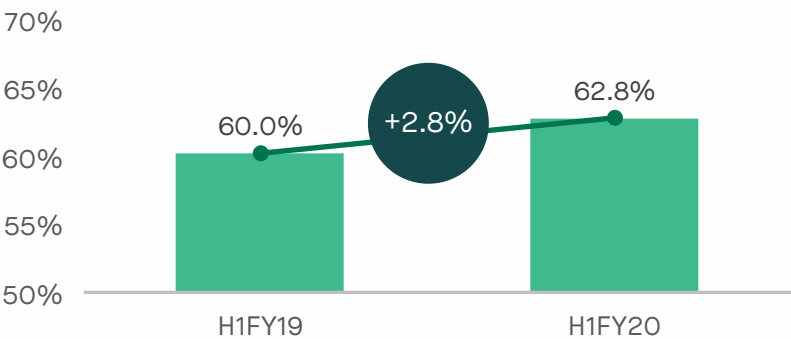
Revenue (m)



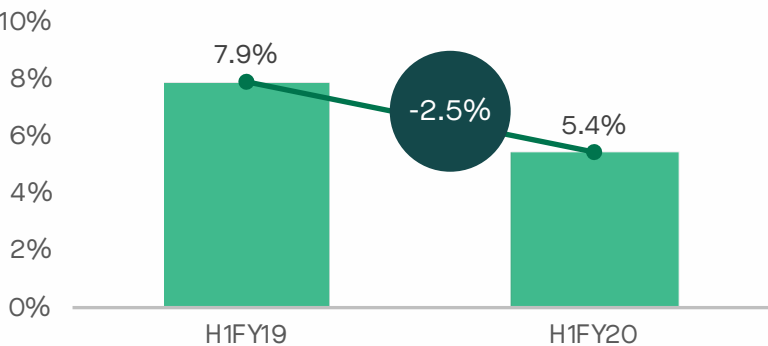
Realised portfolio yield<sup>1</sup> (%)



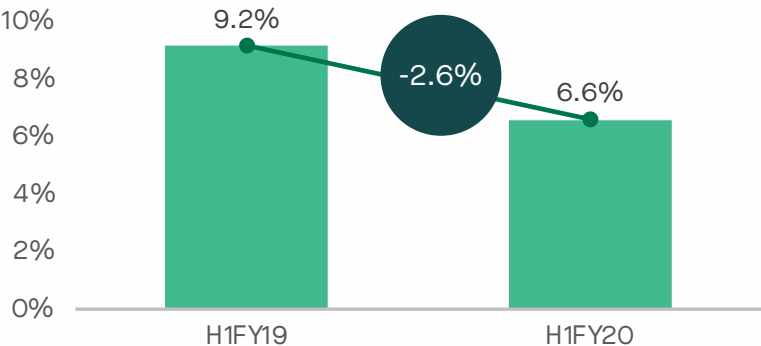
NIMAL as a % of revenue<sup>2</sup> (%)



Funding cost rate<sup>3</sup> (%)



Loan impairment to book ratio<sup>4</sup> (%)



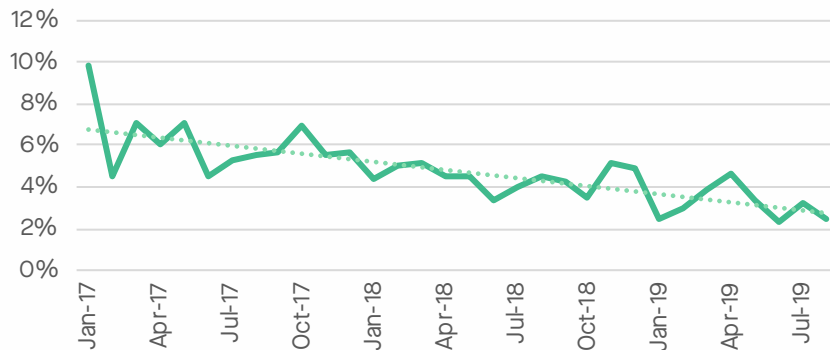
1. Realised portfolio yield represents the interest and fee income earned during the period on the average portfolio balance during the period, annualised.  
2. NIMAL as a % of revenue is equal to net interest margin after losses (total revenue minus transaction costs minus funding costs minus loan impairment) divided by total revenue.  
3. Funding cost rate is equal to funding cost divided by average funding debt, annualised. Funding costs rate improvement benefitted by use of Prospra equity to fund junior notes pending third party funding.  
4. Loan impairment to book ratio is equal to loan impairment expense divided by average gross loans, annualised.

# Stable and consistently improving loss performance

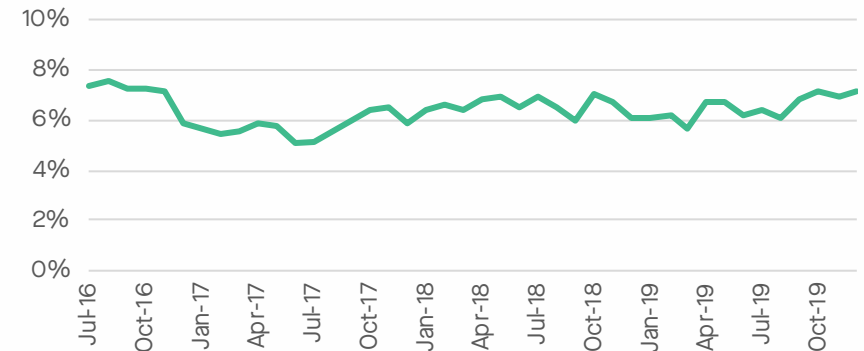
prospa

Credit quality reflected in lower provision rates

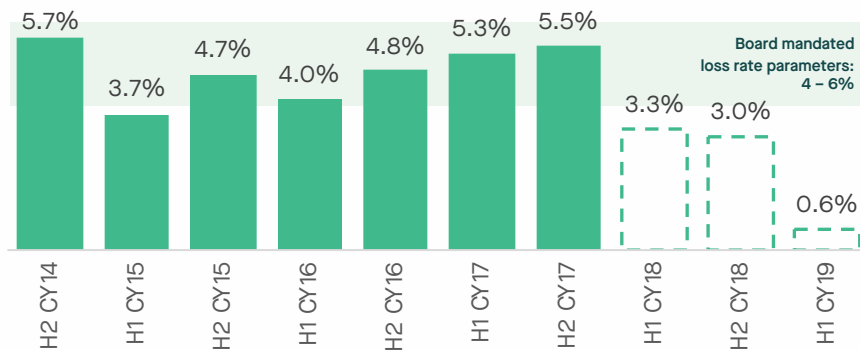
## Early loss indicator (30+ days past due at 4 months)



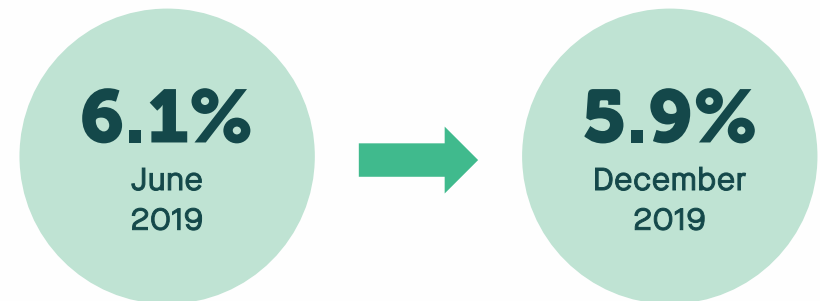
## Coincidental delinquency (90+ days past due)



## Stable loss rate<sup>1</sup>



## Provision rate<sup>2</sup>



1. Static loss rate net of recoveries as at 31 December 2019. Dotted columns reflect cohorts which are still seasoning. H2 CY19 cohorts too early to demonstrate material loss data. FY19 results static loss rates: H2 CY14: 5.8%; H1 CY15: 3.8%; H2 CY15: 4.9%; H1 CY16: 4.4%; H2 CY16: 5.4%; H1 CY17: 5.6%; H2 CY17: 5.5%; H1 CY18: 2.9%; H2 CY18: 1.2%.

2. Provision rate as at 31 December 2019 includes additional 0.10% of Economic Buffer to cover potential impact of East Coast Bushfires, in addition to an additional 10 bps for undrawn portion of Line of Credit. On an underlying basis, provision at 5.7%.

# Statutory balance sheet

Positioned for continued growth

## 31 December 2019 (\$m)

Cash and cash equivalents	102.5
Loan receivables	431.6
Deferred tax asset	10.5
Property, plant and equipment	2.1
Intangible assets	7.9
Other assets	14.1
<b>Total assets</b>	<b>568.7</b>

Trade and other payables	15.0
Employee benefits	3.8
Funding debt	398.4
Corporate debt	-
<b>Total liabilities</b>	<b>417.2</b>

<b>Net assets</b>	<b>151.5</b>
Issued Capital	610.5
Reserves	(430.1)
Retained earnings	(28.9)
<b>Total equity</b>	<b>151.5</b>

- ✓ Cash and cash equivalents grown to \$102.5m (47% growth on 30 June 2019 levels), with unrestricted cash at \$43.8m
- ✓ Strong growth in loan receivables driven by originations growth and higher proportion of lower risk, longer term loans
- ✓ Intangibles largely reflect capitalised software development from ongoing growth investment
- ✓ Other assets includes right of use asset (\$7.5 million) from adoption of AASB16 *Leases* during the period
- ✓ Funding debt drawn supports growth in the portfolio and efficient use of equity capital

# Statutory cash flows

Strong cash conversion while continuing to invest

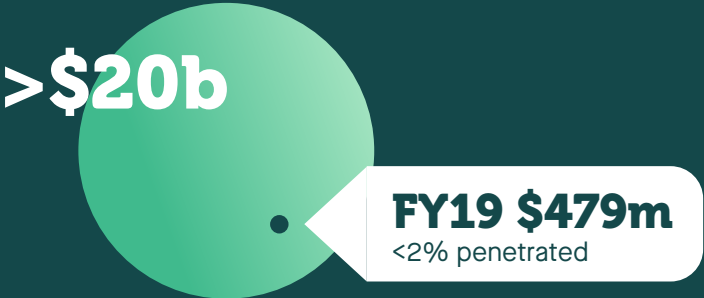
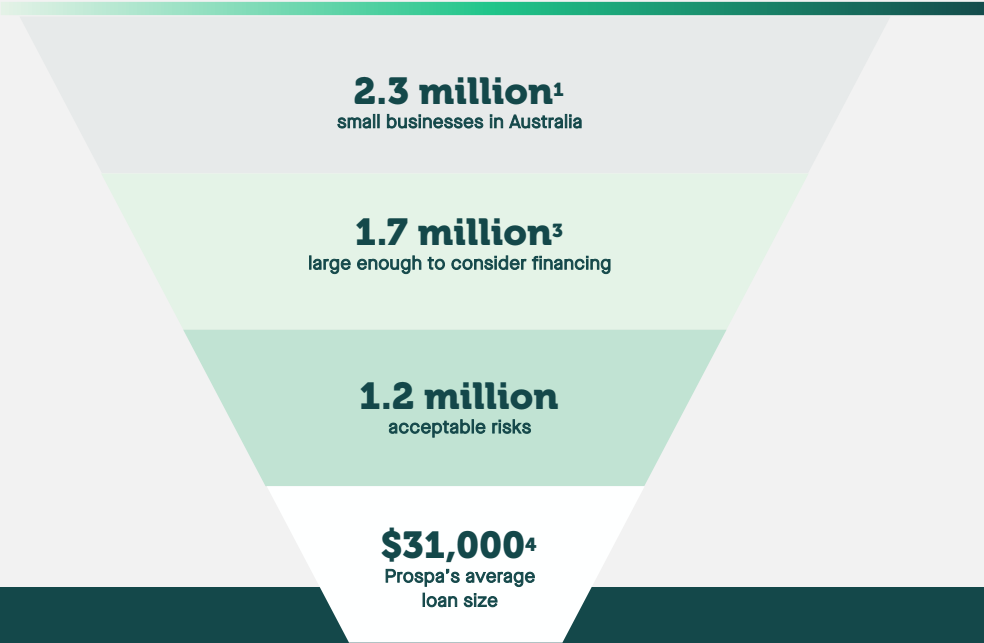
	H1FY20	H1FY19
Finance income received	71.2	55.8
Other income received	3.2	3.6
Interest and other finance costs paid	(10.0)	(12.2)
Payments to suppliers and employees	(47.9)	(37.5)
Income taxes paid	(2.5)	(6.6)
<b>Operating cash flow</b>	<b>14.0</b>	<b>3.1</b>
Net increase in loans to customers	(65.1)	(52.7)
Capital expenditure (PP&E)	(0.3)	(0.1)
Capital expenditure (intangibles)	(2.6)	(1.5)
Other investing	-	(0.3)
<b>Investing cash flow</b>	<b>(68.0)</b>	<b>(54.6)</b>
Proceeds from borrowings	86.9	132.3
Repayment of borrowings	-	(45.0)
Payments for buybacks	-	(1.3)
Repayment of finance leases	(0.8)	-
Proceeds from conversion of warrants and options	0.6	-
<b>Financing cash flow</b>	<b>86.7</b>	<b>86.0</b>
<b>Net cash flow</b>	<b>32.7</b>	<b>34.5</b>

- ✓ Operating cash flow conversion remains strong, supported by lower cash funding costs and lower cash taxes in the period
- ✓ Net increase in loans advanced to customers reflects loans disbursed to customers net of principal collected
- ✓ Ongoing investment in capitalised development spend (intangibles) to continue building out product set and geographic footprint
- ✓ Warehouse facilities drawn reflects the addition of two new funding facilities in the period
- ✓ Overall, net cash increased in the period by \$32.7 million

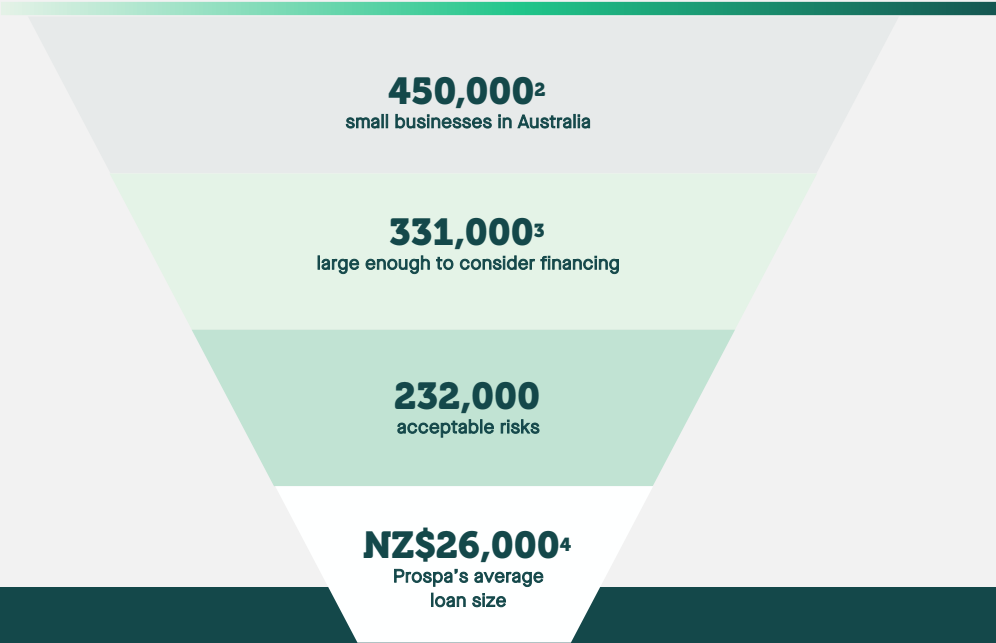
## Section 3

# Business update

AU



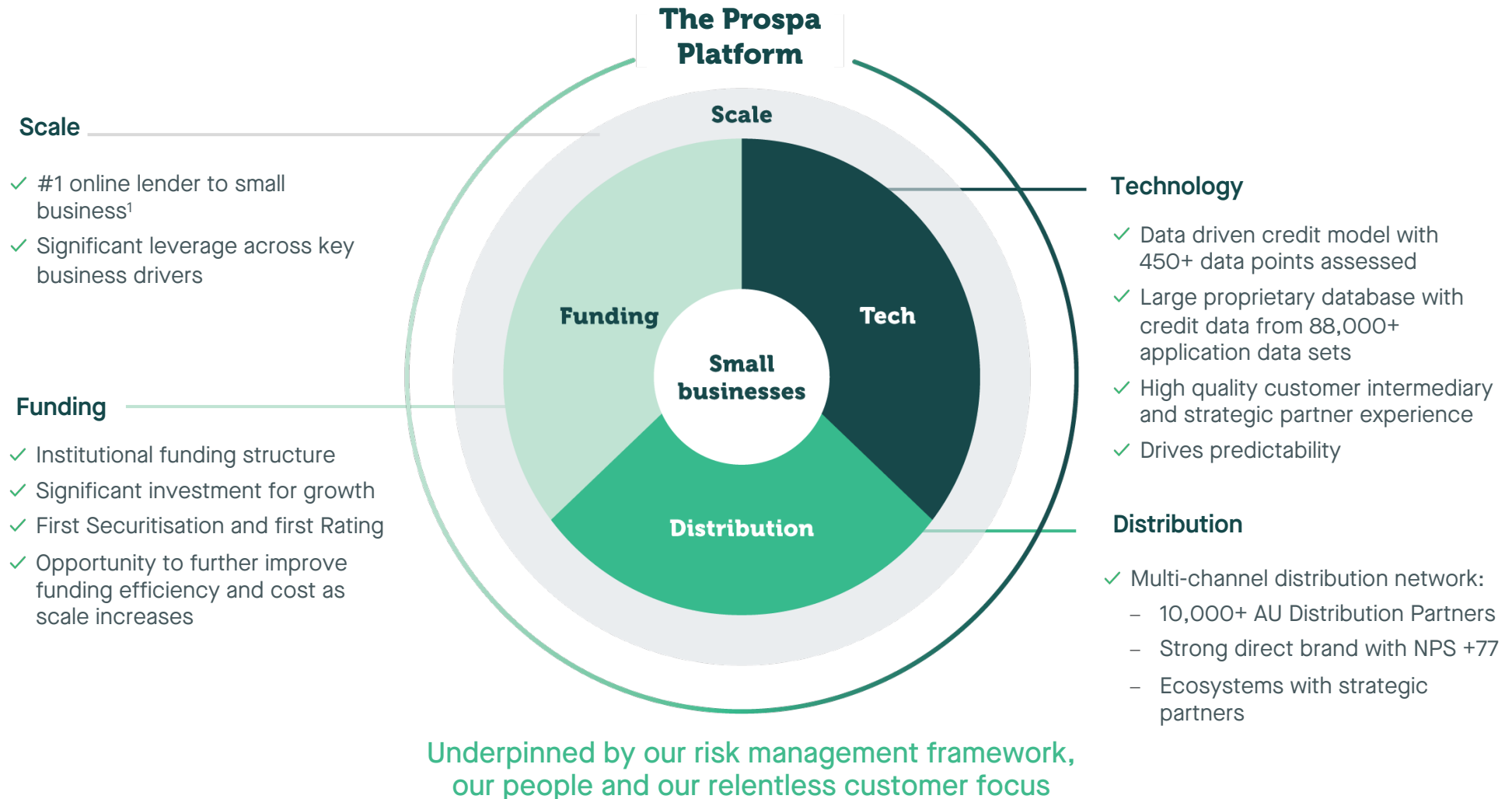
NZ



1. ABS 8165 (Counts of Australian Businesses including Entries and Exits) June 2018 (released in February 2019).  
2. Small Business in New Zealand, NZ Ministry of Business, Innovation & Employment, June 2017.  
3. The number of small businesses with a turnover > \$50,000  
4. Averages for the period ending 31 December 2019

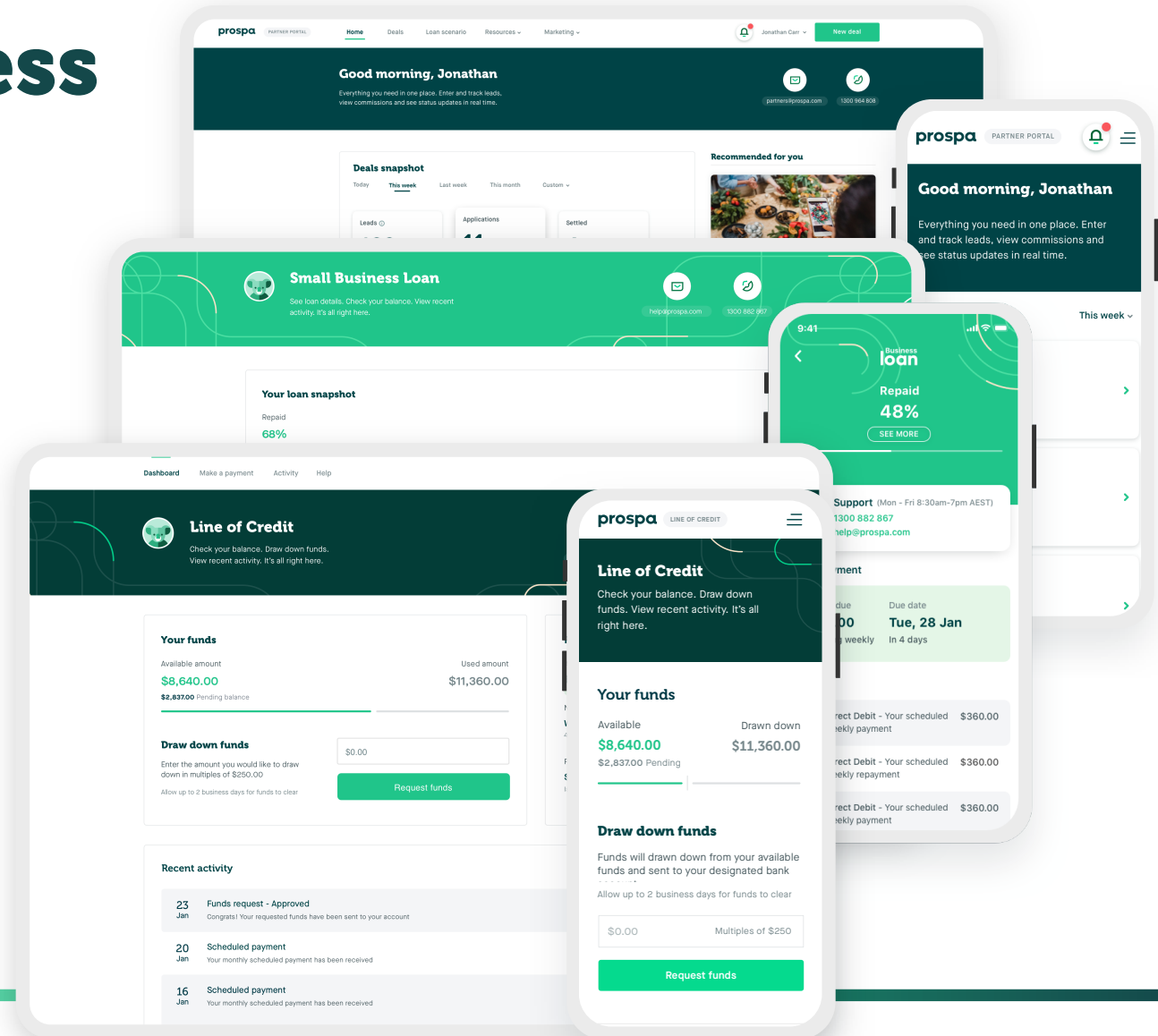
# Unique and scalable platform

We are the #1 online lender to small business. Investment in our three strategic pillars provides significant leverage and scale relative to competitors. We continue building on our competitive advantage



# A cohesive small business focused platform

We build cashflow products and services that allow small businesses to GROW and RUN their businesses and help them PAY for goods and services



# Improving our market penetration

prospa

## A compelling customer proposition and strong go-to-market capability

- ✓ #1 online small business lender<sup>1</sup>
- ✓ Net Promotor Score consistently in excess of 77<sup>2</sup>
- ✓ Google leadership<sup>3</sup>
- ✓ 24% prompted brand awareness<sup>4</sup>
- ✓ 10,000+ distribution partners<sup>5</sup>

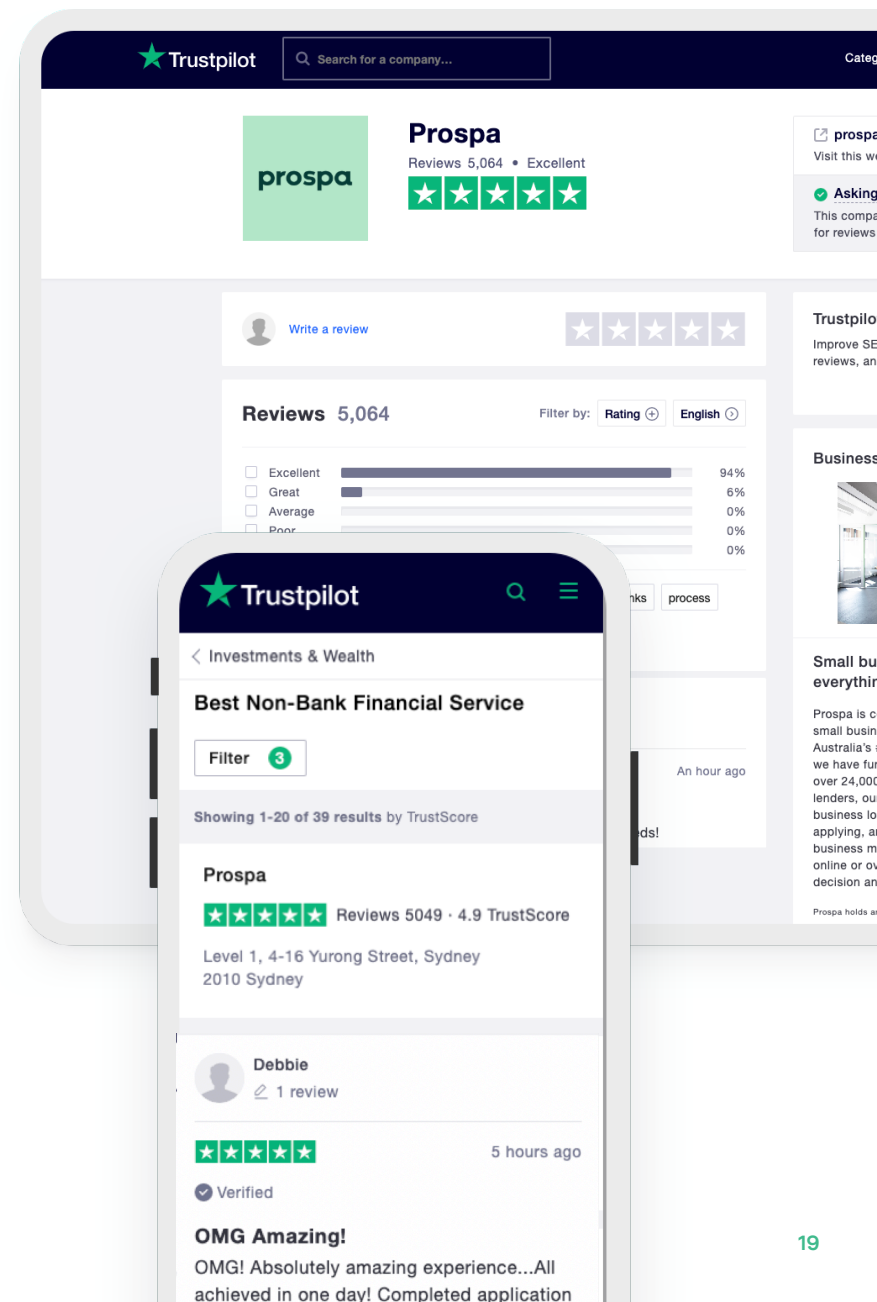
**2.8x**

Customer lifetime value<sup>6</sup>

**67%**

Repeat rate<sup>7</sup>

1. Online lender to small business – Prospa volume as a % of total Australian market volume (measured by loan value) for 2017 (sourced from The Cambridge Centre for Alternative Finance "3rd Asia Pacific Region Alternative Finance Industry Report", November 2018, p86).
2. For the 12 month period 1 January 2019 to 31 December 2019.
3. Google users have increasingly searched for 'prospa', with 'prospa' overtaking 'small business loan' as a key search term in November 2016. Based on Australian-based search volume over time for key terms 'small business loan' and 'prospa' on Google, 17 February 2020.
4. RFI Group, Australian SME Banking Council, December 2019: prompted brand awareness of Prospa percentage based on survey results
5. As at 31 December 2019.
6. Quarterly cohort average for the period March 2015 to December 2019 (including both eligible and ineligible customers).
7. 67% represents the average repeat rate for eligible customers only (where eligible customers are defined as not having defaulted on their Prospa loan), based on the average monthly repeat rates for the period March 2015 to December 2019.



# Increasing addressable market through product and technology development

prospa

## Mobile app<sup>1</sup>

- ✓ 8% of customers on App<sup>1</sup>
- ✓ Pay Anyone functionality
- ✓ 25% have 2 products
- ✓ \$4k avg transaction

## Line of Credit<sup>1</sup>

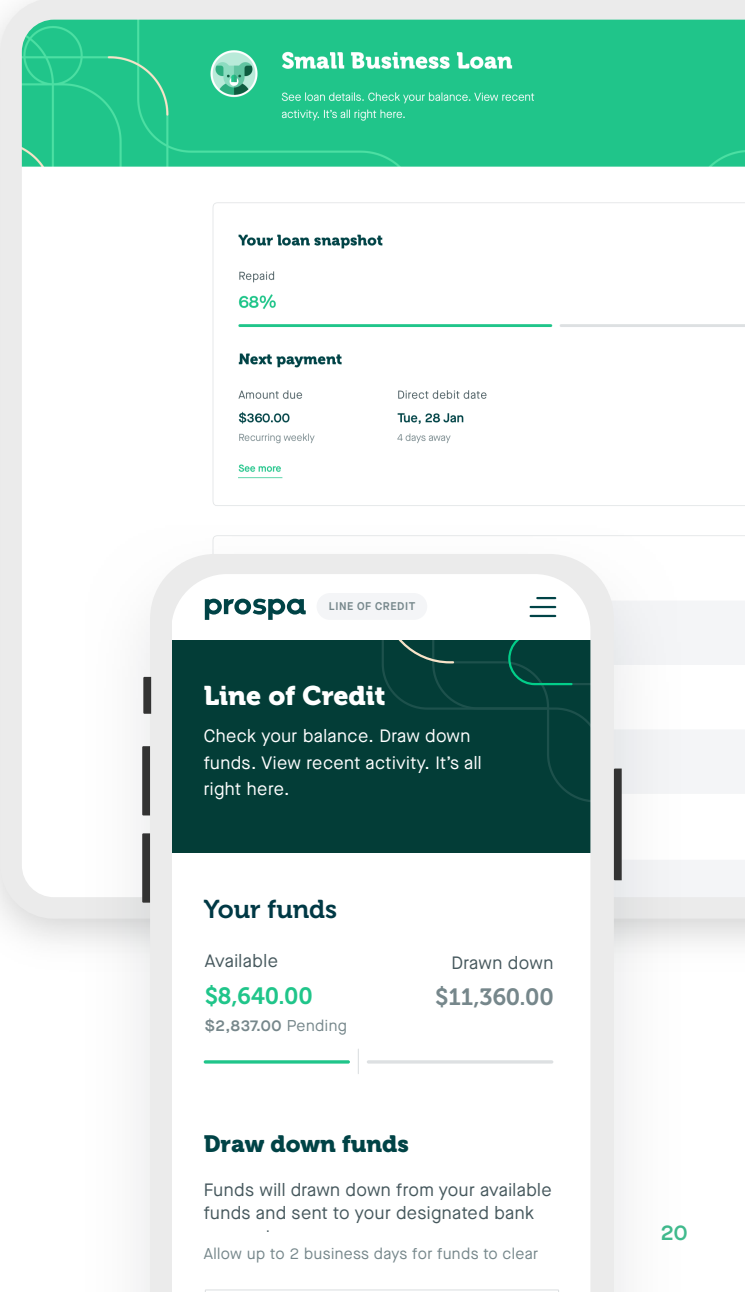
- ✓ Originations of \$38.7m
- ✓ Facility limit now \$100k
- ✓ Average drawn balance \$18.6k and average utilisation 51%
- ✓ 15% of transactions are direct payments

## Prospa Pay<sup>1</sup>

- ✓ \$2.4k avg transaction
- ✓ Transaction volume up 28% compared to prior quarter<sup>3</sup>

## Digital experience

- ✓ 15% of Apps automatically assessed in real time, a 2x increase in volume compared to prior quarter<sup>2</sup>
- ✓ New End to End digital pathway for select segments



1. As at 31 December 2019.

2. Our straight through processing function, Resolve, as applied to the % of applications that fit the criteria of our credit policy. Comparing Q1 FY20 to Q2 FY20.

3. Comparing Q1 FY20 to Q2 FY20.

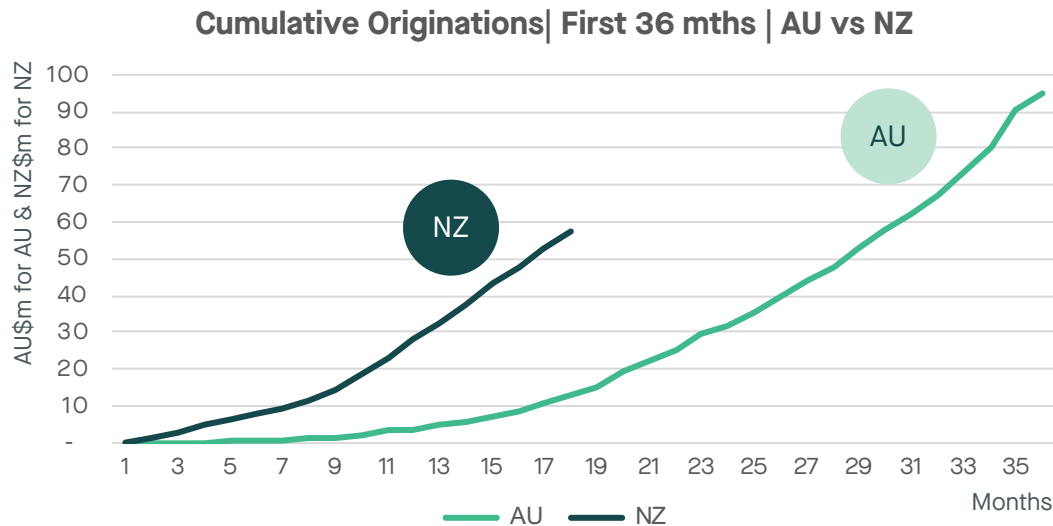
# Increasing addressable market through market expansion to NZ

Market dynamics similar to Australia, with risk performance in line with expectations and significant investment in FY20 as we grow

prospa

## New Zealand

Rapid market penetration & originations expected to scale over FY20 and beyond



>NZ\$4b

potential market opportunity

NZ\$52.8m

Originations to date<sup>1</sup>

1. NZ\$ Originations from inception to 31 December 2019.

prospa | Secure Online Loan Application

### A loan to keep your business moving

To be eligible, you: ☒ own a New Zealand business (with a valid NZBN/IRD) ☒

Full name  
Jonathan Chan

Primary contact number  
(04) 695 2023

Email  
j.chan234@gmail.com

☒ You agree to Prospa's [Personal and Electronic Consents](#) and [Privacy Policy](#)

prospa

Today's way to borrow

A faster, easier approach to business loans.

Get Started

## Section 4

# Outlook

Guidance confirmed

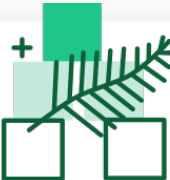
On track to deliver full year FY20 Guidance with strong growth expected to continue  
\$626m - \$640m Originations  
At least \$150m Revenue

AU leadership



Maintain our market leadership in the small business loan product in Australia and introduce new products

NZ acceleration



Continue acceleration in the New Zealand market to secure market leadership

Data driven



Continue to refine best-in-class credit decision engine and data insights capability

Customer acquisition



Continue to invest in brand, customer acquisition and distribution partner marketing ahead of the adoption curve

Investment



Continue investment in new products and technology expected to underpin long term growth

# Thank you & Questions

**prospa**



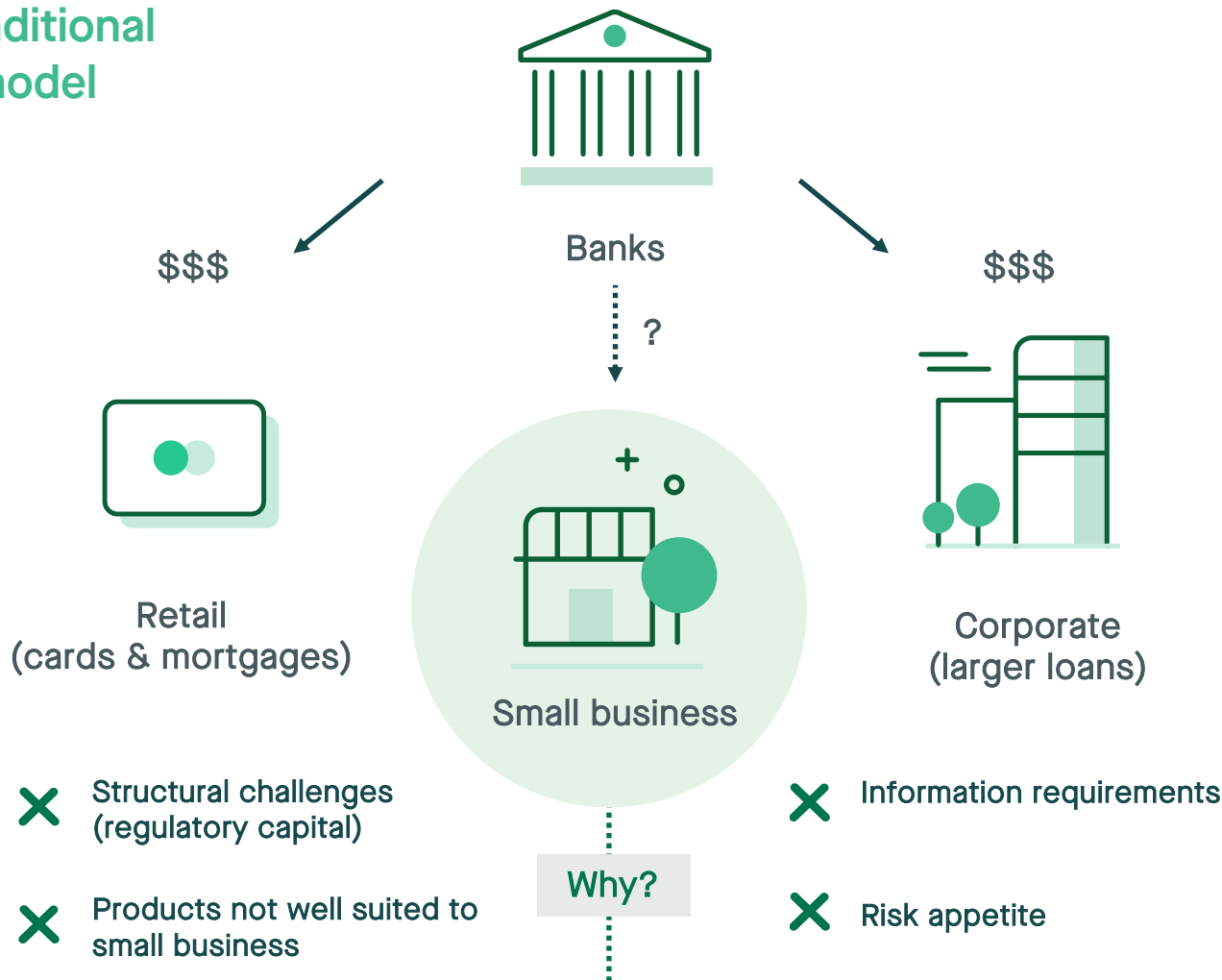
## Section 5

# Appendices

# Substantial and growing market opportunity

Prospa's solutions are addressing a significant market which has been under-served by incumbents

## The traditional bank model



//

Everyone's having a hard time with the banks because they're putting everyone through major hoops for a small amount of money"

Maxine  
QLD

# Pro forma key operating and financial metrics

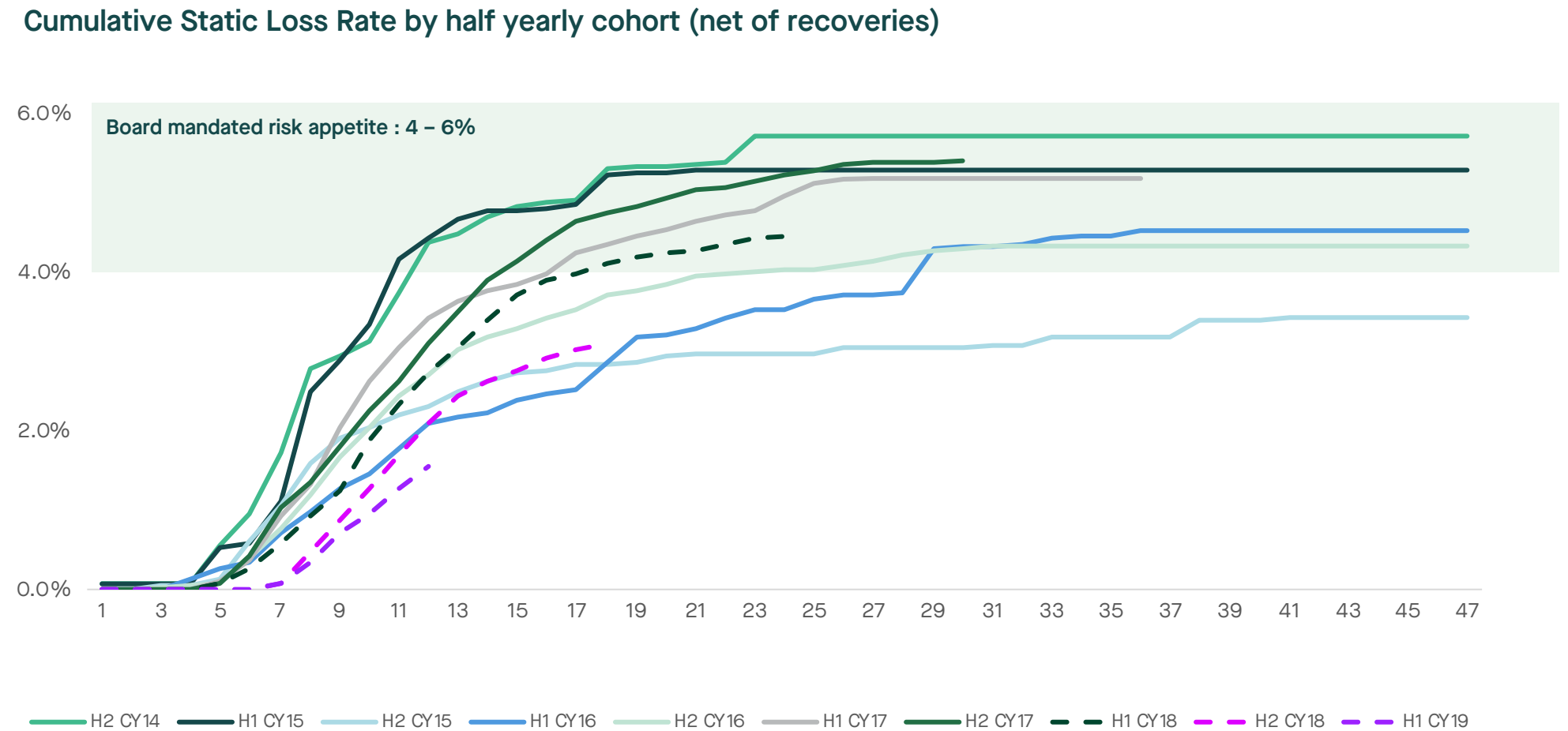
prospa

Pro forma key operating and financial metrics		CY19	CY19	H1FY20	H1FY20
		Actuals	Prospectus	Actuals	Prospectus
<b>Originations and credit metrics</b>					
Originations	m	583.0	559.4	306.8	297.4
Annualised Simple Interest Rate	%	19.8%	19.7%	19.1%	18.9%
Provision rate	%	5.9%	6.1%	5.9%	6.1%
Loan impairment to total revenue	%	19.1%	25.1%	18.8%	23.2%
Loan impairment to average gross loan book	%	7.2%	10.2%	6.6%	9.5%
<b>Productivity metrics</b>					
Total revenue per average FTE	'000	604	637	316	347
Sales & marketing to total revenue	%	21.2%	18.7%	20.4%	17.3%
General & administration to total revenue	%	27.4%	22.8%	28.9%	21.2%
<b>Growth vs. prior year period</b>					
Originations	%	33.9%	28.4%	36.6%	32.5%
Total revenue	%	16.5%	26.2%	11.7%	30.1%

Investor Pack   Other metrics		CY19	CY19	H1FY20	H1FY20
		Actuals	Prospectus	Actuals	Prospectus
<b>Loan book and originations</b>					
Gross originations	m	774.2	753.9	435.9	402.2
Gross loans (period end)	m	461.6	483.2	461.6	483.2
Average gross loans	m	386.0	384.9	428.9	427.8
<b>Composition of loan impairment</b>					
Loan impairment - Net charge off	m	22.3	30.0	11.6	16.0
Loan impairment - Provision movement	m	5.3	9.3	2.6	4.4
<b>Funding</b>					
Funding cost rate	%	6.0%	7.6%	5.4%	7.7%
Average funding debt	m	313.3	280.6	345.5	293.1

Cumulative net static loss rate (net of recoveries)  
by half yearly cohorts<sup>1</sup>

prospa



1. Data as at 31 December 2019. Losses have historically been reported and charged off after 120 days of non-payment. As part of our adoption of AASB 9 from 1 July 2018, we amended our charge off policy to 180 days past due and 30 days since last paid for future cohorts. This amendment to the policy is not expected to have any impact on the Fully Seasoned Static Loss Rate, although it will have an impact on the timing of the recognition of the losses and therefore would change the profile of the Cumulative Static Loss Rates chart. Static losses are calculated based on gross originations (i.e. fresh capital provided to customers plus any rollover portion or any pre-existing loan for a given period).

29

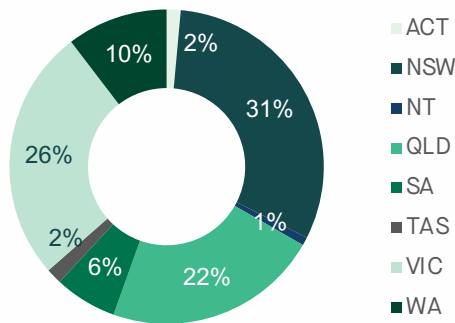
# Scale is delivering significant portfolio diversification

Portfolio characteristics allow dynamic risk management

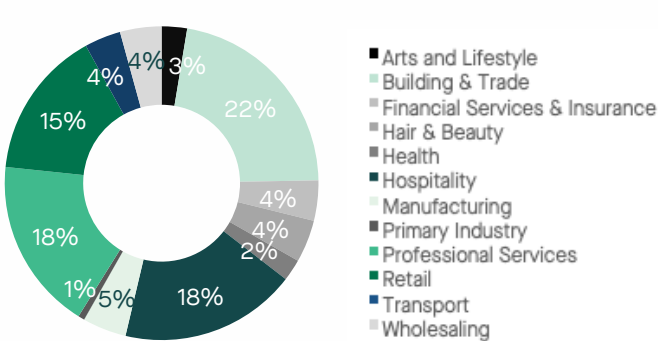
## Key credit risk mitigants

- 1. **High frequency loan payments (daily / weekly / fortnightly)** provides a lead indicator of portfolio health
- 2. **Short loan terms** means the loan book amortises faster and risk appetite can be adjusted quickly
- 3. **Continuous portfolio monitoring** against defined risk metrics
- 4. **Diversification** across industries and geographies lowers risk exposure

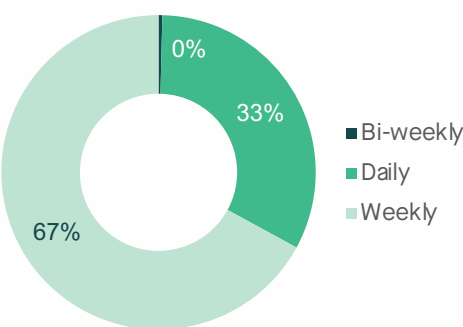
Geographic exposure<sup>1</sup>



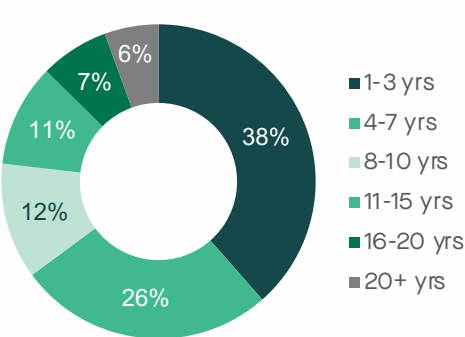
Industry exposure<sup>1</sup>



Payment frequency<sup>1</sup>



Time trading<sup>1</sup>



1. All data for the Australian portfolio current as at 31 December 2019. Based on number of loans disbursed.

# Statutory income statement: H1 FY20 vs H1 FY19

prospa

P&L   Statutory	H1FY20A	H1FY20P	H1FY19A
Originations	306.8	297.4	224.5
Interest income	69.8	81.4	62.4
Other income	5.9	6.6	5.3
<b>Total revenue</b>	<b>75.6</b>	<b>88.0</b>	<b>67.7</b>
Transaction costs	(4.5)	(5.3)	(4.3)
<b>Net revenue</b>	<b>71.1</b>	<b>82.7</b>	<b>63.4</b>
Funding Costs	(9.4)	(11.3)	(10.7)
Sales & Marketing	(15.4)	(15.2)	(11.8)
Product, Research & Development	(6.1)	(5.8)	(4.4)
General & Administrative	(21.8)	(18.7)	(17.9)
Loan Impairment	(14.1)	(20.4)	(13.4)
<b>Total Operating Expenses</b>	<b>(66.9)</b>	<b>(71.4)</b>	<b>(58.3)</b>
<b>EBITDA</b>	<b>4.3</b>	<b>11.3</b>	<b>5.1</b>
Depreciation	(1.5)	(1.4)	(0.4)
Amortisation	(1.3)	(0.9)	(1.7)
<b>EBIT</b>	<b>1.5</b>	<b>9.0</b>	<b>3.0</b>
Interest on corporate debt	(0.3)	(0.3)	(2.9)
Fair Value	(0.1)	-	(3.2)
Unwind of embedded derivative	-	-	-
<b>PBT</b>	<b>1.1</b>	<b>8.7</b>	<b>(3.0)</b>
Tax expense	(0.6)	(2.9)	0.0
<b>NPAT</b>	<b>0.6</b>	<b>5.8</b>	<b>(3.0)</b>

# Proforma income statement: CY19 vs CY18

prospa

P&L   Proforma	CY19A	CY19P	CY18A
Originations	583.0	559.4	435.5
Interest income	132.4	143.8	113.1
Other income	12.0	12.6	10.8
<b>Total revenue</b>	<b>144.4</b>	<b>156.3</b>	<b>123.9</b>
Transaction costs	(8.7)	(9.3)	(7.0)
<b>Net revenue</b>	<b>135.7</b>	<b>147.0</b>	<b>116.9</b>
Funding Costs	(18.8)	(21.3)	(16.8)
Sales & Marketing	(30.7)	(29.3)	(23.2)
Product, Research & Development	(11.1)	(10.9)	(7.5)
General & Administrative	(39.6)	(35.6)	(31.0)
Loan Impairment	(31.3)	(39.3)	(28.9)
<b>Total Operating Expenses</b>	<b>(131.4)</b>	<b>(136.4)</b>	<b>(107.4)</b>
<b>EBITDA</b>	<b>4.2</b>	<b>10.6</b>	<b>9.5</b>
Depreciation	(3.1)	(2.8)	(2.1)
Amortisation	(2.3)	(1.6)	(2.3)
<b>EBIT</b>	<b>(1.2)</b>	<b>6.1</b>	<b>5.1</b>
Interest on corporate debt	(1.5)	(1.6)	(2.5)
Fair Value	(0.1)	-	-
Unwind of embedded derivative	-	-	-
<b>PBT</b>	<b>(2.8)</b>	<b>4.5</b>	<b>2.6</b>
Tax expense	0.6	(1.9)	(1.1)
<b>NPAT</b>	<b>(2.2)</b>	<b>2.6</b>	<b>1.5</b>

# Pro forma adjustments

Investor pack   Pro forma income statement adjustments	CY19A	CY19P	CY18A
Statutory total revenue	144.4	156.3	124.1
Reclassification of loss recoveries	-	-	(0.2)
<b>Pro forma total revenue</b>	<b>144.4</b>	<b>156.3</b>	<b>123.9</b>
Statutory NPAT	(13.7)	(8.2)	(5.0)
Impact of AASB9	-	-	(1.4)
Impact of AASB16	(0.3)	-	(0.3)
Public company costs	(0.3)	-	(0.9)
Offer costs	5.0	6.6	3.7
Executive remuneration	-	-	(0.8)
Funding optimisation	-	-	1.4
Fair value gains and losses	6.7	4.3	3.0
<b>Total pro forma adjustments</b>	<b>11.2</b>	<b>10.9</b>	<b>4.5</b>
Pro forma effective tax rate applied to Pro forma PBT	0.4	(0.2)	1.9
<b>Pro forma NPAT</b>	<b>(2.2)</b>	<b>2.6</b>	<b>1.5</b>

# Important Notice and Disclaimer

The material in this presentation is general background information about Prospa Group Limited (PGL) and is current at the date of the presentation, 27 February 2020.

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 independently 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.

# Thank you

**prospa**

