Plenti Group Limited
ACN 643 435 492

Plenti

Prospectus

Initial public offering of fully paid ordinary shares

Financial Adviser

HIGHBURY PARTNERSHIP

Joint Lead Managers

BELL POTTER WILSONS

Australian Legal Adviser

CLIFFORD CHANCE

Important notices

Offer

This Prospectus is issued by Plenti Group Limited (ACN 643 435 492) (**Company**) for the purpose of Chapter 6D of the *Corporations Act 2001* (Cth) (**Corporations Act**). The Offer contained in this Prospectus is made by the Company and is an invitation to acquire fully paid ordinary shares (**Shares**) in the Company. See Section 7 for further information on the Offer, including details of the securities that will be issued under this Prospectus.

Lodgement and Listing

This Prospectus is dated 21 August 2020 (**Prospectus Date**) and was lodged with ASIC on that date.

The Company will apply to the ASX within seven days of the Prospectus Date for its admission to the Official List and quotation of the Shares on the ASX. None of ASIC, the ASX or their respective officers takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

The Company, the Share Registry and the JLMs disclaim all liability to persons who trade Shares before receiving their holding statements.

Expiry Date

This Prospectus expires on the date which is 13 months after the Prospectus Date (**Expiry Date**). No Shares will be issued or sold on the basis of this Prospectus after the Expiry Date.

Note to Applicants – not investment advice

The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation or particular needs (including financial and tax issues) of any prospective investor.

Risks of investment

It is important that you read this Prospectus carefully and in its entirety before deciding whether to invest in the Company. If you have any questions, you should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other independent professional adviser before deciding whether to invest in the Shares.

In considering the prospects of the Plenti Group, you should consider the basis of preparation and best estimate assumptions underlying the Forecast Financial Information set out in Section 4 and any other forward looking information in this Prospectus. You should consider the risk factors that could affect Plenti's business, financial condition and results of operations, including macro-economic and market condition risks arising from the ongoing global COVID-19 pandemic. Some or all of these risks may impact the value of your investment in Shares. You should carefully consider these risks in light of your investment objectives, financial situation and particular needs (including financial and taxation issues) and seek professional advice. Some of the key risk factors that should be considered by prospective investors are set out in Sections 1.4 and 5. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

Except as required by law, no person named in this Prospectus, nor any other person, provides any warranties or guarantees in respect of the performance of the Plenti Group, the repayment of capital by the Company or the payment of a dividend or other distribution or return on the Shares.

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company or its Directors or any other person in connection with the Offer. You should rely only on information in this Prospectus.

Important Information for New Zealand Investors

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and the Corporations Regulations. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This Offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and Corporations Regulations set out how the Offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, New Zealand (http://www.fma.govt.nz). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

No acceptance of Applications during Exposure Period

The Corporations Act prohibits the Company from processing applications to subscribe for, or acquire, Shares under this Prospectus (**Applications**) in the seven-day period after the Lodgement Date of this Prospectus with ASIC (**Exposure Period**). This Exposure Period may be extended by ASIC by up to a further seven days.

The purpose of the Exposure Period is to enable this Prospectus to be examined by ASIC. The examination may result in the identification of deficiencies in this Prospectus, in which case any Application may need to be dealt with in accordance with section 724 of the Corporations Act. Applications received during the Exposure Period will not be processed

until after the expiry of the Exposure Period (including any extension). No preference will be conferred on Applications received during the Exposure Period.

No cooling-off rights

Cooling-off rights do not apply to an investment in Shares issued or sold under this Prospectus. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

Obtaining a copy of this Prospectus and making an Application

This Prospectus is available to Australian and New Zealand investors in electronic form at www.plenti.com.au/IPO. The Offer constituted by this Prospectus in electronic form at www.plenti.com.au/IPO is available only to Australian and New Zealand residents accessing that website within Australia or New Zealand during the Offer Period. It is not available to persons in other jurisdictions (including the United States). If you access an electronic version of the Prospectus you should ensure that you download and read the Prospectus in its entirety.

Persons having received a copy of this Prospectus in its electronic form may, before the Closing Date, obtain a paper copy of this Prospectus (free of charge) by telephoning the Plenti Offer Information Line on 1300 676 517. If you are eligible to participate in the Offer and are calling from outside Australia, you should call +61 1300 676 517. Applications for Shares may only be made on an Application Form attached to or accompanying this Prospectus, or by completing an electronic application at www.plenti.com.au/IPO which must be downloaded in its entirety together with an electronic copy of this Prospectus. See Section 7 for further information.

By making an Application, you declare that you were given access to the Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing the Application Form on to another person unless it is included in, or accompanied by, this Prospectus in its hard copy form or the complete and unaltered electronic version of this Prospectus. Refer to Section 7 for further information. The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to a paper copy of the Prospectus or the complete and unaltered electronic version of this Prospectus.

Statements of past performance

This Prospectus includes information regarding the past performance of the Plenti Group. Investors should be aware that past performance is not indicative of future performance.

Financial information presentation and amounts

Section 4 sets out in detail the Financial Information referred to in this Prospectus. The basis of preparation of the Financial Information is set out in Section 4.

All references to FY2018, FY2019 and FY2020 appearing in this Prospectus are to the financial years ended or ending 31 March (as relevant), unless otherwise indicated.

The Historical Financial Information is presented on both an actual and pro forma basis. The Financial Information has been prepared in accordance with the recognition and measurement principles prescribed by the Australian Accounting Standards issued by the Australian Accounting Standards Board, which are consistent with International Financial Reporting Standards (**IFRS**) and interpretations issued by the International Accounting Standards Board (**IASB**).

This Prospectus includes Forecast Financial Information based on the best estimate assumptions of the Directors on their assessment of present economic and operating conditions, and a number of assumptions regarding future events and actions that, as at the Prospectus Date, the Directors expect to take place (including the key assumptions set out in Sections 4.10.1, 4.10.2 and 4.11). The basis of preparation and presentation of the Forecast Financial Information, to the extent applicable, is consistent with the basis of preparation and presentation for the Pro Forma Historical Financial Information. The Forecast Financial Information presented in this Prospectus is presented on both a statutory and pro forma basis and is unaudited.

The Financial Information is presented in an abbreviated form. It does not include all of the presentation and disclosures required by the Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act. Investors should note that certain financial data included in this Prospectus is not recognised under the Australian Accounting Standards and is classified as 'non-IFRS financial information' under ASIC Regulatory Guide 230 'Disclosing non-IFRS financial information ('**RG 230**'). The Company considers that this non-IFRS information provides useful information to users in measuring the financial performance and condition of the Plenti Group. The non-IFRS financial measures do not have standardised meanings under the Australian Accounting Standards and therefore may not be comparable to similarly titled measures presented by other entities; nor should they be interpreted as an alternative to other financial measures determined in accordance with the Australian Accounting Standards. Investors are cautioned therefore not to place undue reliance on any non-IFRS financial information and ratios included in this Prospectus.

All financial amounts contained in this Prospectus are expressed in Australian currency, unless otherwise stated. Any discrepancies between totals and sums of components in tables, figures and diagrams contained in this Prospectus are due to rounding.

The Financial Information in this Prospectus should be read in conjunction with, and is qualified by reference to, the information contained in Sections 4 and 5 and Appendix A.

Forward looking statements

This Prospectus contains forward looking statements and comments about future events, including in relation to the Plenti Group's businesses, plans and strategies, and expected trends in the industry sector in which the Plenti Group currently operates.

Forward looking statements also include prospective financial information for the Plenti Group. Forward looking statements can generally be identified by words such as 'believes', 'considers', 'could', 'estimates', 'expects', 'intends', 'may', 'targets', 'anticipate', 'likely', 'should', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast' and other similar words that involve risks and uncertainties. The Forecast Financial Information and indications of, and guidance or outlook on, future earnings or financial position or performance of the Plenti Group are examples of forward looking statements.

Any forward looking statements are subject to various risk factors (both general and specific) that could cause the Plenti Group's actual results to differ materially from the results expressed or anticipated in these statements.

Such statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors of the Company, and management of the Company. There is a risk that predictions, forecasts, projections and other forward looking statements will not be achieved and investors are cautioned not to place undue reliance on these statements. Forward looking statements should therefore be read in conjunction with, and are qualified by reference to, the discussion of the basis of preparation of the Forecast Financial

Important notices

Information in Section 4.4, general assumptions as set out in Section 4.10.1, specific assumptions as set out in Section 4.10.2, the discussion of the and analysis of historical and forecast metrics in Section 4.11, the sensitivity as set out in Section 4.12, risk factors as set out in Section 5 and other information in this Prospectus.

Nothing in this Prospectus is a promise or representation as to the future, and past performance is not a guarantee of future performance. Statements or assumptions in this Prospectus as to future matters may prove to be incorrect.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward looking statements contained in the Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward looking statements. The Company has no intention of updating or revising forward looking statements, or publishing prospective financial information in the future; regardless of whether new information, future events or any other factors affect the information, contained in this Prospectus, except where required by law. None of the Company or the Directors makes any representation or warranty as to the accuracy of such statements or assumptions. Circumstances may change and the contents of this Prospectus may become outdated as a result.

Market and industry data based primarily on management estimates

This Prospectus (and, in particular, Section 2) contains data relating to the industries, sectors and end-markets in which the Plenti Group operates (**Industry Data**). Such information includes, but is not limited to, statements and data relating to the Plenti Group.

To the extent the information relates to future events, it is subject to risks and uncertainties and may change as a result of various factors, including those described in Section 5. The Industry Data has not been independently prepared or verified and the Company cannot assure you as to its accuracy or the accuracy of the underlying assumptions used to estimate such Industry Data. The Company's estimates involve risks and uncertainties and are subject to change based on various factors, including those described in the key risks in Section 5.

In addition to the Industry Data, this Prospectus uses third party market data, estimates and projections. The Company has not independently verified this information. There is no assurance that any of the third party projections contained in this information will be achieved. Some of the market data was prepared before the onset of COVID-19, the final economic effect of which is currently not possible to predict with any certainty. The impact of COVID-19 (if any) on the market data that is referenced is not possible to currently predict with any certainty and investors are cautioned against placing undue reliance on such data.

Estimates involve risks and uncertainties and are subject to change based on various factors, including those described in the key risks in Section 5.

Photographs and diagrams

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are owned by the Plenti Group. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Prospectus Date.

Company website

Any references to documents included on Plenti's website at www.plenti.com.au or the Offer Website at www.plenti.com.au/IPO are for convenience only, and none of the documents or other information available on Plenti's website is incorporated herein by reference.

Defined terms, time and currency

Defined terms and abbreviations used in this Prospectus have the meanings given in the glossary in Appendix C of this Prospectus. Unless otherwise stated or implied, references to times in this Prospectus are to Sydney/AEST time (GMT +10). All monetary amounts referred in this Prospectus are, unless otherwise noted, in Australian dollars and rounded to the nearest $1,000. Where used in this Prospectus, '$bn' refers to $ billion and '$m' refers to $ million, in each case in Australian dollars (unless otherwise specified).

Disclaimers

Except as required by law, and only to the extent so required, neither the Company nor any Director nor any other person warrants or guarantees the future performance of the Company, or any return on any investment made pursuant to this Prospectus.

As set out in Section 7, it is expected that the Shares will be quoted on the ASX on a normal basis. To the maximum extent permitted by law, the Company (on behalf of itself and all Plenti Group members), its share registry Automic Pty Limited (ABN 27 152 260 814) (**Share Registry**), the Financial Adviser, the JLMs and the Existing Shareholders disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statements. This applies even if such person received confirmation of allocation from the Plenti Offer Information Line or confirmed their firm allocation through a Broker.

The JLMs have acted as joint lead managers to the Offer and have not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Prospectus and there is no statement in this Prospectus which is based on any statement made by them or by any of their affiliates, directors, officers, employees, agents or advisers. To the maximum extent permitted by law, the JLMs and each of their affiliates, directors, officers, employees, agents and advisers expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this Prospectus other than references to their name and address and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

This disclaimer does not purport to disclaim any warranties or liability which cannot be disclaimed by law.

Selling restrictions

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of Shares, in any jurisdiction outside Australia and New Zealand. The distribution of this Prospectus (including in electronic form) outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus outside Australia and New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus may not be distributed to, or relied upon by, persons in the United States. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Shares to be offered under the Offer have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States unless the Shares are registered under the U.S. Securities Act or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable US state securities laws.

See Section 7.9.2 for more detail on selling restrictions that apply to the offer and sale of Shares in jurisdictions outside Australia.

Privacy

By filling out the Application Form to apply for Shares, you are providing personal information to Plenti through the Share Registry, which is contracted by Plenti to manage Applications. Plenti and the Share Registry on its behalf may collect, hold, use and disclose that personal information for the purpose of processing your Application, servicing your needs as a Shareholder, providing facilities and services that you need or request and carrying out appropriate administration in accordance with this privacy statement and the *Privacy Act 1988* (Cth). Some of this personal information is collected as required or authorised by certain laws including the *Income Tax Assessment Act 1997* (Cth) and the Corporations Act.

If you do not provide the information requested in the Application Form, the Company and the Share Registry may not be able to process or accept your Application. By submitting an Application, you agree that the Company and the Share Registry may communicate with you in electronic form or to contact you by telephone in relation to the Offer.

Your personal information may also be used from time to time to inform you about other products and services offered by Plenti which may be of interest to you.

Your personal information may also be provided to Plenti's agents and service providers on the basis that they deal with such information in accordance with Plenti's privacy policy and as authorised under the *Privacy Act 1988* (Cth). The agents and service providers of Plenti may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- The Share Registry for ongoing administration of the register of members;
- The JLMs in order to assess your Application and brokers for the purposes of providing their services;
- Printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- Market research companies for the purpose of analysing the Shareholder base and for product development and planning; and
- Legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Shares and for associated actions.

If an Applicant becomes a Shareholder, the Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register of members. The information contained in the Company's register of members must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register of members is also used to facilitate dividend payments and corporate communications (including the Plenti Group's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by Plenti with legal and regulatory requirements.

An Applicant has a right to gain access to his or her personal information that the Company and the Share Registry hold about that person, subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing or by telephone call to the Company's registered office or the Share Registry's office, details of which are disclosed in the Corporate Directory on the final page of this Prospectus.

Applicants can obtain a copy of Plenti's privacy policy by visiting the Plenti website (www.plenti.com.au). By submitting an Application, you agree that the Company and the Share Registry may communicate with you in electronic form or contact you by telephone in relation to the Offer. To the extent of any inconsistency between the foregoing and Plenti's privacy policy, the foregoing will apply. In all other respects, personal information collected by the Company in connection with your Application will be handled in accordance with the privacy policy.

The Share Registry's complete privacy policy is available at the Share Registry's website, https://www.automicgroup.com.au/privacy-policy. Queries regarding the Share Registry's privacy policy may also be emailed to alistair.mckeough@automicgroup.com.au.

Investigating Accountant's Report and Financial Services Guide

The provider of the Investigating Accountant's Report on Financial Information is required to provide Australian retail clients with a Financial Services Guide in relation to the review under the Corporations Act (**Financial Services Guide**). The Investigating Accountant's Report and accompanying Financial Services Guide is provided in Section 8.

Questions

If you have any questions about how to apply for Shares, please call your Broker.

Instructions on how to apply for Shares are set out in Section 7 of this Prospectus and on the back of the Application Form. If you have any questions in relation to the Offer, contact the Plenti Offer Information Line on 1300 676 517 (toll free within Australia) or +61 1300 676 517 (outside Australia) between 9.00am and 5.30pm (Sydney time), Monday to Friday, during the Offer Period.

If you have any questions about whether to invest in Shares in the Company, you should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest in the Company.

This document is important and should be read in its entirety before making any investment decision.

Table of contents

Chairman's letter 4
Co-Founders' letter 6
Key Offer information 8
1. Investment overview 10
2. Industry overview 25
3. Company overview 40
4. Financial information 74
5. Key risks 102
6. Key individuals, interests and benefits 115
7. Details of the Offer 131
8. Investigating accountant's report 145
9. Additional information 155
Appendix A
Significant accounting policies 171
Appendix B
Financial information reconciliation tables 181
Appendix C
Glossary 183
Corporate directory ibc

Chairman's letter

Dear Investor,

On behalf of the Board of Directors, I am delighted to offer you the opportunity to become a shareholder in the Company.

Plenti is a fast-growing[1] Australian technology-led consumer lending and investment business. Since launching in late 2014, Plenti has funded approximately $870 million of loans to over 55,000 borrowers[2] and has attracted approximately 22,000 Registered Investors. It currently has approximately $400 million of loans outstanding. This growth has been achieved whilst maintaining a strong credit performance, including during the current COVID-19 pandemic through to the Prospectus Date.

Plenti offers three core loan products: automotive loans, renewable energy loans and personal loans, which combined markets represent over $45 billion of lending annually in Australia. Each of these lending verticals is undergoing some form of structural change, regulatory change and/or technology-led disruption. I believe that Plenti is well positioned to benefit from these changes, given its technology-led model, as well as the value and transparency of its offerings to customers.

Plenti's proprietary technology platform provides borrowers, investors and commercial partners with simple digital experiences. The Company believes its technology platform provides a meaningful competitive advantage in markets where speed and ease of services are increasingly important, and believes its technology platform provides an important foundation to support continued growth and operational leverage over coming years.

A key strength of Plenti's business model is the diversity of its funding. Plenti commenced operations with a focus on retail investors, investing via a retail lending model but the Company has deliberately diversified its funding base to include wholesale investors (including SMSFs, fixed income funds, several banks and an institutional superannuation fund) and the Federal Government's Clean Energy Finance Corporation. Plenti has more recently established its own warehouse funding facility with one of the Major Banks as senior funder. This funding base gives the Company flexibility as it plans its growth and as different markets evolve.

Plenti's founder-led management team has a strong track record of responsibly driving growth, achieving compound annual revenue growth from FY2018 to FY2020 of over 60%. The Board believe that Plenti, with its determined and capable management team, is well-positioned to continue to grow strongly through leveraging its technology platform, as well as the strong foundations it has in place across borrower experiences, its borrower introducer network, its funding diversity and its credit risk management capabilities. I am especially excited about Plenti's growing presence in the automotive finance market given the scale of this market, and its opportunities to expand in the renewable energy finance market.

The Offer is seeking to raise $55 million through the issue of 33,132,530 Shares at an Offer Price of $1.66 per Share. No Existing Shareholders are selling any Shares as part of the Offer. I believe this reflects their faith in the prospects of the business. At Completion of the Offer, Existing Shareholders are expected to own approximately 80.4% and New Shareholders are expected to own approximately 19.6% of the total ordinary shares outstanding in the capital of the Company. Approximately 77.7% of the Shares outstanding at the Completion of the Offer will be subject to escrow arrangements as outlined in Section 7.8.

This Prospectus contains important information about the Offer, the industry in which Plenti operates, Plenti's business and its financial and operating performance. The key risk factors that could affect Plenti's business, financial condition and performance are outlined in Section 5. These include risks associated with lending money, the availability and cost of funding and macroeconomic and market condition risks, including risks arising from the ongoing global COVID-19 pandemic, together with risks associated with an investment in the Shares. These risk factors should be considered in detail before making any investment decision. I encourage you to read the Prospectus carefully and if you have any queries consult with your accountant, financial adviser, stockbroker, lawyer or other professional adviser before making any investment decision.

On behalf of the Board of Directors, I look forward to welcoming you as a shareholder of the Company.

Yours faithfully,

Mary Ploughman
Independent Chairman and Non-Executive Director

1 Based on historical revenue CAGR over the FY2018 to FY2020 financial period of 60%. Past performance is no guarantee of future performance. Investors should consider the entire Prospectus (including the '*Financial Information*' in Section 4 and '*Key Risks*' in Section 5) and make an independent assessment of the future prospects of the Company.

2 This includes repeat transactions that an individual borrower may have made on the Plenti Lending Platforms and its Warehouse Facility.

Co-Founders' letter

Dear Investor,

Why we launched Plenti

We launched Plenti in late 2014 because we believed that by building a lending business with technology at its core, we could offer customers better value and service than they were receiving from traditional lenders.

Our aspiration to offer better value and service is captured in our name, 'Plenti', which we recently adopted (rebranding from 'RateSetter'). We believe 'Plenti' reflects the evolution of our business since launch, and points to our future ambitions to help more Australians by supporting a fairer, more efficient financial system for all.

In our journey to date we have sought to balance our growth ambitions with the responsibility of being the custodians of other people's capital, whether they are retail investors, institutional investors, or Warehouse Facility funders. This ethos has guided the selection and development of our three core loan products – automotive loans, renewable energy loans and personal loans. It has also guided our approach to credit risk, as we believe is evident by our credit losses being less than 1.75% of loans funded since launch, including through the COVID-19 induced recession to the Prospectus Date.

Driving innovation

To deliver better value to our customers we have directed hundreds of thousands of hours into the development of Venus, our proprietary cloud-based lending platform. With Venus, we believe Plenti has broken new ground when delivering customer experiences, technology-led integrations with commercial partners, innovation in lending activities and operating efficiency.

Since launching Plenti, we believe it has achieved a number of 'firsts' for the Australian market, including:

- Providing retail investors access to the significant asset class of consumer loans, with a minimum investment of only $10, via an ASIC-regulated marketplace investment platform;
- Being the first lender to allow borrowers to view an indicative loan interest rate based on their credit file, but without negatively impacting their bureau credit score;
- Being the first lender to regularly release its loan book publicly, allowing investors and regulators to fully understand its business activities and credit performance;
- Being the first lender to share comprehensive credit data with other lenders, and hence helping to introduce greater competition to our loan markets; and
- Being the delivery partner for a world-class home battery purchase subsidy program, on behalf of the Government of South Australia.

Some of these innovations and successes have been recognised through Plenti's numerous industry awards for its loan offerings, an Innovation Award at the 2017 CoreData SMSF Service Provider Awards, and naming in Deloitte Australia's Technology Fast 50 Awards in 2019. Additionally, Daniel was named FinTech Leader of the Year and Glenn Fintech CTO/CIO of the Year at the Australian Fintech Awards 2016, and Daniel was awarded Fintech Entrepreneur of the Year at the Australian FinTech Business Awards 2017.

Special recognition

Our progress to date and the innovations we have been able to deliver are due to the hard work and dedication of many people. Most importantly, we thank our over 100 Australia-based employees and our dedicated offshore support teams. We are immensely proud of their efforts, and we thank them for working tirelessly in pursuit of our shared ambitions.

We would also like to recognise the contribution of our Directors. The shared knowledge and experience of the Board has been invaluable in shaping Plenti's strategy and direction.

There are many others – too many to list – who we would like to thank for the support they have provided, including those who have contributed ideas, capital, or just time, to help Plenti move forward.

The next steps in our journey

We see an IPO as the best option for providing the funding needed to support Plenti's next stage of growth, including the expansion of our warehouse funding program.

We also believe that being listed on the ASX will support the achievement of our ambitions, not only through providing capital for us to continue to invest in building market-leading technology and products, but also through bringing increased awareness to our brand and product offerings, for both borrowers and investors, and other offerings that may follow as we look to continue our journey of scaling and diversifying Plenti.

We look forward to welcoming you as an investor in Plenti and sharing the next stage of an exciting journey with you.

Yours truly,

Daniel Foggo

Ben Milsom

Glenn Riddell

Key Offer information

Key Offer statistics[1]	
Offer Price	$1.66
Total proceeds under the Offer	$55 million
Total number of New Shares available under the Offer	33,132,530
Number of Shares to be held by Existing Shareholders at Completion of the Offer[2,3]	135,699,653
Total number of Shares on issue at Completion of the Offer	168,832,183
Indicative market capitalisation at the Offer Price[4]	$280.3 million
Pro forma historical net Corporate Cash (as at 31 March 2020)	$56.0 million
Enterprise Value at the Offer Price[5]	$224.3 million
Enterprise Value/FY2020 pro forma historical total revenue before transaction costs[5]	5.4x
Enterprise Value/12MSep20 pro forma forecast total revenue before transaction costs[5]	4.6x

1 Key Offer statistics contain Forecast Financial Information set out in Section 4, prepared on the basis of the best estimate assumptions set out in Section 4.10 and should be read in conjunction with the discussion of the Pro Forma Financial Information in Section 4.11 including the sensitivities set out in Section 4.12, and the risk factors set out in Section 5. This table contains non-IFRS financial measures, which are discussed in Section 4.6.
2 Approximately 131.2 million of these Shares will be subject to voluntary escrow arrangements. See Section 7.8 for further details of these voluntary escrow arrangements.
3 This assumes that all holders of Convertible Notes will convert their Convertibles Notes to Shares at Completion of the Offer.
4 Calculated as the total number of Shares on issue following Completion of the Offer multiplied by the Offer Price. Shares may not trade at the Offer Price after Listing.
5 Enterprise Value is calculated as the sum of market capitalisation at the Offer Price less pro forma net Corporate Cash as at 31 March 2020.

Key dates

Prospectus Date	Friday, 21 August 2020
Broker Firm Offer, Priority Offer and Plenti Member Offer open	Monday, 7 September 2020
Broker Firm Offer, Priority Offer and Plenti Member Offer close and Applications due	Monday, 14 September 2020
Settlement	Thursday, 17 September 2020
Issue of Shares and Completion of Offer	Friday, 18 September 2020
Expected despatch of holding statements	Friday, 18 September 2020
Shares begin ASX trading (normal settlement basis)	Wednesday, 23 September 2020

Dates may change

The dates above are indicative only and may be subject to change without notice.

The Company, in consultation with the Financial Adviser and the JLMs, reserves the right to vary the times and dates of the Offer including to close the Offer early, extend the Offer or accept late Applications, either generally or in particular cases, without notification. Applications received under the Offer are irrevocable and may not be varied or withdrawn except as required by law.

Investors are therefore encouraged to submit their Application Forms as early as possible after the Offer opens. All times are Sydney time.

How to invest

Applications for Shares can only be made by completing and lodging an Application Form.

Instructions on how to apply for Shares are set out in Section 7 and on the back of the Application Form.

Questions

Please call the Plenti Offer Information Line on 1300 676 517 (toll free within Australia) or +61 1300 676 517 (outside Australia) from 9.00am until 5.30pm (Sydney time) Monday to Friday. If you are unclear in relation to any matter or are uncertain as to whether Plenti is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.

Section 1

Investment overview

1.1 Introduction

Topic	Summary	For more information
Who is Plenti?	Plenti is a fast-growing[1] technology-led consumer lending and investment business. Plenti seeks to provide borrowers with efficient, simple and competitive loans, delivered via simple digital experiences. Additionally, Plenti seeks to provide investors with attractive, stable returns via investing in the established asset class of consumer loans. Plenti has funded approximately $870 million in loans to over 55,000 borrowers[2] since its launch in 2014, providing loan products to creditworthy borrowers in the automotive, renewable energy and personal lending verticals. Plenti has focused on diversifying its funding sources over time, and now funds the loans it originates from a range of funding platforms. Plenti has attracted approximately 22,000 Registered Investors since its launch in November 2014, including retail, institutional and government investors. It has also established its own Warehouse Facility to fund secured automotive loans. Refer to Sections 3.5 and 9.4 for further information on Plenti's Lending Platforms and its Warehouse Facility.	Section 3.1
In which industry does Plenti operate?	Plenti offers loan products in three core verticals of the Australian credit industry: automotive lending, renewable energy lending and personal lending. Annual loan originations across these three lending verticals are estimated to exceed $45 billion. • **Automotive lending:** The automotive lending vertical refers to finance provided to personal and commercial customers for the purchase of new or used motor vehicles. Automotive lending represents approximately $33 billion in new lending annually. • **Renewable energy lending:** The renewable energy lending vertical refers to finance provided to Australian households for the purchase and installation of renewable energy products such as solar panels and batteries. It is a growing vertical, supported by Government programs aimed at increasing adoption of renewable energy technologies. • **Personal lending:** The personal lending vertical refers to fixed term, unsecured, interest-bearing loans used for purposes such as debt consolidation, home improvement, travel expenses, major events, medical expenses and other purposes. Personal lending represents approximately $12 billion in new lending annually.	Section 2.1
What is Plenti's history?	Plenti officially launched to customers in November 2014, under the 'RateSetter' brand. Prior to launch, the Co-Founders worked for over 18 months to establish Plenti's compliance framework, configure Venus (Plenti's proprietary technology platform), and obtain an Australian Financial Services Licence (AFSL) and an Australian Credit Licence (ACL). Plenti's ambition since launch has been to ensure that it becomes an increasingly resilient business, providing the opportunity to focus on different lending verticals and funding sources depending on opportunities and the broader economic and credit environments. To this end, Plenti has deliberately and consistently diversified both its loan products and its funding sources. In August 2020, Plenti Pty Limited (formerly called 'RateSetter Australia Pty Ltd') rebranded its name and business to Plenti from its former name 'RateSetter'. This change reflected the significant evolution of its activities since launch and its development into a diversified, technology-led consumer lending and investment business.	Section 3.1.2

1 Based on historical revenue CAGR over the FY2018 to FY2020 financial period of 60%. Past performance is no guarantee of future performance. Investors should consider the entire Prospectus (including the '*Financial Information*' in Section 4 and '*Key Risks*' in Section 5) and make an independent assessment of the future prospects of the Company.

2 This includes repeat transactions that an individual borrower may have made on the Plenti Lending Platforms and its Warehouse Facility.

Topic	Summary	For more information
Why is the Offer being conducted?	The Offer is expected to raise approximately $55 million for the Company. The purpose of the Offer is to: • Provide Plenti with capital to fund growth in the Warehouse Facility and future growth in its loan book; • Provide Plenti with the benefits of an increased profile that comes with the Company being a publicly listed company; • Provide Plenti with a liquid market for the Shares and an opportunity for other persons to invest in the Company; • Provide certain Existing Shareholders the ability to release part of their investment in the Company (subject to the escrow arrangements outlined in Section 7.8); • Help accelerate growth of Plenti; and • Pay the expenses of the Offer.	Section 7.1.2

1.2 Key features of business model

Topic	Summary	For more information
What are Plenti's products?	Plenti offers three core loan products to borrowers: • **Automotive loans** – secured loans for the purchase of new and used vehicles; • **Renewable energy loans** – unsecured loans for the purchase and installation of residential renewable energy equipment such as solar panels and home batteries; and • **Personal loans** – loans for a range of purposes including debt consolidation, home improvement, legal expenses, travel, medical expenses and other purposes, which are typically unsecured. The table below outlines the key features of Plenti's loan products.	Section 3.3.1

	Automotive loans	Renewable energy loans	Personal loans[3]
Loan amount	**$10,000 – $100,000**	**$2,001 – $80,000**	**$2,001 – $45,000**
Purpose	Purchase of new and used vehicles	Installation and purchase of solar panels, home batteries and other energy efficient equipment	Debt consolidation, home improvement, travel, medical expenses, legal expenses and other
Loan term	3 to 7 years	3 to 7 years	6 months to 5 years
Average customer[4]	Loan amount **~$31,200** Loan term **72 months** All-in rate **7.9% pa**	Loan amount **~$9,300** Loan term **69 months** All-in rate **9.9% pa**	Loan amount **~$17,000** Loan term **50 months** All-in rate **14.0% pa**

3 Plenti also offers short-term bullet repayment loans for legal fees, secured over property. These loans have a maximum loan amount of $500,000.
4 Based on originations over the three-month period to 30 June 2020.

Topic	Summary	For more information
How does Plenti fund its lending?	Plenti seeks to create resilience in its business model by building a diversity of funding sources. Since launch, Plenti has deliberately diversified its funding sources and now funds loans from multiple funding platforms: **1. Plenti Lending Platform** A registered managed investment scheme open to all eligible investors (including retail, institutional and Government investors), facilitating investments from as little as $10 in personal and renewable energy loans. **2. Plenti Wholesale Lending Platform** A flexible funding platform for originating and servicing loans, providing institutional investors with access to multiple consumer loan verticals. The Plenti Wholesale Lending Platform is an unregistered managed investment scheme available only to institutional investors (including banks). **3. Warehouse Facility** A warehouse funding trust established in December 2019 to fund secured automotive loans and help provide Plenti with the flexibility and funding scale to reach its medium-term ambitions in automotive finance. Refer to Section 9.4 for a summary of the key terms of the Warehouse Facility.	Section 3.5
What are Plenti's strategic foundations?	Since its launch to customers, Plenti has sought to build strong foundations across four key areas: • **Borrower experience** – building fast, simple, competitive loan products and seamless digital-first experiences; • **Multi-channel distribution** – building diverse distribution channels to generate attractive returns on marketing and sales team investment and efficiently scale loan originations; • **Funding diversity** – building resilience in Plenti's business model by building a diversity of funding sources; and • **Credit decisioning and outcomes** – building its own proprietary scorecards, risk-pricing models and decisioning capabilities, and delivering credit outcomes in line with the Company's ambitions. Underpinned by the capabilities of Venus, Plenti's proprietary technology platform, Plenti aspires to build sustainable competitive advantages across each of these foundations compared to traditional lending institutions and other competitors.	Section 3.2
What is Plenti's technology platform?	Plenti's proprietary technology platform, Venus, has been designed and built by the Company with the aim of: • Facilitating simple and rapid loan application experiences for borrowers; • Efficiently processing and decisioning loan applications; • Facilitating API integrations with commercial partners and introducers; • Rapidly processing payments to and from borrowers and investors; • Capturing customer and loan data, and using this data to improve credit decisioning and loan pricing; • Allowing for rapid ongoing feature improvement; and • Storing customer data securely and compliantly. Plenti believes that Venus represents a significant and valuable point-of-difference in a market where some traditional finance businesses such as banks may be more limited in making technology changes by legacy systems.	Section 3.9

Topic	Summary	For more information
What is Plenti's value proposition to borrowers?	Plenti seeks to offer borrowers better value and a better borrowing experience compared with its competitors. Plenti's core value proposition to borrowers includes: • **Personalised rates** – risk-adjusted pricing provides more creditworthy borrowers with lower rates; • **Flexible loan terms** – depending on the loan product, customers can ordinarily borrow from $2,001 to $100,000, over terms from six months to seven years; • **Efficient indicative quotes** – ordinarily, customers can rapidly obtain a pricing quote and an indication of their loan eligibility without negatively impacting their credit score with major credit bureaus; • **Simple and transparent terms** – loan terms and pricing are transparent and clearly disclosed in loan contracts, with no early repayment or exit fees; • **Digital-first** – typical application and settlement processes and data capture requirements are able to be completed digitally, and are designed to be accessible and functional across a range of common digital devices; • **Rapid application assessment** – Plenti's credit assessment process is highly automated and streamlined; and • **Fast settlement and funding** – typically, funds are settled to the borrower's bank account (or, for automotive and renewable energy loans, the bank account of their equipment supplier) on the same or next business day after the borrower has accepted their loan contract online.	Section 3.3.2
How does Plenti distribute its loan products?	Plenti has established diverse distribution channels for its loan products. Prospective borrowers may be introduced to Plenti via direct or digital acquisition (primarily in response to Plenti's digital marketing) or indirectly via third-party introducers. This multi-channel approach allows Plenti to: • Target customers who meet its credit risk objectives; • Allocate acquisition marketing expenses flexibly to optimise return-on-investment; and • Efficiently scale loan originations. For the 12 months to 31 July 2020, loans originated to borrowers acquired through direct or digital channels comprised 40% of originations. Loans originated to borrowers acquired through third-party introducers comprised 60% of originations.	Section 3.4
How does Plenti manage credit risk?	Plenti believes it has taken a considered and prudent approach to attracting and approving creditworthy borrowers since its launch in November 2014. Plenti's objective has been to test and incrementally expand its credit risk appetite as it scales its credit operations, data and collections capabilities, whilst also increasingly scaling its lending activities in lending verticals with relatively strong credit characteristics such as renewable energy (typically homeowners) and automotive (typically secured over a vehicle) lending. Plenti's credit risk management framework comprises: • Credit risk policies; • Credit policy rules; • Responsible lending guidelines; • The RAPID Credit Engine; and • Credit pricing scorecards and models. Plenti's credit risk framework is overseen by the Board, with certain responsibilities delegated to the Board of Plenti RE and specifically the Credit Risk Committee.	Section 3.7

Topic	Summary	For more information
How does Plenti decision loan applications?	Plenti has developed its own purpose-built Risk-Adjusted Pricing and Intelligent Decisioning (RAPID) Credit Engine, within its Venus technology platform. RAPID seeks to automate the application of Plenti's credit risk policies and rules to loan applications received, and provides a user-friendly and auditable environment in which Plenti's credit analysts can operate. Since RAPID was deployed in 2018, Plenti has observed a significant increase in loan decisioning efficiency, increasing its credit assessment team's decisioning capacity per employee by approximately 70%. Plenti anticipates that as additional data is made available through the Comprehensive Credit Reporting regime and Open Banking, its ability to improve decisioning efficiency will be further improved.	Section 3.7
How does Plenti generate revenue?	Plenti primarily generates revenue from customers by charging interest and fees (including upfront fees) for the provision of credit products and related services.	Section 3.6
What is Plenti's growth strategy?	The Board, Co-Founders and Senior Management have ambitious growth aspirations for Plenti Group. Plenti's growth strategy aims to continue to leverage Venus (its proprietary technology platform) and Plenti's distribution channels to grow loan originations in each of its core lending verticals, and to expand into new lending and other financial service verticals over time. Plenti plans to maintain strong growth in automotive loan originations by: • Developing new product features; • Growing originations via its third-party introducer network; • Launching new loan products; and • Establishing leadership in the direct and digital acquisition channel. Plenti plans to maintain strong growth in renewable energy loan originations by: • Launching new loan products; • Growing its third-party introducer network; • Growing its market share among its third-party introducer network; and • Where possible, participating in government programs that seek to promote solar and battery adoption. Plenti plans to grow personal loan originations by: • Developing new product features; • Investing in introducer integrations; and • Launching new loan products.	Section 3.10
What is Plenti's dividend policy?	The current policy of the Company as at the Prospectus Date is to reinvest all cash flows into the Plenti business to maximise its growth. No dividends are expected to be paid in the near term following the Company's listing on the ASX.	Section 4.17

Topic	Summary	For more information
What is the key financial information?		Section 4

$'000 March year end	FY2018 Pro forma (Historical Period)	FY2019 Pro forma (Historical Period)	FY2020 Pro forma (Historical Period)	12MSep20 Pro forma (Forecast Period)
Total revenue before transaction costs	16,148	28,852	41,511	48,595
Net income	15,802	27,860	39,929	46,835
NLAT	(8,615)	(14,199)	(16,447)	(12,842)

$'000	Audited at 31 March 2020	Impact of the Offer	Pro forma subscription
Total assets	407,192	49,666	456,858
Total liabilities	413,644	(10,672)	402,972
Net assets	(6,452)	60,338	53,886
Equity	(6,452)	60,338	53,886

$'000	FY2018 Pro forma	FY2019 Pro forma	FY2020 Pro forma	H1FY2021 Pro forma
Net operating cash flows	77	(2,745)	(2,984)	(930)
Net investing cash flows	(76,235)	(120,479)	(126,546)	(48,408)
Net financing cash flows	88,287	126,719	142,234	93,773
Net cash flows	12,129	3,495	12,704	44,435

The information presented above contains Non-International Financial Reporting Standards (IFRS) financial measures, is intended as a summary only and should be read in conjunction with the more detailed discussion on the Financial Information disclosed in Section 4 as well as the risk factors set out in Section 5.

Investors should read Section 4 for the full details of the Plenti Group's pro forma and statutory Financial Information, including the pro forma adjustments and reconciliations in Section 4.9 and Section 4.15.

What are the sources and uses of funds? — Section 7.1.2

Sources	$million
Cash proceeds received for New Shares issued under the Offer	55.0
Total	**55.0**

Uses	$million	% of total
Warehouse funding of equity tranches	25.0	45.5%
Costs of the Offer	5.7	10.3%
Working capital[5]	24.3	44.2%
Total	**55.0**	**100.0%**

The above table should be considered an indication of current intention as at the date of this Prospectus. Investors should note that, as with any projection, the allocation of funds set out in the above may change depending on a number of factors, including the growth rate of the business, the mix of loan products originated, the sources of funding utilised, and general economic conditions. In light of this, the Board reserves the right to alter the way the funds are applied.

5 The more significant areas of expenditure by Plenti Group in respect of the working capital funds are expected to be in marketing to attract new customers and grow loan originations, costs relating to the origination and servicing of new loan volumes (e.g. broker and aggregator fees, loan processing costs and credit assessment costs), investment in Plenti Group's sales function, expenditure to maintain and enhance the technology platform as well as other Plenti Group operating expenditures. It is expected that future expenditure will have a broadly similar profile to expenditure in FY2020, noting that Plenti Group believes there are opportunities to increase investment in the Company's technology platform and in sales and marketing to accelerate growth in the business.

1.3 Investment highlights

Topic	Summary	For more information
Fast-growing, technology-led consumer lending and investment business with strong foundations	• Plenti has established strong foundations across its business since launching in 2014, and has developed: – Innovative and award-winning automotive, renewable energy and personal loan products, with multi-channel distribution; and – Diverse funding platforms, including approximately 22,000 Registered Investors via the Plenti Lending Platform, complemented by institutional and government investors, and by warehouse funding • Plenti has achieved significant milestones since launch, with key highlights including: – Approximately $870 million in loans funded since launch to over 55,000 borrowers, with a total loan book balance of approximately $400 million as at 31 July 2020; – Numerous industry awards conferred, including 17th place in Deloitte Tech Fast 50 2020 and Canstar 5-star ratings for unsecured personal loans five years running (2015 to 2019); and – Consistent recognition from customers for outstanding value and service, reflected in the many five-star reviews provided by customers on online review sites	Section 3.1
Large market opportunity with clear growth strategy	• Plenti operates in three large lending verticals – automotive, renewable energy and personal lending – which combined represent a $45 billion+ annual lending opportunity • Each of these markets is undergoing technological, structural and/or regulatory changes which Plenti believes may support technology-led lending businesses such as the Company to grow • Plenti has made significant investments in its technology platform, products and operational processes and has clear growth strategies to scale lending volumes in each of its target lending verticals	Section 2
Scalable, technology-led business model	• Venus, Plenti's proprietary, richly-featured technology platform, underpins Plenti's business operations. Plenti believes that Venus represents a significant and valuable point-of-difference, allowing Plenti to build differentiated loan experiences and facilitate efficient loan origination and servicing • Underpinned by the capabilities of Venus, Plenti aspires to build sustainable competitive advantages across four strategic foundations: – Borrower experience; – Multi-channel distribution; – Funding diversity; and – Credit decisioning and outcomes	Section 3.2
Strong credit track record and prime loan book	• Plenti has delivered strong credit performance to date with cumulative net losses below 1.8% since launch • Plenti has proven the strength of its credit risk management framework and the resilience of its loan book portfolio through the COVID-19 period to date, with relatively low levels of arrears and loan deferrals • Plenti has built a prime, diversified loan book. The average Plenti borrower: – Has a bureau credit score of approximately 769; – Is approximately 42 years of age; – Earns approximately $97,000 gross income per year; and – Owns their own home	Section 3.7

Topic	Summary	For more information
Attractive growth profile and loan economics, with increasing operating leverage	• Plenti's loan originations are forecast to grow 34% in 12MSep20 vs pcp despite the impact of COVID-19, translating to strong loan book and forecast revenue growth of 39% and 43% to 12MSep20 vs pcp respectively • Plenti delivers positive loan economics across all its loan products, with attractive marginal loan contribution of $800 to $2,500 per loan, depending on the loan product and distribution channel • Plenti's business model enables operating leverage to be achieved as the Company scales. Total fixed and semi-fixed costs are forecast to decrease from 78% of revenue in FY2018 to 54% in 12MSep20 • Ability to achieve further operational leverage over time with further investment in its technology platform and from achieving scale benefits	Section 3.6
Multi-channel distribution in place, with focus on third-party introducers	• Plenti has established diverse distribution channels for its loan products with approximately 60% of borrowers acquired through third-party introducers. Plenti maintains dedicated business development, sales and support teams to service the third-party introducer channel • Plenti has been contracted by State governments to administer the delivery of State renewable energy programs, being the South Australian Home Battery Scheme and the NSW Empowering Homes Program pilot	Section 3.4
Diverse and scalable funding platform	• Plenti has developed diverse and scalable funding platforms with sufficient committed headroom to allow for continued loan book growth • The Plenti Lending Platforms have provided flexible funding enabling Plenti to reach scale and secure a warehouse funding structure • Opportunities exist to further diversify funding, reduce funding costs and enhance loan economics over time	Section 3.5
Experienced, founder-led team	• Plenti is led by its Co-Founders who remain committed to leading the Company through its next phase of growth, with the aspiration of building one of Australia's largest consumer lending businesses • Plenti has assembled an experienced team of financial services professionals. The Senior Management team is supported by a Board of Directors with demonstrated experience across financial services and industries undergoing significant technological disruption	Sections 6.1 and 6.2

1.4 Key risks

Topic	Summary	For more information
Borrower defaults	Borrower defaults on loans placed via the Plenti Lending Platforms or through the Warehouse Facility may be higher than anticipated, directly impacting profitability (for example, through reduced fees or failure to recover loans) or indirectly impacting Plenti's ability to attract and retain investors or funding. The COVID-19 pandemic and its impact on unemployment and household income may lead to increased borrower default on the Plenti Lending Platforms.	Section 5.2.1
COVID-19 impact	The impact of COVID-19 on global macroeconomic conditions and financial markets may impact the financial performance of Plenti, including the level of investment on the Plenti Lending Platforms or future debt financing terms available to Plenti. The COVID-19 pandemic has caused capital markets to experience increased volatility and this could impact the future price of the Shares. As at the Prospectus Date, Plenti has not experienced a material reduction in loan revenues or profitability due to COVID-19. However, the ongoing effect of COVID-19 on Plenti's business is inherently uncertain. In light of the COVID-19 pandemic, extra care should be taken when assessing the risks associated with an investment in Shares.	Section 5.3.2
Provision Fund insufficiency	The Provision Fund may not be sufficient or may not be available to compensate investors in the Plenti Lending Platform from loan defaults. This may negatively impact Plenti's ability to attract and retain funding and could have an impact on Plenti's profitability.	Section 5.2.2
Market dislocation risk and funding constraints	Plenti may not be able to access new funding or funding may only be available on unfavourable terms. Plenti's ability to grow its business is dependent upon lenders providing funding on Plenti's Lending Platforms and on Plenti obtaining funding for direct loans through the Warehouse Facility. Plenti may not be able to access new funding if it breaches restrictions under its Warehouse Funding Documents. This could be caused by events outside of its control (such as the performance of securitised loans or loss of key personnel). Plenti's ability to fund new loans may depend on obtaining additional or replacement funding via domestic or international capital markets; for example, by terming out loans into the securitisation markets to free up capacity in its Warehouse Facility. Dislocation in these capital markets or reduced investor appetite to acquire such securities may adversely affect Plenti's ability to continue to utilise the Warehouse Facility to fund new loans, or require Plenti to access funds at a higher cost or on unfavourable terms.	Section 5.2.5
Inability to attract borrowers	Plenti may not be able to attract borrowers due to the emergence of alternative loan products or competitors or its own effectiveness including in relation to distribution or growth strategies. Any material deterioration in Plenti's ability to attract borrowers to its platforms is likely to result in a direct material adverse impact on Plenti's financial performance.	Section 5.2.3
Non-compliance with laws or regulations or licencing requirements	Plenti operates in a highly regulated industry and is reliant on maintaining its existing AFSL and ACL licences in order to operate its business and make its offering to customers. There is a risk that Plenti may fail to comply with laws, regulations, licensing conditions or industry standards applicable to its business from time to time. As a result, Plenti could suffer significant reputational issues and impacted profitability from disruptions to its operations.	Sections 2.7 and 5.2.6
Changes to regulatory environment	Changes to the regulatory environment or enhanced regulatory enforcement policies may impact Plenti's business. This may include changes designed to target consumer credit providers (for example, responsible lending requirements) or participants in the credit industry generally. This may lead to enhanced compliance costs or restrictions on Plenti's operations.	Sections 2.7 and 5.2.7
Technology failures (including credit assessment process)	Plenti may experience technology failure or obsolescence which renders its services less competitive compared to its competitors. In addition, technology failures in the Plenti Credit Engine (RAPID) may lead to credit processes not operating effectively. Material failures in Plenti's credit assessment processes may lead to increased borrower default rates and have an impact on Plenti's profitability.	Sections 5.2.10 and 5.2.11

Topic	Summary	For more information
Data or cybersecurity breach	Hacking, cyberattacks (for example, viruses) or other exploitation of Plenti's systems could cause loss or corruption of data held by Plenti on behalf of its customers. This may lead to disruption in the availability of Plenti's Lending Platforms, reputational impacts and loss of customers. Plenti may also be exposed to regulatory fines and other sanctions for privacy breaches.	Section 5.2.8
Failure to achieve growth objectives or meet forecast numbers	There is a risk that Plenti does not achieve its growth objectives or meet its forecasts within the expected timeframes or at all. Failure to do so could result in customers choosing Plenti's competitors, which could have a materially adverse impact on Plenti's business, operating and financial performance and/or growth.	Section 5.2.13
Loss of Co-Founders or other Senior Management	Plenti's Senior Management team (including its Co-Founders) are highly experienced in Plenti's business and the financial services industry generally. Any loss of these individuals could have a material impact on Plenti's growth and future financial performance.	Section 5.2.16
Potential sell-down of Escrowed Shares	Escrowed Shareholders will be able to sell Escrowed Shares once they are released from the voluntary escrow arrangements described in Section 7.8. A significant sale of Shares by some or all Existing Shareholders (including any Escrowed Shareholders at partial release dates), or the perception that such sale may occur at the end of an Escrow Period, could adversely impact the price of Shares.	Section 5.3.6

1.5 Key Offer statistics[6]

Topic	Summary		For more information
What are the key Offer statistics?	Offer Price	$1.66	Section 7
	Total proceeds under the Offer	$55 million	
	Total number of New Shares available under the Offer	33,132,530	
	Number of Shares to be held by Existing Shareholders at Completion of the Offer[7,8]	135,699,653	
	Total number of Shares on issue at Completion of the Offer	168,832,183	
	Indicative market capitalisation at the Offer Price[9]	$280.3 million	
	Pro forma historical net Corporate Cash (as at 31 March 2020)	$56.0 million	
	Enterprise Value at the Offer Price[10]	$224.3 million	
What are the key investment metrics?	Enterprise Value/FY2020 pro forma historical total revenue before transaction costs[10]	5.4x	Section 4
	Enterprise Value/12MSep20 pro forma forecast total revenue before transaction costs[10]	4.6x	

6 Key Offer statistics contain Forecast Financial Information set out in Section 4, prepared on the basis of the best estimate assumptions set out in Section 4.10 and should be read in conjunction with the discussion of the Pro Forma Financial Information in Section 4.11 including the sensitivities set out in Section 4.12, and the risk factors set out in Section 5. This table contains non-IFRS financial measures, which are discussed in Section 4.6.

7 Approximately 131.2 million of these Shares will be subject to voluntary escrow arrangements. See Section 7.8 for further details of these voluntary escrow arrangements.

8 This assumes that all holders of Convertible Notes will convert their Convertibles Notes to Shares at Completion of the Offer.

9 Calculated as the total number of Shares on issue following Completion of the Offer multiplied by the Offer Price. Shares may not trade at the Offer Price after Listing.

10 Enterprise Value is calculated as the sum of market capitalisation at the Offer Price less pro forma net Corporate Cash as at 31 March 2020.

1.6 Directors and executive management

Topic	Summary	For more information
Who are the Directors of the Company?	Mary Ploughman, Chairman and Independent Non-Executive Director Martin Dalgleish, Independent Non-Executive Director Peter Behrens, Non-Executive Director Daniel Foggo, Chief Executive Officer and Executive Director	Section 6.1
Who are the members of Plenti's Senior Management?	Daniel Foggo, Chief Executive Officer Miles Drury, Chief Financial Officer Glenn Riddell, Chief Operating Officer Ben Milsom, Chief Commercial Officer Simon Cordell, Chief Risk Officer Mark Woolnough, Chief Sales Officer	Section 6.2

1.7 Significant interests of key people and related party transactions

Topic	Summary	For more information
Who are the Existing Shareholders and what will their interest in the Company be immediately following Completion of the Offer?		Section 7.1.5

Shareholder(s)	Shareholding as at the Prospectus Date (n/%)	Shareholding following Completion of the Offer (Shares)[11] (n)	Shareholding following Completion of the Offer (%)
Daniel Foggo[12]	35,640,060 (27.8%)	37,246,185	22.1%
RMML Nominee[13]	18,000,000 (14.1%)	Nil	Nil
Carsales Ltd	10,716,378 (8.4%)	10,716,378	6.3%
Five V Capital	9,002,046 (7.0%)	9,689,843	5.7%
Federation Asset Management	6,432,000 (5.0%)	7,388,027	4.4%
Carsales Finance Pty Limited	5,368,908 (4.2%)	5,368,908	3.2%
Glenn Riddell	4,200,000 (3.3%)	4,200,000	2.5%
Ben Milsom	4,143,150 (3.2%)	4,143,150	2.5%
Other Existing Shareholders[14]	34,495,902 (27.0%)	56,947,162	33.7%
New Shareholders	Nil	33,132,530	19.6%
Total	**127,998,444**	**168,832,183**	**100.0%**

11 Assumes no Existing Shareholder applies for additional Shares under the Offer and that all Convertible Notes are converted into Shares on or prior to the Completion of the Offer. Refer to Section 6.3 for further information.

12 This includes Shares held by Daniel Foggo in his own name and Shares held by Marjorie Jean Foggo and Veritas (2012) Limited as trustees for the Westbourne Trust of which Daniel Foggo is a discretionary beneficiary.

13 As at the Prospectus Date, RMML Nominee holds 18,000,000 Shares on trust for approximately 300 beneficiaries. Refer to Section 9.5 for further information. It is currently proposed that the RMML Nominee will distribute all of the Shares it holds to those beneficiaries on or prior to Completion of the Offer. A certain number of the beneficiaries will be subject to voluntary escrow arrangements as set out in Section 7.8.

14 In addition, the Company intends to offer approximately (in aggregate) $200,000 worth of additional Shares to its employees within three months of Completion of the Offer listing. This is expected to be undertaken by way of a one-off grant of Shares and not subject to any terms. Refer to Section 6.3 for further information.

Topic	Summary	For more information
Will any Shares be subject to restrictions on disposal following Completion of the Offer?	Yes. Certain shares held by all Escrowed Shareholders will be subject to voluntary escrow arrangements which will apply from the completion of this Offer. The Escrowed Shareholders will, under the terms of the voluntary escrow arrangements, be restricted from dealing with the Escrowed Shares they hold on Completion of the Offer (other than any Shares obtained under the Offer) until the expiration of the relevant Escrow Period, subject to certain partial release dates and other exceptions. In aggregate, 131.2 million Shares representing approximately 77.7% of total Shares on issue immediately following Completion will be subject to voluntary escrow arrangements. These escrow arrangements are described in Section 7.8, including details of the escrow restrictions, the applicable Escrow Periods and exceptions to the escrow arrangements.	Section 7.8
What significant benefits and interests are payable to Directors and other persons connected with the Company or the Offer and what significant interests do they hold?		Section 6.3

	As at Prospectus Date			At Completion of the Offer		
Directors	**Shares**	**Convertible Notes**	**Existing Options**	**Shares[15]**	**Existing Options**	**New Rights**
Mary Ploughman (Independent Chairman)	Nil	Nil	450,000	Nil	450,000	Nil
Martin Dalgleish (Independent Non-Executive Director)[16]	777,750 (0.6%)	50,000	150,000	815,991	150,000	Nil
Peter Behrens (Non-Executive Director)[17]	Nil	Nil	150,000	1,337,124	150,000	Nil
Daniel Foggo (Chief Executive Officer)[18]	35,640,060 (27.8%)	2,100,000	210,000	37,246,185	210,000	210,843

Directors and senior management are entitled to remuneration and fees on commercial terms as described in Section 6.3.2.

Advisers and other service providers will receive fees for services on the terms set out in Section 6.3.1.

Further details of the significant interests of key people, related party transactions and adviser and service provider fee entitlements are set out in Section 6.3.

15 Assumes no Existing Shareholder applies for additional Shares under the Offer and that all Convertible Notes are converted into Shares on or prior to the Completion of the Offer. Refer to Section 6.3 for further information. The Company is aware that Martin Dalgleish intends to acquire approximately 30,120 New Shares under the Offer.

16 This includes interests held by Martin Dalgleish in his own name and indirect interests held through superannuation fund interests and parties related to Martin Dalgleish. Refer to Section 6.3 for further information.

17 As at the Prospectus Date, Peter Behrens will have a relevant interest in 1,337,124 Shares as a beneficiary under the RMML Nominee Agreement in respect of 1,337,124 Shares held by the RMML Nominee. On Completion of the Offer, Mr Behrens will be the registered holder of the 1,337,124 Shares. Refer to Section 9.5 for further information.

18 This includes interests held by Daniel Foggo in his own name and interests in Shares held by Marjorie Jean Foggo and Veritas (2012) Limited as trustees for the Westbourne Trust of which Daniel Foggo is a discretionary beneficiary. Refer to Section 6.3 for further information.

Topic	Summary	For more information
What related party arrangements are in place?	Plenti Pty Limited is a party to the RMML Licence Agreement with RMML under which Plenti Pty Limited licences the right to use the 'RateSetter' name and certain technology. RMML is a former substantial shareholder of Plenti Pty Limited, and has recently transferred the shares it held in Plenti Pty Limited to the RMML Nominee. Plenti has served a termination notice in respect of the RMML Licence Agreement. Members of the Plenti Group are party to various intragroup agreements, including in respect of the provision of loan management, mortgage enforcement and collection services and other outsourced services (such as IT and financial services). Plenti has in place a revolving credit facility of $3 million with the Westbourne Trust, which is a family trust of which Daniel Foggo (Chief Executive Officer) is a discretionary beneficiary. Refer to Section 6.3.3 for further information. In addition, as at the Prospectus Date, Daniel Foggo and the Westbourne Trust (of which Daniel Foggo is a discretionary beneficiary) have approximately $2.99 million (in aggregate) invested into the Plenti Lending Platforms. Other than the above and Director appointment or employment agreements, the Company is not aware of any other related party arrangements.	Section 9.5

1.8 Proposed use of funds and key terms and conditions of the Offer

Topic	Summary	For more information
Who is the issuer of the Prospectus?	Plenti Group Limited (ACN 643 435 492), a company registered in New South Wales, Australia.	Section 9.1
What is the Offer?	The Company is offering to issue 33,132,530 New Shares to raise $55 million through the Offer. The Offer does not include any sell-down by Existing Shareholders. The Offer Price is $1.66 per Share. All Shares issued and sold pursuant to this Prospectus will rank equally with all other Shares on issue.	Section 7.1
What is the proposed use of funds raised pursuant to the Offer?	The funds received under the Offer will be used as follows: • $5.7 million to pay the costs of the Offer; and • $49.3 million to provide funding of warehouse equity tranches, general working capital and other. The purpose of the Offer is to: • Provide Plenti with capital to fund growth in the Warehouse Facility and future growth of its the loan book; • Provide Plenti with the benefits of an increased profile that comes with the Company being a publicly listed company; • Provide Plenti with a liquid market for its Shares and an opportunity for other persons to invest in the Company; • Provide certain Existing Shareholders the ability to release part of their investment in the Company (subject to the escrow arrangements outlined in Section 7.8); • Help accelerate growth of Plenti; and • Pay the expenses of the Offer. Plenti's Pro Forma March 2020 Statement of Financial Position will enjoy a strong position with $56.0 million of Corporate Cash and no corporate borrowings. The business is expected to be fully funded to achieving operating cash flow breakeven.	Section 7.1.2
Will the Shares be quoted?	The Company has applied for admission of the Company to the official list of the ASX and quotation of Shares on the ASX (which is expected to be under the code 'PLT').	Section 7.11

Topic	Summary	For more information
How is the Offer structured?	The Offer comprises: • the Broker Firm Offer; • the Institutional Offer, which consists of an invitation to acquire Shares made to Institutional Investors; and • the Priority Offer, which is only open to persons nominated by Plenti located in Australia and New Zealand; and • the Plenti Member Offer, which is open to Registered Investors on the Plenti Lending Platform as at the date that the retail Offer Period opens on Monday, 7 September 2020.	Section 7.1
Is the Offer underwritten?	Yes. The Offer is fully underwritten by the Joint Lead Managers.	Section 7.7
What is the allocation policy?	The allocation of Shares between the Broker Firm Offer, the Institutional Offer, the Priority Offer and the Plenti Member Offer will be determined by the JLMs in agreement with Plenti and in consultation with the Financial Adviser, having regard to the allocation policies outlined in Sections 7.3.5, 7.4.2, 7.5 and 7.6. With respect to the Broker Firm Offer, it will be a matter for the Brokers how they allocate firm stock among their eligible retail clients.	Section 7
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Offer.	Section 9.9.2
What are the tax implications of investing in Shares?	Shareholders may be subject to Australian income tax or withholding tax on any future dividends paid. The tax consequences of any investment in the Shares will depend upon an investor's particular circumstances, particularly for non-resident Shareholders. Applicants should obtain their own tax advice prior to deciding whether to invest.	Section 9.9.2
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be dispatched by standard post on or about Friday, 18 September 2020.	Section 7.11
How can I apply?	If you are an eligible investor, you may apply for Shares by completing a valid Application Form. To the extent permitted by law, an Application under the Offer is irrevocable.	Section 7
Where can I find more information about this Prospectus or the Offer?	Please call the Plenti Offer Information Line on 1300 676 517 (toll free within Australia) or +61 1300 676 517 (outside Australia) from 9.00am until 5.30pm (Sydney time) Monday to Friday. If you are unclear in relation to any matter or are uncertain as to whether Plenti is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.	Key Offer Statistics and Important Dates and on pages 8–9
Can the Offer be withdrawn?	Plenti reserves the right not to proceed with the Offer at any time before the issue of New Shares or transfer of Existing Shares to Successful Applicants. If the Offer does not proceed, Application Monies will be refunded by the Share Registry, your Broker or Plenti. No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offer.	Section 7.10

Section 2

Industry overview

2.1 Introduction

Plenti offers loan products in three core verticals of the Australian credit industry: automotive lending, renewable energy lending and personal lending. Annual loan originations across these three lending verticals are estimated to exceed $45 billion.

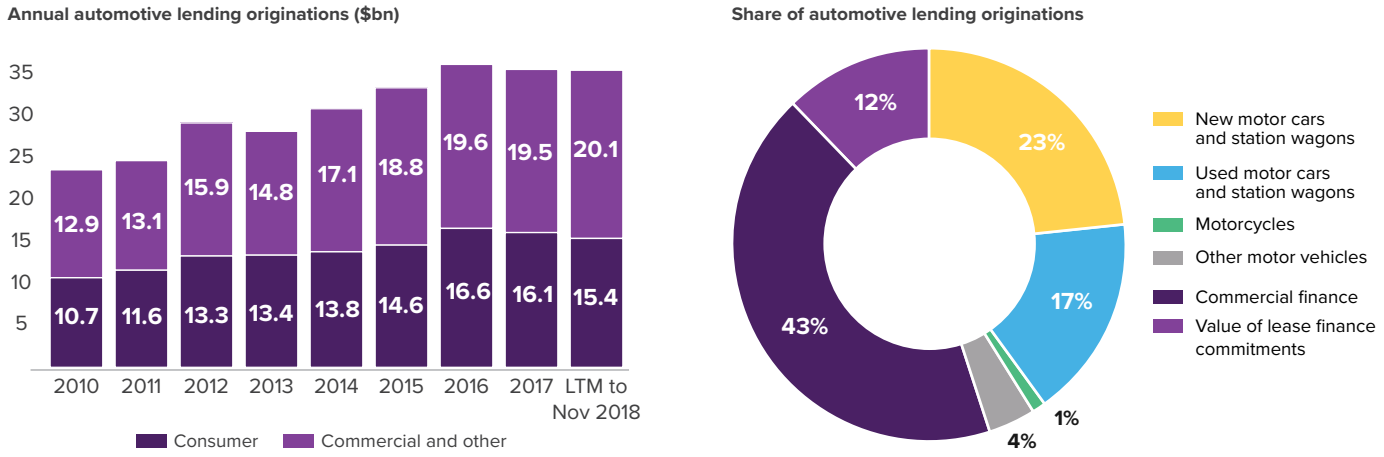
This Section 2 provides an overview of Plenti's three core lending verticals, and additionally describes developments across the broader Australian consumer credit industry, including in relation to regulation and compliance.

2.2 Overview of automotive lending

Automotive lending refers to finance provided to personal and commercial customers for the purchase of new or used motor vehicles. Automotive lending represents approximately $33 billion[1] in new lending volumes annually, of which approximately $13 billion[2] is finance provided to consumers and $20 billion[3] is finance provided to commercial and lease customers.

Demand for automotive finance is primarily driven by the sale of new and used motor vehicles. Approximately four million motor vehicles are sold annually in Australia, of which approximately one million[4] are new vehicles and three million[5] are used vehicles. Automotive finance forms an important part of the automotive industry in Australia, where it is estimated that approximately 90% of new and used vehicle sales are facilitated with finance.[6] Of these sales, it is estimated that 39% of purchasers obtain finance at a dealership and approximately 61% obtain finance via other channels, including through loan brokers and direct finance applications to lenders. Plenti believes that in addition to loan brokers this comprises, among other things, leases, mortgage redraws and other personal lending such as credit cards.

Figure 1: Consumer and commercial automotive lending ($bn)[7]



1 Includes consumer and commercial lending segments. ABS 5601.0 Table 27 LTM to June 2020, and ABS 5671.0 Table 9 LTM to Nov-18; ABS discontinued ABS 5671.0 in Nov-18.
2 ABS 5601.0 Table 27 LTM to June 2020.
3 ABS 5671.0 Table 9 LTM to Nov-18; ABS discontinued ABS 5671.0 in Nov-18.
4 <https://www.fcai.com.au/news/index/view/news/600>.
5 Manheim 2015 Used Car Market Report.
6 ASIC, Regulation Impact Statement: Flex commission arrangements in the car finance market, Attachment 2 to CP 279 (March 2017), 6 <http://download.asic.gov.au/media/4172129/attachment-2-to-cp279-published-3-march-2017.pdf>.
7 ABS 5671.0 Table 9 LTM to Nov-18; ABS discontinued ABS 5671.0 in Nov-18; ASIC, Banking Royal Commission, Background Paper 3: Some Features of Car Financing in Australia, https://financialservices.royalcommission.gov.au/publications/Documents/some-features-of-car-financing-in-australia-background-paper-3.pdf.

2.2.1 Providers of automotive finance

Key providers of automotive finance include:

Banks

Banks may provide secured and/or unsecured automotive loans, to both existing and new customers, as part of their broader credit offerings. Plenti believes that increasing regulatory scrutiny and activity arising from (among other things):

- **ASIC** – regarding commissions payable to introducers such as dealerships and brokers, and responsible lending obligations of loan providers;
- **Australian Banking Association** – following the introduction of a new banking code of conduct; and
- **The Banking Royal Commission** – regarding licensing obligations by introducers,

has led to a narrowing of the financial services offered by many of the Major Banks, including automotive finance businesses. In this regard, ANZ divested its Esanda asset finance business in 2017, and news media have reported that Westpac is exploring a sale of its asset and vehicle finance business.[8]

Non-bank lenders

Non-bank lenders are institutions other than a bank, credit union or building society that offer loan products. Non-bank lenders who participate in the automotive finance segment typically provide these loans as part of a broader suite of consumer and/or commercial loan products. Examples of non-bank lenders participating in the automotive finance vertical include Pepper Money, Liberty Financial, Metro Finance and Latitude Financial.

Specialist lenders

Specialist lenders are non-bank financial institutions that provide loans to individuals with a relatively complex credit history who may not be able to obtain sufficient finance for a car from a traditional lender. These lenders typically charge higher interest rates than bank and non-bank lenders which are focused on prime lending segments. Flexibility in credit policy is typically the key value proposition offered by lenders in this category. Examples of specialist lenders in the automotive finance vertical include Money3 and Finance One.

Lease providers

Companies which provide customers (including small-to-medium sized enterprises, and larger corporate entities) with financing solutions and management services for their vehicle fleets. Lease providers may also provide novated leasing and/or salary packaging products to employers and their employees. Examples of lease providers include LeasePlan Australia Limited, Eclipx Group Limited, Orix Australia Corporation Limited and SG Fleet Group Limited.

8 https://www.afr.com/street-talk/westpac-runs-secret-auction-to-sell-equipment-finance-bids-land-20191118-p53bgb; https://www.afr.com/street-talk/westpac-s-equipment-finance-sale-goes-full-steam-ahead-20191210-p53ifc; https://www.theaustralian.com.au/business/dataroom/westpac-tipped-to-offload-its-equipment-loans-book/news-story/9abef5170fc13aed9e7680e1b67b6243.

2.2.2 Distributors of automotive finance

2.2.2.1 Dealerships

Dealerships may offer finance options to their customers to facilitate vehicle purchases. A dealership may typically present one or more finance options to a customer, and if the customer wishes to proceed the dealership will assist the customer to apply for finance.

Dealerships have historically generated material revenue from the provision of automotive finance for new and used vehicle sales. Until 2018, providers of automotive loans would commonly grant dealerships significant discretion to decide the interest rate offered to the customer, with commission amounts paid to the dealership (commonly referred to as 'flex commissions') increasing as the customer's interest rate increased. Regulatory changes in 2018 banned these flex commissions, and Plenti believes this ban has reduced the revenue earned by many dealerships from offering finance. Plenti believes this revenue reduction means that maintaining a finance department has become less financially attractive to many dealerships.

Dealerships are able to provide credit assistance to customers despite typically not holding an Australian Credit Licence (or being authorised by an Australian Credit Licence holder) due to a regulatory exemption commonly known as the point-of-sale exemption ('POS') exemption. The Banking Royal Commission brought attention to concerns over how car dealerships were being remunerated and how their commissions were calculated, and recommended that POS exemptions be abolished in its final report published February 2019.[9] The Federal Government accepted this recommendation, although it has not yet determined when this proposed policy change will be enacted.

Plenti believes that dealerships represent a declining share of automotive finance originations. The possible removal of the POS exemption means that dealerships may need to hold an Australian Credit Licence, or be authorised by an Australian Credit Licence holder, to offer finance. Plenti believes such changes have the potential to change the way finance is offered at dealerships and may lead to an increasing proportion of dealerships merely referring purchasers to lenders or finance brokers. This presents a potential future opportunity for Plenti, as a technology-led offering that can be integrated with dealership systems may become a valuable proposition to dealerships. Plenti will continue to monitor this opportunity as it evolves.

2.2.2.2 Brokers

Brokers such as specialist asset finance brokers and mortgage brokers provide services and information to customers seeking automotive finance including:

- Information about the automotive lenders and loan products that may be suitable given a customer's circumstances;
- Assisting customers to compare between finance options; and
- Assisting with loan application and settlement processes.

Typically, brokers will be accredited to offer loan products from multiple lenders to provide a range of options depending on a customer's credit profile and loan requirements. Specialist asset finance brokers are increasingly seeking to integrate with lender platforms to facilitate more efficient and accurate price and feature comparison between lenders, and to assist with more efficient application and settlement experiences.

Plenti believes that brokers may represent a growing share of automotive finance originations, and that Plenti's technology credentials and the capabilities of the Venus technology platform provide the Company with an advantage when distributing via brokers.

To distribute the Company's automotive loans, Plenti has relationships with over 10,000 mortgage and asset finance brokers. Refer to Section 3.4 for more information about the distribution of Plenti's automotive loans.

9 Commonwealth of Australia, Final Report: Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry.

2.2.2.3 Direct and digital distribution

Some providers of automotive finance may distribute their products directly to customers, including via:

- **Direct distribution** – automotive finance providers such as banks may distribute automotive loans to both their existing customer base and to new customers. This distribution may be assisted by marketing activity such as brand marketing and search engine optimisation; and/or
- **Digital aggregators** – digital aggregators such as rate comparison sites and loan recommendation sites may present a range of automotive loan options to customers. After a customer has selected a provider, they will be redirected to that provider's website for more information and (if desired) to commence the application process.

Plenti believes that direct and digital distribution may represent a growing share of automotive finance originations, accelerated through changing car buying habits, such as an increasing proportion of new cars being sold online.[10] Plenti believes that the experience it has operating in the direct and digital distribution channel for its personal loans, as well as the value its automotive loans represents, mean it is well placed to benefit from the growth of this channel.

2.3 Overview of renewable energy lending

Renewable energy technology vendors and installers may offer finance options to their customers to facilitate the purchase and installation of residential renewable energy technology such as solar panels and batteries. With the average price of solar and solar-battery installation being approximately $9,000 and approximately $20,000 respectively (before any available subsidies or rebates),[11] households may look to finance this upfront cost via a number of alternatives including:

Green loans	An interest-bearing fixed-term personal loan designed specifically to fund the purchase of renewable energy products, typically ranging from three to seven years in term. A green loan may be offered at the point-of sale (POS) by the renewable energy technology vendor, or may be found and applied for independently by the customer.
Instalment plans	An 'interest-free' fixed-term loan, with terms typically ranging from six months to five years, offered at the POS by the renewable energy technology vendor. The cost of finance is paid by the merchant to the instalment plan provider as a 'merchant fee', the cost of which may be directly or indirectly passed to the customer in the form of a higher price for goods and/or installation.
Credit cards or lines of credit	The customer may pay using an existing credit card or line of credit, or may be offered a new credit card or line of credit (typically featuring promotional benefits such as interest-free periods) at the POS by the renewable energy technology vendor.
Mortgage redraws	Where available, the customer may choose to access an existing home loan redraw facility.

In Plenti's experience, renewable energy loans demonstrate strong credit performance. Solar and solar-battery systems are intended to be investments that will reduce the purchasing household's energy costs through (among other things):[12]

- Replacing energy purchases from the electricity grid with rooftop solar generation. Electricity generated by rooftop solar may be consumed immediately, or (where a battery is installed) at a later time;
- Receiving feed-in tariff payments for excess rooftop solar generation that is not used by the household and is contributed to the electricity grid; and/or
- Reducing the average price paid for grid electricity purchases by charging a battery during off-peak tariff periods, and discharging into the household during peak tariff periods.

Through these means, completed solar and solar-battery installations can save households money over and above the cost of finance, resulting in a net positive cash flow benefit and (where the purchase has been financed) more positive credit outcomes.

10 https://premium.goauto.com.au/fcai-urges-clear-path-for-retail-innovation/
11 https://onestepoffthegrid.com.au/australians-installed-22661-home-battery-systems-in-2019/; https://www.solarchoice.net.au/blog/battery-storage-price. Australian Energy Council Solar Report Q2 2020; https://www.solarquotes.com.au/panels/cost/.
12 Australian Government, Department of Industry, Science, Energy and Resources, Solar PV and batteries, <https://www.energy.gov.au/households/solar-pv-and-batteries>.

2.3.1 Providers of renewable energy finance

2.3.1.1 Non-bank providers of regulated finance

Plenti is a leading provider of fixed term, interest-bearing loans ('regulated finance') for renewable energy equipment and installation services. Fixed term, interest-bearing loans for renewable energy purposes are regulated by the NCCP Act, which requires the finance provider to (among other things) engage in responsible lending practices such as making enquiries to determine the borrower's financial circumstances and conducting an assessment to be satisfied that the proposed loan will meet the borrower's requirements and objectives and will not be likely to cause the borrower to suffer substantial hardship. Plenti believes that renewable energy technology customers and vendors may be increasingly preferring regulated finance products rather than unregulated finance products, as Plenti believes the cost of regulated finance is more transparently disclosed to the borrower, and the cost of finance can be lower than unregulated finance products.[13]

2.3.1.2 Providers of unregulated finance

Some finance products used to purchase and install renewable energy equipment, such as 'interest free' finance, are not regulated by the NCCP Act ('unregulated finance'). When providing an unregulated finance product, the credit provider typically does not need to hold an ACL, nor perform the enquiries required by the NCCP Act including undertaking an unsuitability assessment, which Plenti believes may result in the borrower being at greater risk of suffering substantial hardship as a result of entering into the unregulated finance product.

A proposed industry code of conduct, the New Energy Technology Consumer Code (NETCC), seeks to address the potential for consumer harm arising from finance offered at the point of sale by (among other things) requiring greater fee disclosures and loan suitability checks for unregulated finance, similar to those required for regulated finance. Refer to Section 2.3.3.3 for more information about the NETCC.

Examples of providers of unregulated finance include FlexiGroup (through its subsidiary Certegy Ezi-Pay), Brighte and Payright.

2.3.1.3 Banks and credit union providers of regulated finance

Several smaller banks and credit unions offer interest-bearing, fixed term loans for renewable energy systems. These institutions typically market these products to customers online, or in print.

Examples of smaller banks and credit unions that provide regulated finance for renewable energy technology include Australian Military Bank, Community First Credit Union and Transport Mutual Credit Union.

2.3.2 Distributors of renewable energy finance

Renewable energy finance is often distributed to borrowers at the point-of-sale by companies such as:

- **Specialist renewable technology vendors** – specialist renewable technology vendors acquire equipment such as solar panels and batteries at wholesale volumes from original equipment manufacturers (OEMs), and market this equipment (along with licensed installation services and after-sales support) to end customers;
- **Installers** – installers may operate independent of technology vendors, acquiring equipment from OEMs and on-selling to clients. Installers are often licensed electricians who also hold relevant solar and/or battery installation certifications; and
- **Energy retailers** – energy retailers may offer renewable energy technology, and associated energy plans, to existing customers.

To distribute Plenti's renewable energy loans, Plenti has relationships with over 650 vendors, installers and energy retailers. Refer to Section 3.4 for more information about distribution of Plenti's renewable energy loans.

13 The cost of unregulated finance may be higher than regulated finance where the retail price for a renewable energy technology product has been inflated by a vendor to offset the costs of any unregulated finance provider's merchant fees, and that price inflation (combined with other loan fees and charges) is higher than the total costs of interest and fees charged by a regulated finance provider for an equivalent loan.

2.3.3 Key trends in renewable energy lending

2.3.3.1 Household adoption of solar and solar-battery systems

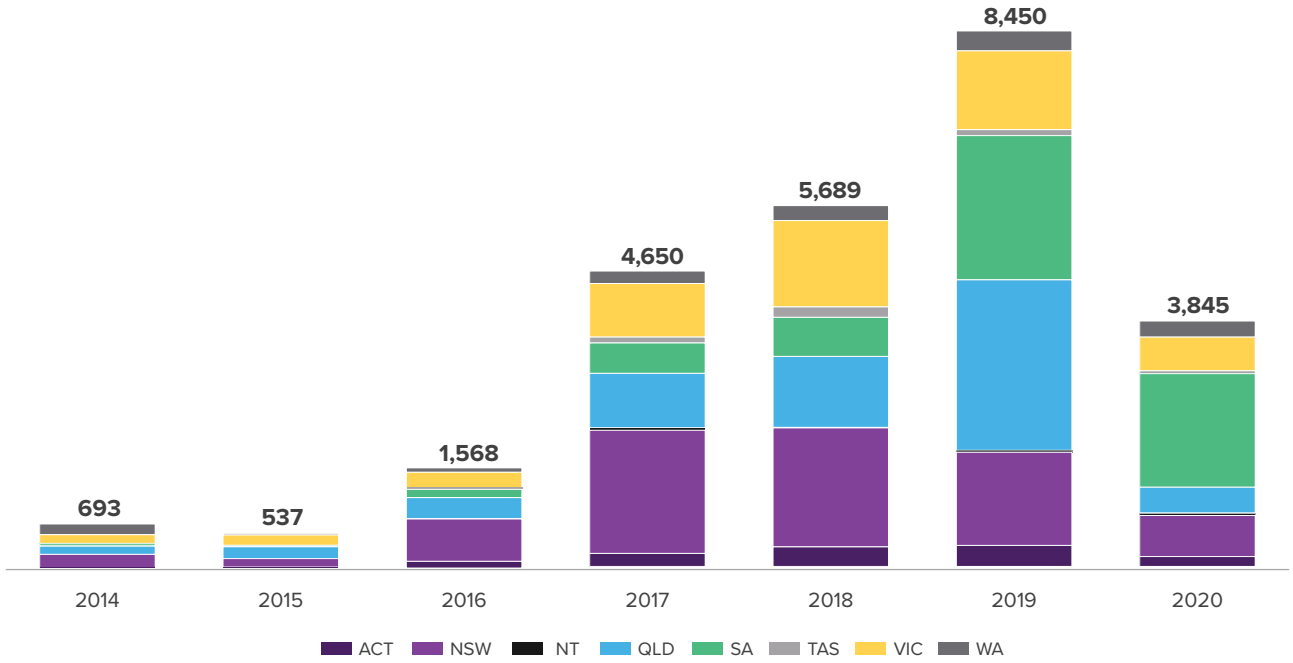
The Clean Energy Council (**CEC**) estimates that over 280,000 households and businesses in Australia are installing rooftop small-scale solar renewable energy systems annually.[14] The CEC also reported that small-scale solar technology currently accounts for approximately 22% of renewable generation in Australia, powering the equivalent of 2.7 million homes over the course of one year.[14]

From 2014 to 2019, adoption of renewable energy systems by households and businesses has increased the contribution of renewable generation to Australia's total annual electricity generation from 13% to 24%.[15] The installed capacity of small-scale solar generation in 2019 was almost double the installed capacity in 2017.[16] This has contributed to the reduction of both greenhouse gas emissions and energy sourced from the electricity grid.[16]

Plenti believes that adoption of residential solar and battery systems by Australian households will continue to grow. The economics of solar and battery storage systems are steadily improving, as demand and mass-production increase.[16]

Plenti believes its regulated finance products are better suited than unregulated finance products to finance residential battery systems, as the higher cost of the equipment (associated with battery systems as opposed to solar alone) typically requires a longer repayment term for the customer, and the merchant fees payable to unregulated finance providers on higher cost equipment may be prohibitive for battery vendors and customers.

Figure 2: Number of solar systems with concurrent battery installations per State since 2014[17]



Source: <http://www.cleanenergyregulator.gov.au/RET/Forms-and-resources/Postcode-data-for-small-scale-installations>.

14 Clean Energy Council, Clean Energy Australia Report 2020, <https://assets.cleanenergycouncil.org.au/documents/resources/reports/clean-energy-australia/clean-energy-australia-report-2020.pdf>.

15 Clean Energy Council, *2019 Snapshot*, <https://www.cleanenergycouncil.org.au/resources/resources-hub/clean-energy-australia-report>.

16 Australian Government, Department of Industry, Science, Energy and Resources, Solar PV and batteries, <https://www.energy.gov.au/households/solar-pv-and-batteries>.

17 Australian Energy Council, *Solar Report: Quarter 2, 2020*, <https://www.energycouncil.com.au/reports/>, 30 July 2020.

2.3.3.2 Government programs to accelerate renewable technology adoption

Seeking to reduce emissions, reduce household energy bills and improve the stability of the electricity grid, Australian State Governments and the Federal Government have supported the adoption of household renewable energy systems through a range of incentives and subsidies, including various State Government feed-in tariff schemes, the Victoria Solar Homes Program, and Queensland's interest-free loans for solar and battery systems. Plenti is the exclusive administrator of South Australia's Home Battery Scheme on behalf of the Government of South Australia, and has been appointed as the delivery partner for the pilot of the New South Wales Empowering Home Scheme. Refer to Section 3.4 for further information.

Plenti believes that further or enhanced Government programs – especially programs seeking to promote battery system installations – are likely in the short to medium term, which will contribute to growth in renewable energy technology adoption.

2.3.3.3 New Energy Tech Consumer Code (NETCC)

Following a consultation process, in April 2019 the Clean Energy Council, Australian Energy Council, Smart Energy Council and Energy Consumers Australia submitted an application to the ACCC for the authorisation of a New Energy Tech Consumer Code (NETCC), intended as a comprehensive voluntary code of conduct for industry self-regulation. If authorised, the NETCC would (amongst other things) set standards for good practice in renewable energy technology sales and installation, seeking to protect consumers throughout the process of buying, financing and installing renewable energy technology.

On 5 December 2019, the ACCC conditionally authorised a revised version of the NETCC for a period of five years. This revised NETCC required signatories to, where finance was provided to assist the purchase of renewable energy technology:

- Provide disclosures to customers about the costs of finance;
- Only offer finance where the credit provider undertakes loan suitability checks substantively equivalent to those required to be conducted by providers of regulated finance; and
- Avoid high pressure sales tactics and make no offers of unregulated finance in unsolicited sales.

Plenti believes that these requirements would contribute to improved consumer protections and may contribute to growth in renewable energy finance market share by providers of regulated finance.

On 30 December 2019, the Australian Competition Tribunal received an application to review the ACCC's authorisation determination. As at the Prospectus Date, the matter is before the Australian Competition Tribunal, and the ACCC determination (and thus the NETCC) has not come into effect.

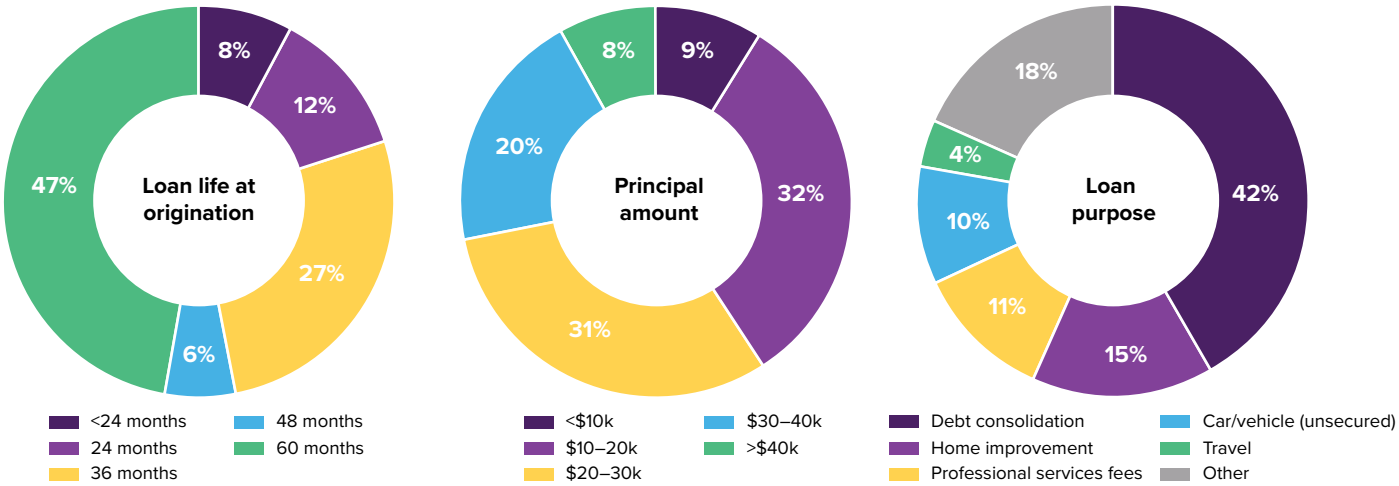
2.4 Overview of personal lending

The personal lending vertical in Australia comprises fixed term, unsecured, interest-bearing loans used for purposes such as debt consolidation, home improvement, travel expenses, major events medical expenses and other personal funding requirements. Repayments are typically monthly or fortnightly, and comprise principal, interest and account management fees (if any). Approximately $12 billion[18] of personal loans were originated in Australia over the 12 months to June 2020.

Personal loans are typically offered for amounts from $2,001 to $50,000, and for terms from six months to five years, with varying interest rates charged depending on the credit quality of the borrower and whether security is provided against the loan. Personal loans are not Small Amount Credit Contracts ('payday loans'), which are typically offered for amounts under $2,000 for terms up to one year.

18 ABS 5601.0 Table 27 LTM to June 2020.

Figure 3: Overview of Plenti's personal loan originations for the 12 months to 30 June 2020 (% of loan originations by amount)



2.4.1 Providers of personal loans

Key providers of personal loans include:

- **Banks, credit unions and building societies** – banks and other ADIs will typically offer unsecured personal loans as part of their broader consumer lending offerings. Plenti believes the scale, distribution and funding abilities of the banks historically afforded them a competitive advantage against other personal loan providers. Historically, the personal lending market has been dominated by the banks, who accounted for approximately 82.5% of personal loan originations in 2015. However, the Australian Bureau of Statistics reported their market share has dropped to approximately 71.1% in 2018.[19]

  Meanwhile, Plenti believes that the emergence of new technologies and data sources, and the increasing penetration of digital platforms into day-to-day life, has contributed to a weakening of the traditional competitive advantage of the Major Banks, as competitors now have the ability to develop and distribute superior products at reasonable cost. Plenti believes that due to these factors – in addition to changing consumer preferences for better digital experiences – there is a large opportunity for technology-led lenders offering superior value and experiences to continue to attract market share from Major Banks.

- **Non-bank lenders** – Plenti considers non-bank lenders to be institutions other than a bank, credit union or building society that offer loans to consumers. Non-bank lenders include:
  - **Technology-led or fintech lenders** – Plenti considers that technology-led lenders, or fintech lenders, are a subset of non-bank lenders that seek to leverage data and technology to provide better products and experiences through digital-driven processes. Aside from Plenti, other technology-led or fintech lenders providing personal loans include MoneyPlace, MoneyMe and SocietyOne; and
  - **Traditional non-bank lenders** – traditional non-bank lenders may provide loans to a broader range of borrowers than banks, including borrowers who may have lower bureau credit scores. Plenti believes some traditional non-bank lenders rely on third-party vendors to provide technology platforms. Non-bank lenders providing personal loans include Latitude Financial Services, Pepper Money and Liberty Finance.

19 ABS 5671.0 LTM to Nov-18.

2.5 Key recent industry developments

Plenti believes that a number of key recent developments in the Australian consumer credit industry have supported Plenti's growth to date and will continue to support its growth in the future.

Recent development	Overview	Impact on Plenti lending vertical
Digital-first experiences to deliver superior customer experiences	Plenti believes that technology capabilities have become increasingly important to providers of consumer credit. Plenti believes that customers are increasingly expecting seamless, rapid and digital-first experiences, accessible across mobile, tablet and desktop devices, with user interfaces and operational processes that simplify and accelerate loan applications and settlements. Further, Plenti believes that commercial partners are increasingly seeking strong technology capabilities from consumer credit providers so as to facilitate comprehensive integrations with their own systems (such as CRM systems).	
Shift to risk-based pricing	Historically, most consumer credit providers offered only one interest rate for a loan product, regardless of the credit characteristics of the loan applicant. More recently, driven by greater data availability and the technology capabilities of technology-led or fintech lenders, it has become more common for a lender to offer different interest rates depending on (amongst other things) the term and purpose of a loan, and the credit history and credit characteristics of the borrower. Risk-based pricing can assist providers such as Plenti to attract customers with relatively stronger credit characteristics, as these customers may be offered better prices by Plenti than by providers who offer one price for all customers.	
Banks focusing on a narrower suite of products and services	Financial services regulatory and policy developments in recent years, including the Banking Royal Commission, have contributed to a number of banks seeking to withdraw from certain products and services.	

2.6 Key anticipated industry developments

Plenti believes that there are a number of key anticipated developments in the Australian consumer credit industry which will support Plenti's future growth through facilitating improved value, experiences and products.

Anticipated development	Overview	Impact on Plenti lending vertical
Open banking	In November 2017 the Australian Government announced the introduction of a consumer data right (**CDR**) in Australia. The CDR seeks to give consumers greater access to and control over data about them that is provided to and generated by providers of services. The first application of the CDR is to the banking sector, in a form commonly termed 'open banking'. By allowing customers to share data held about them with other banks and other financial service providers, open banking seeks to: • Improve consumers' ability to compare and switch between providers of products and services; • Encourage competition between service providers; and • Provide customers with more innovative products and services. Open banking commenced in July 2020, providing certain bank customers with the ability to provide accredited third parties the ability to share (amongst other data) their credit card and bank account transaction data.[20] Over time open banking will be expanded to include mortgage, personal loan data and other data, and will be available to a greater range of accredited participants. Plenti believes that open banking will improve Plenti's efforts to attract customers who may otherwise choose to borrow from their main bank for convenience reasons. Plenti also believes that open banking can provide better value to customers by (amongst other things) simplifying loan application experiences, accelerating loan assessment, improving risk-based pricing, and improving operational efficiency.	
The New Payments Platform (NPP)	The NPP was launched in February 2018, and was developed to support real-time, secure, data-rich payment services. Many banks now support the platform to provide real-time payments for small amounts between consumer accounts at different banks. Plenti will continue to monitor the rollout and functionality of the NPP as it evolves and any opportunities this provides to innovate on its products over time. Plenti believes real-time payments will improve its product offering to both borrowers and investors, facilitating rapid loan settlements and repayments for borrowers, and rapid account funding and withdrawals for investors.	
Comprehensive Credit Reporting (CCR)	Comprehensive Credit Reporting (**CCR**) provides lenders with access to a richer set of applicant data, including information about an applicant's existing loans and credit cards (such as the amount of the loan or the credit card limit) and the customer's repayment history information. Plenti was the first lender in Australia to publicly share CCR data to a credit bureau and signed the Principles of Reciprocity and Data Exchange (PRDE) in February 2016 having previously been a vocal supporter of the CCR regime's implementation. The number of financial institutions supplying CCR data continues to increase. Plenti believes that CCR allows lenders to better assess whether a proposed loan is suitable for a customer, charge an appropriate risk-based price, and potentially improve its pricing algorithms over time.	

20 Australian Government, The Treasury, *Consumer Data Right*, <https://treasury.gov.au/consumer-data-right>, accessed 21 July 2020.

2.7 Regulatory landscape

2.7.1 Overview of key requirements

The credit industry in Australia is governed by a range of licensing and regulatory requirements which are applicable to Plenti. The key licensing and regulatory requirements which apply to Plenti as a credit-licensed business are summarised in the table below.

Regulation	Summary
Corporations Act – ACL/AFSL licensing and MIS registration requirements	The *Corporations Act 2001* (Cth) imposes licensing, registration and other regulatory requirements that Plenti is required to comply with as a lender and provider of the Plenti Lending Platform to retail investors. • **Australian Credit Licence** (**ACL**) – as a provider of consumer credit activities for personal, domestic or household purposes for a fee, the National Credit Code (**NCC**) applies to Plenti and it is required to hold an ACL. Plenti RE was granted an ACL in May 2014 under which it is authorised to carry on a business of providing credit services and to perform the obligations or exercise the rights of a credit provider in relation to a credit contract. • **Australian Financial Services Licence** (**AFSL**) – Plenti RE holds an AFSL granted in May 2016 and under which is authorised to provide general financial product advice for certain classes of financial products, deal in a financial product and operate the Plenti Lending Platform. • **Registered managed investment scheme** – the Plenti Lending Platform is regulated as a managed investment scheme (**MIS**) under the Corporations Act. The Plenti Lending Platform is registered as a MIS with ASIC and Plenti RE acts as the responsible entity of the Plenti Lending Platform. As a licensed ACL and AFSL holder and responsible entity under a registered MIS, some of Plenti's key obligations (certain of which form licence conditions) are: • Management experience and competency requirements, including 'fit and proper' personnel engaging in credit activities; • Training and professional development requirements for responsible managers; • Maintaining adequate arrangements and systems to ensure compliance with its obligations as a credit licensee, including a compliance committee and annual audit and compliance requirements; • Maintaining an adequate professional indemnity insurance policy and minimum operating capital requirements; • Managing conflicts of interest that may arise in relation to credit activities; • Maintaining regulated disclosure documents, including a product disclosure statement for the Plenti Lending Platform that outlines the key features, benefits, risks and fees; • Record-keeping requirements, including in relation to assessments of loan suitability; • Appropriately segregating investor funds, commissioning annual audits of segregated bank accounts; • Employing appropriate credit and affordability assessments and providing secure and reliable IT systems; • Providing clear rules governing use of the Plenti Lending Platform and maintaining marketing and customer communications that are clear; and • To be fair and not misleading, including fair complaints handling and membership of external dispute resolution scheme.
Consumer Credit Legislation – responsible lending and linked credit provider obligations	In addition to requirements as a licenced ACL holder, the *National Consumer Credit Protection Act 2009* (Cth) (including the *National Credit Code* (**NCC**)) (**NCCP Act**) provides additional obligations applicable for Plenti. For example, Plenti must comply with responsible lending obligations set out in the NCCP Act which require consumer credit providers to make an assessment of a consumer's suitability for entry into a credit arrangement before providing a credit product. The NCC also includes highly prescribed requirements as to the form and content of loan documents, as well as statutory disclosures and notices which must be made. The NCC provides mechanisms for enforcement of loans and dealing with hardship variations of contract requested by a debtor and regulates unjust terms of a loan arrangement.

Regulation	Summary
Consumer Credit Legislation – responsible lending and linked credit provider obligations *continued*	In addition, under the NCCP Act and Australian Consumer Law (**ACL**), in certain circumstances Plenti (as a 'linked credit provider') may be liable to a consumer who has purchased goods or services under a related sale contract which is financed at the point of sale by a loan provided by Plenti. This may apply, for example, at a car dealership if a person has purchased a car with finance provided by Plenti and the car dealership has made misrepresentations, acted in breach of the NCCP Act or ACL, or in breach of warranty or contract (including by failing to provide the agreed product). Plenti may be jointly liable with the supplier and the consumer may be entitled to take legal action directly against Plenti seeking damages (including injury to persons or property) or cancellation of the loan contract. There may be a defence available in respect of a linked credit provider claim if it can demonstrate that it made due enquiry in relation to a supplier and there was no cause to suspect that the supplier might not meet its liabilities or that a consumer claim might arise. In addition, in order for a linked credit provider arrangement to arise as a matter of practice, there must be evidence of a pre-existing consensual arrangement between credit providers. The *Australian Securities and Investments Commission Act 2001* (Cth) also provides consumer protection provisions which must be adhered to by Plenti.
Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF)	An entity that provides 'designated services' with a geographical connection to Australia is a 'reporting entity' under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (**AML/CTF Act**). Reporting entities are required to enrol with the Australian Transaction and Reports Analysis Centre (**AUSTRAC**) and comply with the AML/CTF Act and *Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007* (No. 1), unless an exemption applies. Plenti is a reporting entity because it provides loans in the course of carrying on a loans business and allows a borrower to conduct a transaction in relation to a loan in the course of carrying on a loans business (which are 'designated services'). As such, Plenti's obligations under the AML/CTF Act include to: • Enrol or register with AUSTRAC; • Carry out an assessment of AML/CFT risks in the business, having regard to customer profiles, jurisdictions and specific product/channel risk; • Adopt and maintain an AML/CTF program that complies with the AML/CTF Act and is overseen by the Board to manage AML/CTF risks; • Undertake customer due diligence (including identification and verification) prior to providing a designated service; • Monitor transactions to detect unusual activity; and • Report certain matters to AUSTRAC including an annual compliance report.
Australian Financial Complaints Authority (AFCA)	Plenti is a member of the Australian Financial Complaints Authority (**AFCA**), which is an external dispute resolution scheme that considers complaints made about (among other things) consumer credit products. AFCA has jurisdiction to hear disputes between Plenti and its customers, and if it determines there is a systemic issue, it is obliged to refer the issue to ASIC. If AFCA determines there to be a systemic issue in a dispute between Plenti and its customers, AFCA may refer the issue to ASIC.
Privacy regulation	Plenti is regulated by the *Privacy Act 1988* (Cth), including the Australian Privacy Principles (**Privacy Act**), with respect to credit reporting and the collection, storage, use and disclosure of personal information. Plenti's obligations include: • Taking reasonable steps to protect personal information from unauthorised access or disclosure; and • Adhering to mandatory reporting obligations under the notifiable data breach scheme (to the Australian Information Commission and individuals).
APRA regulation – non-ADI lenders	APRA regulates the capital requirements that apply to securitisation lending. Perpetual (as the custodian and lender of record on behalf of Plenti) is currently regulated as a non-ADI lender under the *Financial Sector (Collection of Data) Act 2001* (Cth) (**FSCODA**). The FSCODA imposes obligations on Plenti to report data to APRA regarding financial sector indebtedness. In addition, APRA has existing powers to make rules addressing the financial stability risks introduced by non-ADI lenders. While no active regulation of non-ADI lenders is currently mandated, APRA may choose to use this power and impose rules where it considers there to be a risk to the stability of Australia's financial system. This may include a requirement to hold minimum levels of capital to support lending activity, or restrictions on specific types of lending activities.

2.7.2 Regulatory developments

The financial services and consumer credit sectors in Australia have been subject to recent political and regulatory scrutiny following the Banking Royal Commission.

As a result, there has been some media and public commentary targeted at financial service providers increasing standards of compliance and adapting their business models (including pressures on fees and disclosures). Regulators are showing a heightened preparedness to tighten regulation and enforcement to take more action against financial services and consumer credit service providers.

In addition to the broad industry trends outlined in Section 2.6 in relation to open banking and comprehensive credit reporting, some of key recent and potential regulatory developments relevant to the sector are as follows:

Regulation of POS financing at car dealerships	Recent regulatory changes have targeted the regulation of credit provision at car dealerships, including the banning of 'flex commissions' in 2018. In addition, the Banking Royal Commission has recommended in its 2019 report the abolishment of 'point of sale' exemptions which allow car dealerships to provide credit assistance without holding an ACL. This recommendation has been accepted by the Federal Government but not yet been enacted in policy or legislation. These impending changes (if enacted) would be expected to benefit Plenti by driving more referrals for automotive financing from car dealerships to lenders. Refer to Section 2.2.2.1 for further information.
Responsible lending requirements	In December 2019, ASIC held a public consultation process and updated its guidance in respect of the application of responsible lending obligations. Although there have not been changes to the NCCP Act, the guidance signals ASIC's approach to determining whether automated credit assessment systems meet responsible lending requirements. The ASIC guidance generally confirms that automated systems (including algorithms and benchmarks based on data inputs from internal and external sources) to assess an applicant's creditworthiness comply with responsible lending obligations. These systems must be tested prior to implementation and retested at regular intervals to ensure the decisions made using the systems are appropriate. In addition, the system must be capable of identifying situations that require further inquiries or verification steps and either completing those additional steps or referring the application for manual consideration, and maintaining a meaningful record of the assessment. Benchmarks must be up-to-date and realistic figures (for example, adjusted for different income ranges and not merely reflective of 'low end' spending) and periodically reviewed. Buffers should reflect the likelihood that many consumers would be expected to have a higher level of expenses. In addition, enquiries must be made to ascertain whether the consumer has any kinds of expenses that are not included and reasonable steps taken to verify those expenses. In light of these developments, Plenti has reviewed its credit assessment processes (including the RAPID Credit Engine) and considers that it is compliant with the NCCP Act and updated ASIC guidance.
Design and distribution obligations for credit products	In April 2019, legislation was passed requiring product issuers (including consumer credit providers) to assess the target market for products and ensure distribution is consistent with the determined target market, and giving ASIC powers to intervene in relation to certain financial and credit products, including to prohibit the offering of such products. As at the Prospectus Date, only the product intervention powers in the legislation have taken effect, with the design and distribution obligations expected to take effect on 5 April 2021. Following the legislation taking effect, credit providers will need to assess the target market for their credit products and may be required to make changes to the distribution strategy and disclosure documents used to distribute these products to ensure continuous compliance with the updated legislative changes including the anticipated design and distribution changes under the NCCP Act. As a result of these potential changes, Plenti will need to assess the target market for its credit products and may be required to make changes to the distribution strategy and disclosure documents used to distribute these products. Plenti is required to take reasonable steps to determine its target market and distribute consistently with those determinations, and continue to ensure that credit products offered by Plenti do not cause significant consumer detriment. Plenti intends to monitor this regulatory development and ASIC guidance on the use of these powers to assess any impact of these powers on its business and product expansion plans.

Mortgage brokers' best-interests obligations	Legislation is anticipated to commence from 1 January 2021 onwards to create a new duty for mortgage brokers to act in the best interests of consumers and to prioritise consumers' interests when providing credit assistance, in response to Recommendation 1.2 of the Banking Royal Commission. Mortgage brokers who are required to comply with the NCCP Act will need to re-assess their current process to ensure that relevant consumer information is gathered for compliance purposes, that they recommend loan packages to consumers in a holistic manner and take on a more active role in educating consumers to assist them in understanding potential implications of different choices. Monitoring regulatory development and the anticipated updates to the NCCP Act will also be relevant in determining the impact of these powers on Plenti's business from customer referral through mortgage brokers.
Unfair contract terms	In 2016, section 23 of the ACL was extended to protect small businesses from unfair terms in standard form contracts. This change was also reflected in the equivalent Section 12BF of the *Australian Securities and Investments Commission Act 2001* (Cth). The revision required online business lenders to review their standard form contracts, and to ensure compliance by 12 November 2016. In light of the recent regulatory focus on these requirements, Plenti conducts regular reviews of its loan contract terms against unfair terms.
Credit enforcement rights	Legislation which commenced on 1 July 2018 limits the ability of creditors to exercise rights (including to demand payment and enforce security) as a result of certain insolvency and related processes occurring in respect of its customers that could impact the timing of recoveries by Plenti from insolvent customers (and guarantors).
AFCA Rules	In August 2019, ASIC approved changes to the AFCA Rules to allow AFCA to name financial firms in published determinations.

Section 3

Company overview

3.1 Introduction

3.1.1 About Plenti

Overview of business

Plenti is a fast-growing[1] technology-led consumer lending and investment business. Plenti seeks to provide borrowers with efficient, simple and competitive loans, delivered via simple digital experiences. Additionally, Plenti seeks to provide investors with attractive, stable returns via investing in the established asset class of consumer loans.

Plenti has funded approximately $870 million in loans to over 55,000 borrowers[2] since its launch in November 2014, providing loan products to creditworthy borrowers in the automotive, renewable energy and personal lending verticals.

Plenti has approximately 103 staff, predominantly based in its head office in Martin Place in Sydney. Plenti established an office in Adelaide in 2018, initially to support its activities as the scheme administrator of the Home Battery Scheme (a renewable energy technology subsidy and finance program in South Australia), and later to support Plenti's customer service operations. To support further growth in loan originations, in 2019 Plenti established, via third-party service providers, an offshore technology development centre in Vietnam and an offshore operations centre in the Philippines. Plenti believes that its offshore support centres, supported by Venus, Plenti's proprietary technology platform, provide it with significant operational leverage.

Plenti believes that, given the benefits conferred by Venus and a diversity of lending verticals and funding platforms, Plenti is well placed to benefit from what it believes are significant changes taking place in the Australian consumer finance market.

Technology platform

Venus, Plenti's proprietary technology platform, has received significant investment to support Plenti's ability to deliver better value and digital experiences to both borrowers and investors. Venus is built on modern cloud-based technologies, which are designed to support ongoing scalability and security. Venus administers operational activities across the credit and business lifecycle, from processing applications, decisioning and funding, to ongoing loan management, collections and business intelligence. Venus' integrated credit decision engine, RAPID (an acronym for 'risk-adjusted pricing and intelligent decisioning'), helps to drive efficient and compliant loan applications, approvals and loan settlements. Refer to Section 3.9 for further information on Venus.

Funding sources

Plenti has focused on diversifying its funding sources over time, and Plenti now funds the loans it originates from a range of funding platforms. Plenti has attracted approximately 22,000 Registered Investors since its launch in November 2014, including retail, institutional and government investors. It has also established its own Warehouse Facility to fund secured automotive loans. Refer to Section 9.4 for further information on Plenti's funding platforms.

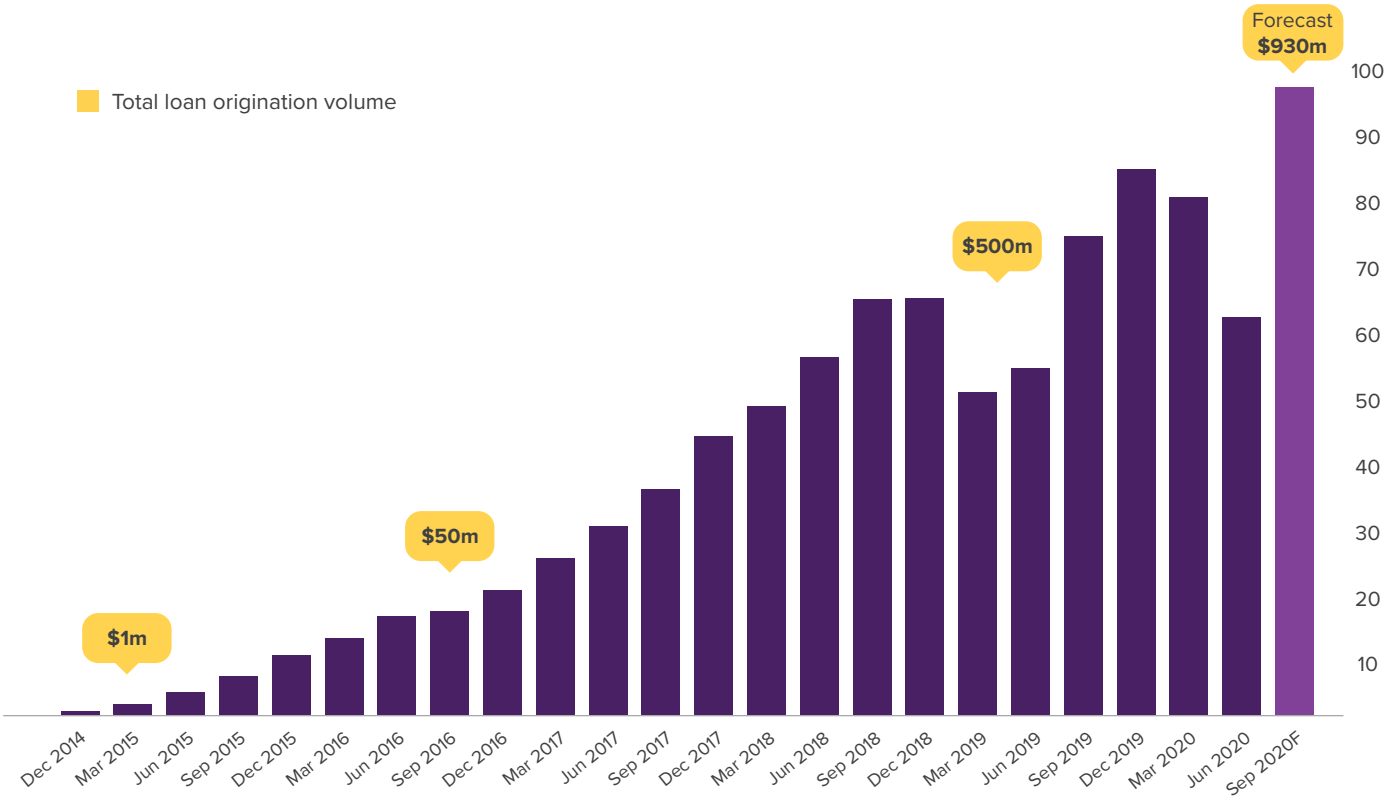
Credit and risk management

Plenti believes its success and reputation is dependent on its ability to originate and service a loan book that delivers consistent returns to investors, and that delivers net credit losses in line with or below desired loss levels. Plenti is, therefore, committed to best practices in terms of credit risk management and assessment. Plenti has demonstrated strong credit performance since launch, with credit losses maintained within target parameters. Further, to date, Plenti's strong credit performance has been maintained throughout the COVID-19 period, and Plenti believes its loan deferral rates across this period are below that of many other industry participants. Refer to Section 3.7 for further information on Plenti's approach to credit and risk management.

1 Based on historical revenue CAGR over the FY2018 to FY2020 financial period of 60%. Past performance is no guarantee of future performance. Investors should consider the entire Prospectus (including the '*Financial Information*' in Section 4 and '*Key Risks*' in Section 5) and make an independent assessment of the future prospects of the Company.

2 This includes repeat transactions that an individual borrower may have made on the Plenti Lending Platforms and its Warehouse Facility.

Figure 4: Quarterly loan originations since launch ($m)



3.1.2 Company history

Launch

Plenti officially launched to customers in November 2014, under the 'RateSetter' brand. Prior to launch, the Co-Founders worked for over 18 months to establish Plenti's compliance framework, configure Venus (Plenti's proprietary technology platform), and obtain an Australian Financial Services Licence (**AFSL**) and an Australian Credit Licence (**ACL**). These activities allowed Plenti to launch the Plenti Lending Platform to retail investors.

Efforts to obtain relevant licences from ASIC and launch to customers were accelerated through a partnership with the United Kingdom-based company, Retail Money Market Limited (**RMML**). RMML acquired an equity interest in Plenti Pty Limited in return for licensing its technology platform and use of the RateSetter brand. As at the Prospectus Date, RMML Nominee holds a 14.06% shareholding interest in the Company, following the completion of a recent transaction (refer to Section 9.5 for further information).

Loan product and funding diversification

Plenti's ambition since launch has been to ensure that it becomes an increasingly resilient business, providing the opportunity to focus on different lending verticals and funding sources depending on opportunities and the broader economic and credit environments. To this end, Plenti has deliberately and consistently diversified both its loan products and its funding sources.

At launch, Plenti exclusively offered unsecured personal loans of up to $35,000. Plenti has subsequently diversified its loan products to other segments of consumer credit including secured automotive loans (launched in 2017) and renewable energy loans (launched in 2017).

Further, at launch Plenti exclusively funded loans via the Plenti Lending Platform, a registered managed investment scheme that is open to retail and institutional investors who invest in consumer loans via a marketplace accessed through the Plenti website. Since launch Plenti has sought to broaden the types of investors it attracted, as well as the structures through which they fund loans. This has included the following milestones outlined in Figure 5 below.

Figure 5: Selected funding platform milestones

Credit and risk management performance

Establishing an effective credit and risk management framework and demonstrating a strong track record for effectively managing consumer credit has been and remains a significant focus of Plenti since inception. The strength of Plenti's credit performance is evidenced by (among other things) credit losses being less than 1.8% of loans funded since launch, including through the COVID-19 induced recession to the Prospectus Date. Refer to Section 3.8 for further information on Plenti's response to the COVID-19 period.

Plenti believes the strength of its credit performance has been supported by Plenti's focus on lending verticals with high quality credit characteristics such as renewable energy (where customers are typically homeowners, and may save money through the purchase and installation of renewable energy equipment) and secured automotive finance (where loss recoveries are aided by a security interest held over the vehicle financed), and by its targeted approach to acquiring customers.

'Plenti' rebranding

In August 2020, Plenti Pty Limited (formerly called 'RateSetter Australia Pty Ltd') rebranded its name and business to 'Plenti'. This reflects the significant evolution of its activities since launch and its development into a diversified, technology-led consumer lending and investment business. The Company considers that the brand Plenti better reflects both the value it seeks to offer its customers and its aspiration of scaling to become one of Australia's largest consumer lenders.

The figure below outlines selected milestones in Plenti's operating history.

Figure 6: Selected company milestones

2012

- Incorporated in Australia
- Commenced steps to obtain required licences

2013

- Technology platform separated from RMML and proprietary Venus technology platform established
- Draft AFSL licence received

2014

- Final AFSL and ACL received from ASIC
- Launched regulated lending platform for retail investors

2015

- Carsales invested $10 million
- Commenced publicly sharing loan book and credit performance data
- $1 million of loans funded
- 1,000 Registered Investors

2016

- Broker channel distribution launched
- AFSL amended to facilitate secured loans
- The first lender to publicly share comprehensive credit data with other lenders
- $50 million of loans funded
- 5,000 Registered Investors

2017

- Renewable energy lending commenced with $20 million cornerstone CEFC funding
- Secured automotive lending launched
- Banks started funding automotive loans via platform
- Five V Capital led $10.5 million capital raising
- $100 million of loans funded
- Approximately 10,000 Registered Investors

2018

- Appointed exclusive administrator of Home Battery Scheme in South Australia
- CEFC approved up to $100 million for renewable energy lending in South Australia
- Proprietary RAPID Credit Engine launched
- Investor early access feature launched
- Federation Asset Management led $17.4 million capital raise
- $250 million of loans funded

2019

- Direct to consumer secured automotive loan launched
- Philippines and Vietnam based offshore support functions launched
- $500 million of loans funded
- Approximately 20,000 Registered Investors and 45,000 Borrowers

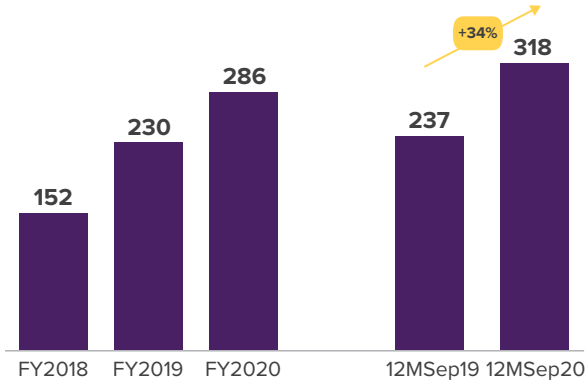
2020

- Funding from automotive Warehouse Facility limit increased to $150 million[3]
- CEFC funding arrangement increased to $147 million
- Appointed as exclusive administrator of the Empowering Homes pilot program by the NSW Government
- Renamed from 'RateSetter' to 'Plenti'

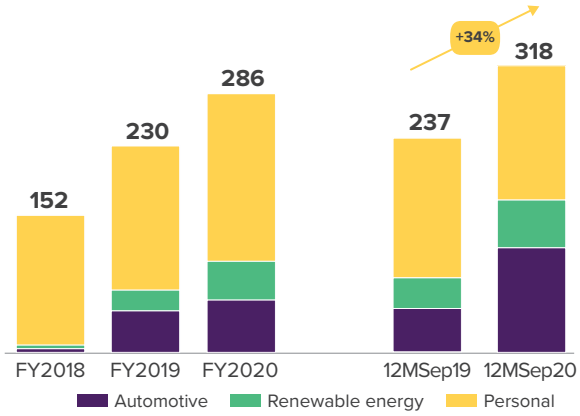
3 Based on maximum total size of facility, not committed funding.

Figure 7: Plenti's operating metrics

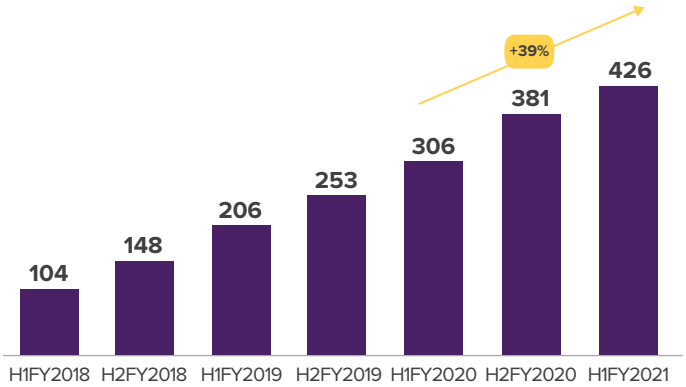
Origination volumes ($m)



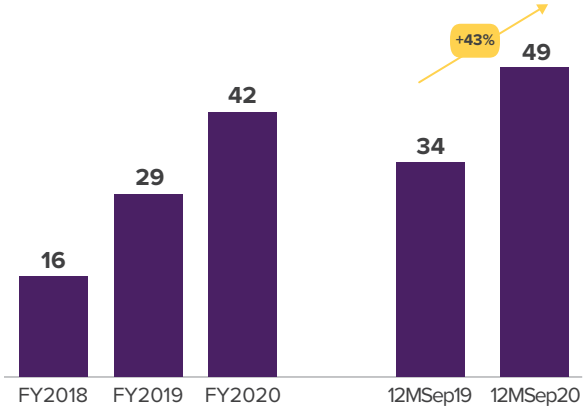
Origination volumes by product ($m)



Loan book by half year ($m)



Revenue ($m)



3.1.3 Awards and recognition

Plenti has received numerous industry awards since launch, recognising the value and service the Company offers to its customers as well as the innovations it has introduced.

Figure 8: Plenti recognition and awards

2015	2016	2017	2018	2019	2020
Canstar 5-star rating for unsecured personal loans	Canstar 5-star rating for unsecured personal loans (2nd year running)	Canstar 5-star rating for unsecured personal loans (3rd year running)	Canstar 5-star rating for unsecured personal loans (4th year running)	Named 17th in Deloitte Australia Tech Fast 50 awards	RateCity Gold Award Winner – Excellent Credit Personal Loan
	Australian Fintech Awards – FinTech leader of the year	Australian Fintech Awards – Excellence in Consumer Lending	FinTech awards for Excellence in Consumer Lending (2nd year running)	Named 195th on the 2019 Asia Pacific Technology Fast 500	
	Australian Fintech Awards – CTO/CIO of the year	Australia Fintech Awards –Excellence in Business Lending	Productreview.com.au award for personal lending	Canstar 5-star rating for new car loans	
		Innovation Award, CoreData SMSF Service Provider Award	Mozo Experts Choice – Excellent Credit Personal Loan	Canstar 5-star rating for used car loans	
		Mozo Experts Choice – Excellent Credit Personal Loan		Canstar 5-star rating for unsecured personal loans (5th year running)	
		Finder Best P2P Personal Loan		Fintech Business Awards Investment Innovator of the Year	
				Productreview.com.au award for personal lending (2nd year running)	
				Mozo Experts Choice – Unsecured Personal Loan	

3.2 Strategic foundations

Since its launch to customers, Plenti has sought to build strong foundations across four key areas:

- **Borrower experience** – building fast, simple, competitive loan products and seamless digital-first experiences;
- **Multi-channel distribution** – building diverse distribution channels to generate attractive returns on marketing and sales team investment and efficiently scale loan originations;
- **Funding diversity** – building resilience in Plenti's business model by building a diversity of funding sources; and
- **Credit decisioning and outcomes** – building its own proprietary scorecards, risk-pricing models and decisioning capabilities, and delivering credit outcomes in line with Plenti's ambitions.

Underpinned by the capabilities of Venus, Plenti's proprietary technology platform, Plenti aspires to build sustainable competitive advantages across each of these foundations compared to traditional lending institutions and other competitors. Each of these strategic foundations is described in further detail in Sections 3.3, 3.4, 3.5 and 3.7 below.

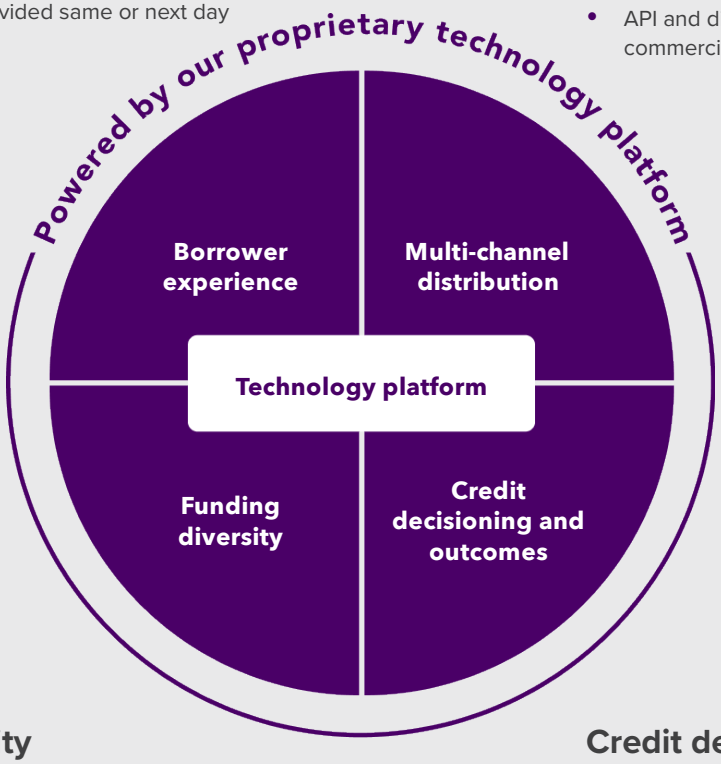
Figure 9: Plenti strategic foundations

Borrower experience

- Fast, simple, competitive loans
- Seamless, digital-first application experiences across devices and channels
- Efficient approvals and settlements – funding typically provided same or next day

Multi-channel distribution

- Efficient scaling of loan originations via
- Direct customer acquisition
- 10,000+ accredited third-party introducers
- API and direct integrations with commercial partners



Funding diversity

- Diverse, flexible and resilient capital supply
- ~22,000 registered retail, institutional, bank and Government investors
- Capital-light marketplaces with Provision Fund model
- Warehouse funding facility in place

Credit decisioning and outcomes

- Proprietary credit scorecards and risk-pricing models
- Highly automated and streamlined decisioning via RAPID Credit Engine
- Considered and prudent approach to risk management

3.3 Borrower experience

3.3.1 Loan products

Plenti offers three core loan products to borrowers:

Automotive loans – secured loans for the purchase of new and used vehicles;

Renewable energy loans – unsecured loans for the purchase and installation of residential renewable energy equipment such as solar panels and home batteries; and

Personal loans – loans for a range of purposes including debt consolidation, home improvement, major events, legal expenses, travel, medical expenses, and other purposes, which are typically unsecured.

The table below outlines the key features of Plenti's loan products. Plenti's loans are typically fully amortising, with scheduled repayments ordinarily collected via automatic monthly direct debit from the borrower's bank account.

Figure 10: Plenti's core loan products

	Automotive		Renewable energy		Personal[1]	
Loan amount	**$10,000 – $100,000**		**$2,001 – $80,000**		**$2,001 – $45,000**	
Purpose	Purchase of new and used vehicles		Installation and purchase of solar panels, home batteries and other energy efficient equipment		Debt consolidation, home improvement, travel, medical expenses, legal expenses and other	
Loan term	3 to 7 years		3 to 7 years		6 months to 5 years	
Average customer[2]	Loan amount	**~$31,200**	Loan amount	**~$9,300**	Loan amount	**~$17,000**
	Loan term	**72 months**	Loan term	**69 months**	Loan term	**50 months**
	All-in rate[3]	**7.9% pa**	All-in rate[3]	**9.9% pa**	All-in rate[3]	**14.0% pa**

Notes:

1. Plenti also offers short-term bullet repayment loans for legal fees, secured over property. These loans have a maximum loan amount of $500,000. Average customer statistics excludes this loan type.
2. Based on originations over the three-month period to 30 June 2020.
3. All-in rate includes the effect of all upfront fees and ongoing charges. Accounting revenue recognition under effective interest rate method will differ due to recognition period vs long-term variance.

3.3.2 Value proposition

Plenti seeks to offer borrowers better value and a better borrowing experience compared with its competitors. By leveraging Venus, its proprietary, end-to-end technology platform, Plenti aims to provide simple, fast and competitively priced loans to Australian consumers. Plenti's application and settlement processes are digital-first, which helps its customers to enjoy a simpler and more rapid application and approval experience. Plenti believes that this assists with maximising loan originations and building customer loyalty.

Plenti's loan product features and customer experience generally compare favourably to consumer loan products offered by Major Banks in Australia. For example, some Major Banks do not personalise pricing to individual customers' credit and application characteristics. Additionally, some banks may offer more complex and inefficient loan application and settlement processes resulting in slower decisions and loan funding. Plenti's credit assessment process, powered by its RAPID Credit Engine, is highly automated and makes use of data from numerous external sources (including credit bureaus) as well as its proprietary credit risk scoring and pricing models.

For most loan applications Plenti offers risk-based pricing. Risk-based pricing allows borrowers to receive a personalised interest rate based on their specific application characteristics, providing more creditworthy borrowers with lower rates. Plenti believes that it is innovative in the number and composition of risk categories (and associated interest rates) available to borrowers depending on their application characteristics.

Plenti's core value proposition to borrowers includes:

Personalised rates	Risk-adjusted pricing provides more creditworthy borrowers with lower rates
Flexible loan terms	Depending on the loan product, customers can ordinarily borrow from $2,001 to $100,000, over terms from six months to seven years
Efficient indicative quotes	Ordinarily, customers can rapidly obtain a pricing quote and an indication of their loan eligibility without negatively impacting their credit score with major credit bureaus
Simple and transparent terms	Loan terms and pricing are transparent and clearly disclosed in loan contracts, with no early repayment or exit fees
Digital-first	Typical application and settlement processes and data capture requirements are able to be completed digitally, and are designed to be accessible and functional across a range of common digital devices
Rapid application assessment	Plenti's credit assessment process is highly automated and streamlined
Fast settlement and funding	Typically, funds are settled to the borrower's bank account (or, for automotive and renewable energy loans, the bank account of their equipment supplier) on the same or next business day after the borrower has accepted their loan contract online

Plenti believes that the appeal of its offering to customers is reflected in the many five-star reviews provided by customers on online review websites such as ProductReview.com.au, Google and Trustpilot.

Figure 11: Customer reviews and feedback

(Plenti Personal Loan)	(Plenti)	(Plenti)
4.7	4.6	4.6
out of 5	out of 5	out of 5
2,297 reviews	948 reviews	598 reviews
PRODUCT REVIEW .COM.AU	Trustpilot	Google Reviews

3.3.3 Application experience

Plenti's application process is digital-first and is customised to each of its loan products and borrower acquisition channels. Whether a customer applies for a loan directly with Plenti or through its third-party introducer network, the loan application and settlement process is designed to be simple, efficient and convenient, and accessible on desktop, tablet or mobile. Over half of Plenti's direct loan applications are now commenced on mobile devices.

The five key steps to completing a personal or automotive loan application directly with Plenti, as illustrated in Figure 12, are:

1. **One-minute eligibility and quote** – customers provide basic information (such as their name, date of birth, address and employment status) to request an obligation-free estimate of their personalised loan rates and fees, typically completed within one minute. This process does not negatively impact an applicant's bureau credit score and allows Plenti to undertake an initial filter of loan applicants without having to invest significantly in third-party data or loan credit assessment time;
2. **Loan options presented** – customers select their desired loan term, and can amend their desired loan amount depending on their loan requirements and credit characteristics;
3. **Full application completed** – other details required to assess the application are collected from the customer, including income, employment, and other financial liability data required to comply with relevant responsible lending regulatory obligations. The borrower's identity, date of birth and address are verified to satisfy both Plenti's fraud and risk requirements as well as AML/KYC regulatory obligations, and bank statements may be collected via a secure digital process. The application form is designed to allow applicants to digitally supply all required documents, such as evidence of income, or evidence of employment status;
4. **Loan approval and contract signing** – the RAPID Credit Engine employs automation to streamline the credit assessment process and approximately 70% of customers are provided a decision within two hours after completing a full application. After approval, customers can view relevant regulatory disclosures and accept their loan contract digitally; and
5. **Funds transferred** – loan funds are transferred to the borrower and/or a third party (where instructed and verified by Plenti, for example where the customer is buying a car, or is consolidating existing credit cards). Funds are typically received the same or next business day.

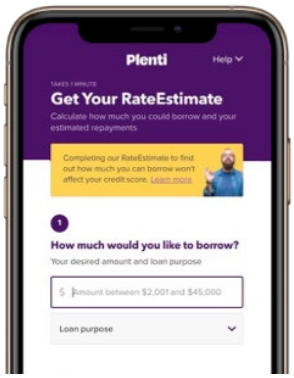
Figure 12: Plenti's direct personal loan application process

1

One-minute eligibility and quote

Obligation-free quote, does not impact bureau credit score

1 MINUTE

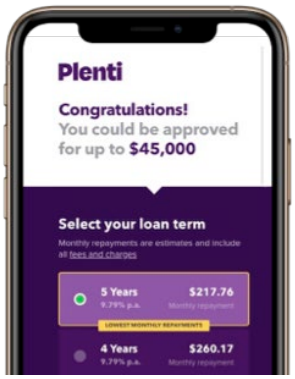


2

Loan options presented

Personalised rates depending on credit history

1 MINUTE

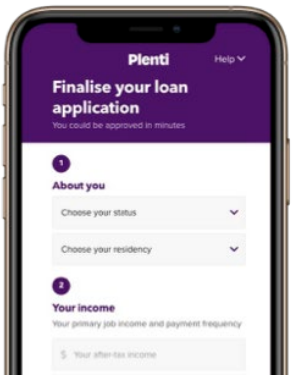


3

Full application completed

Online ID verification, income and expense verification

10 MINUTES

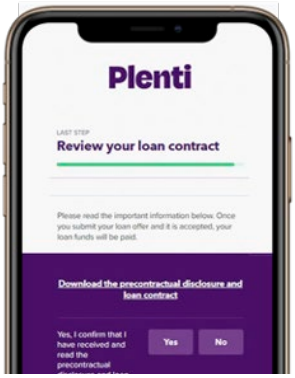


4

Loan approval and contract signing

Fast approvals and paperless loan acceptance

FROM 10 MINUTES

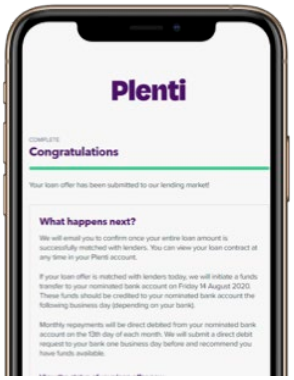


5

Funds transferred

Same or next-day funds settlement

SAME/NEXT DAY



3.4 Distribution

3.4.1 Overview

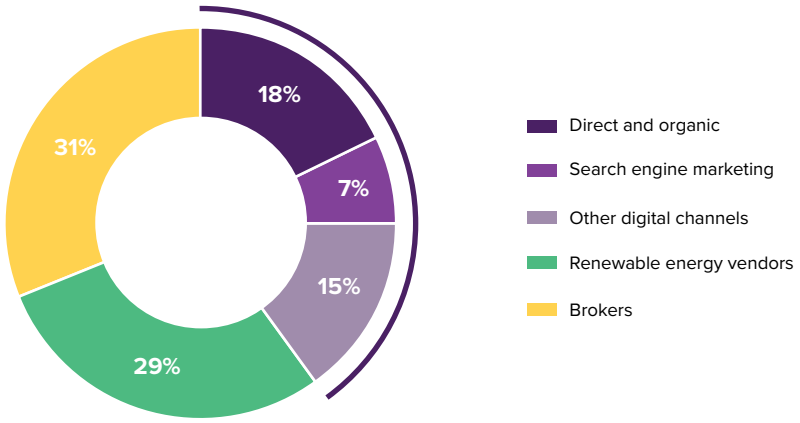
Plenti has established diverse distribution channels for its loan products. Prospective borrowers may be introduced to Plenti via direct or digital acquisition (primarily in response to Plenti's digital marketing) or indirectly via third-party introducers. This multi-channel approach allows Plenti to:

- Target customers who meet its credit risk objectives;
- Allocate acquisition marketing expenses flexibly to optimise return-on-investment; and
- Efficiently scale loan originations.

For the 12 months to 31 July 2020, loans originated to borrowers acquired through direct or digital channels comprised 40% of originations. Loans originated to borrowers acquired through third-party introducers comprised 60% of originations.

The figure below illustrates Plenti's origination mix by channel, described further in the following sections.

Figure 13: Plenti's loan distribution by number of loans originated in the 12-month period to 31 July 2020



3.4.2 Direct and digital acquisition channel

Plenti targets customers in the direct and digital acquisition channels through:

- **Direct and organic acquisition** – customers who visit Plenti's website directly, or visit Plenti's website via a non-advertised search engine result;
- **Search engine marketing** – customers who visit Plenti's website after clicking a Plenti ad displayed in search engine results; and
- **Other digital acquisition** – customers who visit Plenti's website after selecting a Plenti loan product on a rate comparison or loan recommendation site, or after clicking a Plenti ad on other digital platforms (such as social networks).

Plenti has developed direct and digital acquisition capabilities such as search engine optimisation. These capabilities allow Plenti to deploy marketing budget to target and convert customers who will meet Plenti's credit risk objectives. Plenti closely monitors the performance of its direct and digital marketing expenditure. Marketing budget is allocated and periodically amended to optimise conversion metrics.

3.4.3 Third-party introducer channel

Plenti has established a network of distribution relationships with third-party introducers who refer their customers to the Company for loan products. This network comprises:

- **Loan brokers** – over 10,000 loan brokers are accredited to distribute one or more Plenti loan products, including the majority of the leading Australian mortgage and asset finance brokerage brands and aggregation platforms. These include:
  - Over 1,000 accredited specialist asset finance brokers, including brokers aggregated by Stratton Finance, 360 Finance, Fintelligence, Platform Finance and NFC Aggregation amongst others. These brokers focus on providing asset finance solutions to consumer and commercial customers, and are a key distribution channel for Plenti's automotive loans; and
  - Over 9,000 accredited mortgage brokers, including brokers aggregated by Australian Finance Group, Connective, Choice Aggregation, PLAN, Finsure and Mortgage Choice amongst others. Mortgage brokers are increasingly seeking to diversify their services, supplementing their core mortgage services by providing their customers with access to additional products such as personal and automotive loans.

- **Renewable energy vendors** – over 650 vendors of renewable energy equipment, including energy retailers, solar panel and battery installers, and OEMs. These vendors offer their customers a Plenti loan product at the point-of-sale to fund the upfront costs of renewable energy equipment purchase and installation. This is the primary distribution channel for Plenti's renewable energy loans.
- **Renewable energy adoption partners** – Plenti has been contracted by State governments to administer the delivery of programs. The programs are intended to accelerate the adoption of renewable energy equipment such as residential batteries. Plenti currently administers two such programs:
  - The Government of South Australia's Home Battery Scheme – Plenti is the administrator of the Home Battery Scheme and is responsible for administering the delivery of $100 million of subsidy funds to households seeking to install an accredited battery system. Plenti also administers the delivery of up to $100 million funding provided by the CEFC to households requiring finance in addition to their subsidy to purchase and install a battery system; and
  - The NSW Government's Empowering Homes Program pilot – Plenti is the delivery partner for the Empowering Homes Program pilot. Plenti is responsible for delivering interest-free finance to eligible households in New South Wales installing accredited home battery and solar-battery systems.

In both the Government of South Australia's Home Battery Scheme and NSW Government's Empowering Homes Program pilot, Plenti holds broad delivery and administration responsibilities. This includes the provision of a technology platform to accredit eligible system providers and installers, and to accept and process subsidy and/or loan applications. In addition, Plenti is responsible for verifying that installed equipment qualifies for a subsidy and/or loan according to the rules of the program.

Plenti maintains dedicated business development, sales and support teams to service the third-party introducer channel. These teams seek to acquire and accredit new introducers to offer Plenti loan products. They also provide service and support to existing introducers and conduct sales and training activities to assist introducers to offer Plenti loan products to prospective borrowers.

Acquisition of borrowers via the third-party introducer channel is relatively profitable compared to other channels and achieves a high return on investment. This is due to the acquisition costs often being paid by the borrower (predominantly in the form of a brokerage fee payable to the broker by the borrower for services provided, capitalised to the borrower's loan principal). Plenti does not currently pay any trailing commissions to third parties, though it may pay other forms of commission.

3.4.4 Third-party introducer experience

Plenti provides accredited third-party introducers with tools and technology solutions to assist them with:

- Marketing Plenti loan products to potential customers;
- Testing borrower eligibility and evaluating potential interest rates and fees;
- Applying for a loan on behalf of a customer;
- Satisfying any conditions prior to unconditional loan approval and settlement; and
- Reporting on their activity with Plenti, such as the number of loan applications they have submitted in the past month.

These tools are accessed via the Plenti Partner Portal. Plenti aims to provide a seamless, digital-first experience for introducers that is as simple and efficient as customers accessing Plenti via direct channels.

The Plenti Partner Portal can facilitate applications for all of Plenti's loan products. Its access permissions and roles are customisable depending on the Plenti loan products an introducer is accredited to provide and the reporting visibility an introducer should have.

Plenti maintains a comprehensive suite of application programming interfaces (**APIs**). Introducers can integrate their own customer application journeys and customer relationship management (**CRM**) tools with the Venus technology platform. These APIs allow introducers to (among other things) retrieve indicative interest rates and fees from Venus and display these in the introducer's own software. Introducers can also accelerate loan applications by electronically submitting customer data already held in the introducer's CRM to Venus, avoiding 'double-entry' of application details.

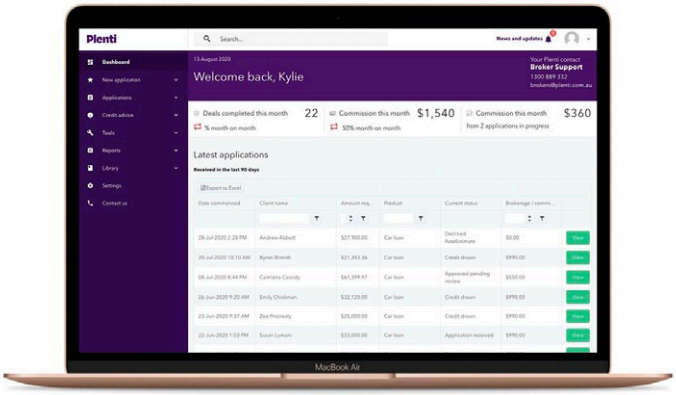
Figure 14 below illustrates selected functionality of the Plenti Partner Portal.

Figure 14: Plenti Partner Portal snapshot (illustrative only)

1

Dashboard

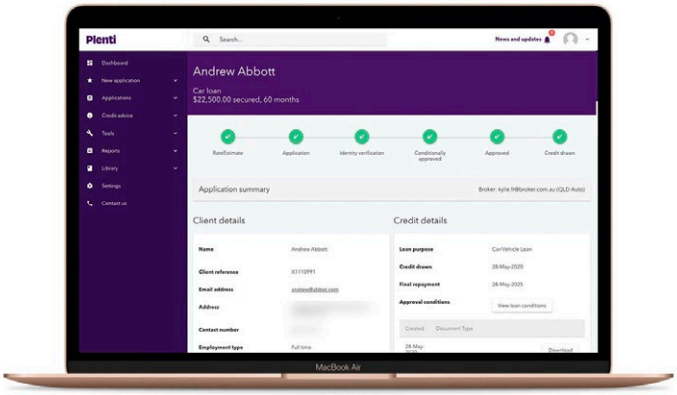
Overview of recent loan enquiries and applications, referral statistics and commission information



2

Loan application

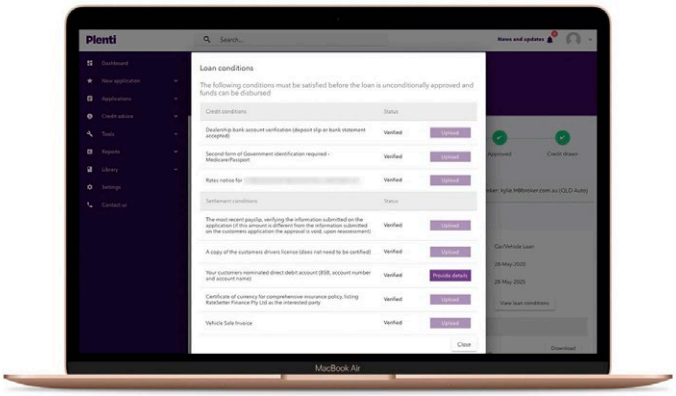
Introducers can submit loan applications directly via the portal, view details, and track the stage of the application all the way through to approval and settlement



3

Loan conditions and settlement

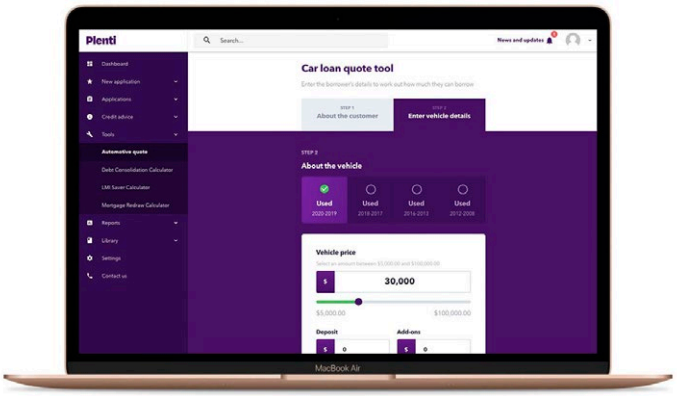
Introducers can clearly view all the settlement conditions for their customers' loan application and directly upload any additional documentation required



4

Helpful tools and calculators

Access to a number of tools and calculators to analyse different scenarios, helping third-party introducers assess whether a Plenti loan would be suitable for their customers



3.5 Funding

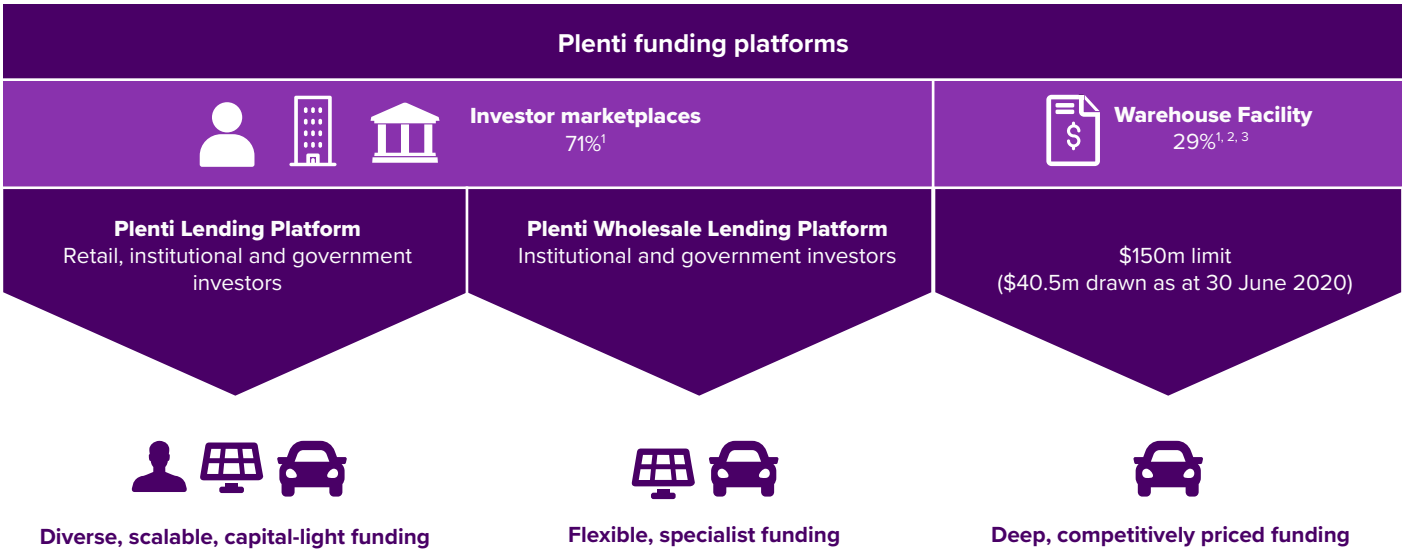
3.5.1 Overview

Plenti seeks to create resilience in its business model by building a diversity of funding sources.

Plenti commenced operations in 2014 with an innovative marketplace funding platform, the Plenti Lending Platform, which provides retail investors the ability to invest in consumer loans, an asset class that traditionally has been restricted to a relatively small number of larger financial institutions such as banks. To date, Plenti has delivered investors in the Plenti Lending Platform attractive returns with the protections of a registered managed investment scheme structure.

Since launch, Plenti has deliberately further diversified its funding sources and now funds loans from multiple funding platforms, as illustrated in the figure below. Plenti intends to continue developing each of its funding platforms such that the Company has access to flexible and scalable funding for future originations. Where possible, Plenti will over time seek to optimise the cost of capital of its funding platforms to deliver attractive margins.

Figure 15: Plenti funding by investor type



Notes:
1. As at 30 June 2020.
2. Shown on a fully drawn basis.
3. Increase in warehouse credit capacity approved by senior funder in early August.

Plenti operates two investor marketplaces, known as the Plenti Lending Platforms, through which investors can invest in consumer loans – the Plenti Lending Platform, and the Plenti Wholesale Lending Platform. Further, Plenti has in place a Warehouse Facility to fund secured automotive loans. These platforms are described in further detail below.

3.5.2 Plenti Lending Platform

The Plenti Lending Platform is a registered managed investment scheme open to all eligible investors (including retail, institutional and Government investors), facilitating investments from as little as $10 in personal and renewable energy loans. The Plenti Lending Platform aims to appeal to a broad range of retail investors, from millennials seeking a simple, stable alternative to equity investments, to self-managed super funds and retirees looking for strong, stable returns over the longer term. Investors invest by selecting an indicative term (ranging from one month to seven years) and selecting a desired rate of return (up to a maximum rate set by Plenti). Investors do not select the borrowers or the loans to which their funds are matched; rather, investor funds are matched to borrower loans in order based on rate selected, with lower investor rates matched in preference to higher investor rates.

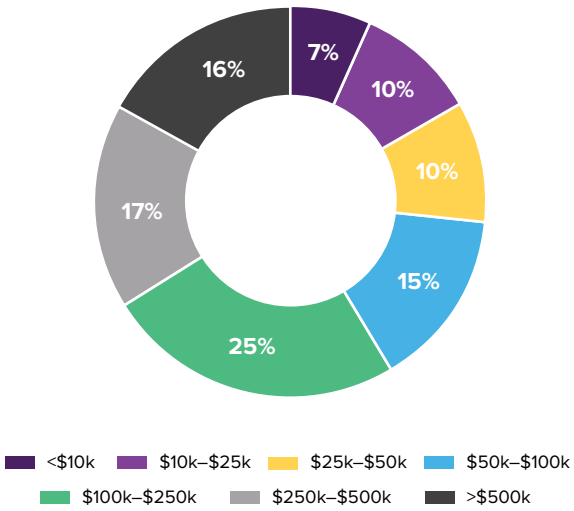
Investors in the Plenti Lending Platform may benefit from Provision Fund protection. The Provision Fund comprises cash held on trust for the benefit of investors and is designed to protect investors from loss in the event a borrower misses a payment or defaults. The Provision Fund has helped ensure that to date 100% of capital and interest has been paid to Plenti Lending Platform investors. Further information on the Plenti Lending Platform is available on Plenti's website and the Product Disclosure Statement for the scheme, which is available on Plenti's website.

The types of investors who invest via the Plenti Lending Platform are described in further detail below:

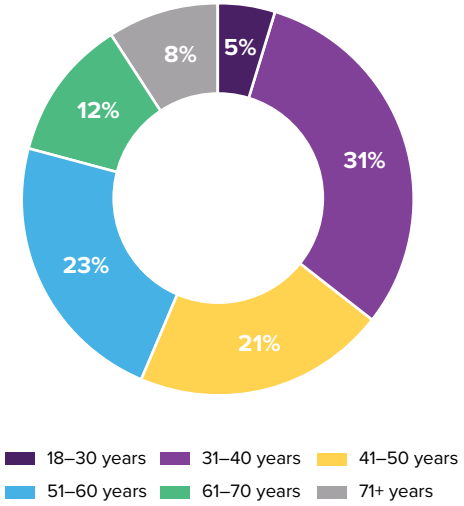
- **Retail investors** – retail investors comprise those investors who are not professional, institutional or Government investors. The Plenti Lending Platform has approximately 22,000 Registered Investors. There are approximately 10,000 retail investors with funds currently invested as at the Prospectus Date. The number of retail investors registered to invest via the Plenti Lending Platform has grown consistently since Plenti's launch. The average size of an investor portfolio in the Plenti Lending Platform was $30,400 as at 31 July 2020;

Figure 16: Retail investor profile

Distribution of investment balances (by value of investment) as at 31 July 2020



Distribution of number of active investors (by age group) as at 31 July 2020



- **Institutional investors** – the Plenti Lending Platform has attracted a range of institutional investors, including ADIs, fixed income funds and a superannuation fund. Institutional investors in the Plenti Lending Platform are typically seeking to invest in personal loans and/or renewable energy loans; and
- **Government investors** – in 2017, Plenti partnered with the Clean Energy Finance Corporation (**CEFC**) to establish an open and accessible renewable energy-specific investment marketplace, which the CEFC supported with an initial $20 million investment, which has subsequently been increased to a funding limit of $40 million. Additionally, the CEFC has committed up to $100 million funding commitment to provide funding as required for a lending market created specifically for the Home Battery Scheme in South Australia, for which Plenti is the scheme administrator.

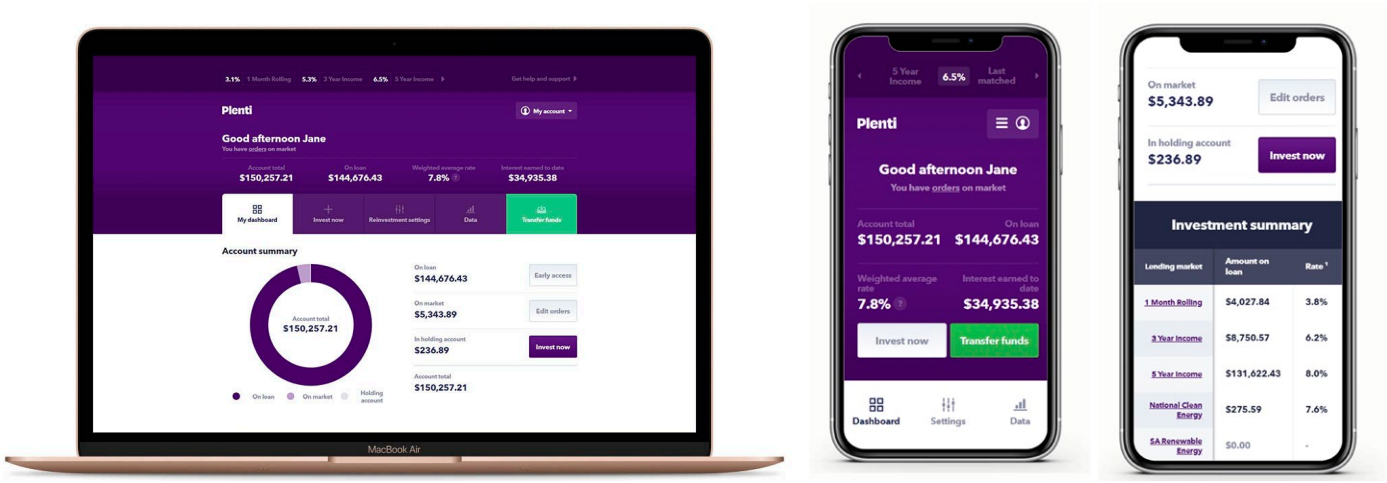
3.5.2.1 User experience

Plenti's Venus technology platform features an intuitive online portal from which Plenti Lending Platform investors may access their Plenti account and manage their investment portfolio, including:

- Transferring funds into the Plenti Lending Platform;
- Reviewing platform data, including interest rates and credit performance information;
- Creating lending orders (specifying a desired indicative term and interest rate);
- Reporting on an investor's account transactions;
- Requesting an early access transfer (where available, allowing an investor to access some or all of their investment prior to the end of the indicative term); and
- Withdrawing funds from the Plenti Lending Platform to their bank account.

The below figures illustrate the design and user experience of the Plenti Lending Platform investor portal.

Figure 17: Plenti Lending Platform investor portal



Plenti is currently developing a mobile app for Android and iOS devices to provide investors easier and faster access to their Plenti accounts, expected to launch prior to the end of 2020.

3.5.2.2 The Provision Fund

The Provision Fund is an important feature of the Plenti Lending Platform. The Provision Fund comprises cash held on trust for the benefit of investors, and is designed to protect investors from loss in the event a borrower misses a payment or defaults.

The Provision Fund is funded by contributions from borrowers. When a borrower applies for a loan that will be funded from the Plenti Lending Platform, Plenti employs its proprietary credit risk models to estimate the probability that a borrower will default on their loan, and the credit loss in the event they do default. The borrower is charged a corresponding amount either as an upfront fee (which is capitalised to their loan) or as part of their interest rate, and these amounts are paid to the Provision Fund.

The Provision Fund is held by an external trustee in accordance with the Provision Fund Trust Deed. Plenti may make a claim to the Provision Fund on behalf of an investor in the event of a borrower late payment or default, however the Provision Fund is not a guarantee nor an insurance product. Further information on the Provision Fund is available in the Product Disclosure Statement (**PDS**) for the Plenti Lending Platform available on Plenti's website.

The Provision Fund has ensured that investors on the Plenti Lending Platform have received consistent returns on their investment, protecting them from borrower late payments and defaults. Plenti seeks to manage the Provision Fund so that it maintains a sufficient buffer against expected defaults on a through-the-cycle basis. Plenti believes the strength of the model has been evidenced through the COVID-19 period up to the Prospectus Date, with the fund continuing to maintain a sufficient buffer against higher than expected credit losses resulting from the pandemic, which Plenti believes has reinforced the strength and appeal of the Provision Fund model and the underlying consumer loan asset class to investors.

3.5.3 Plenti Wholesale Lending Platform

The Plenti Wholesale Lending Platform is a flexible funding platform for originating and servicing loans, providing institutional investors with access to multiple loan verticals. The Plenti Wholesale Lending Platform is an unregistered managed investment scheme available only to institutional investors (including banks). Plenti has bilateral investment mandate agreements in place with investors on this platform with respect to the types of loans which can be funded, returns and other criteria. Investors have direct exposure to the performance of their loans and any associated late payments and defaults.

The Plenti Wholesale Lending Platform currently facilitates investment by:

- **Institutional investors** – institutional investors in the Plenti Wholesale Lending Platform are typically investing in secured automotive loans; and
- **Government investors** – through the Plenti Wholesale Lending Platform, the CEFC invests in loans originated via the NSW Empowering Homes pilot program.

Institutional and government investors may invest through the Plenti Lending Platform or the Plenti Wholesale Lending Platform, and some invest through both platforms.

3.5.4 Warehouse Facility

In December 2019, Plenti established the Warehouse Facility, a warehouse funding trust. The purpose of this facility is to fund secured automotive loans and help provide Plenti with the flexibility and funding scale to reach its medium-term ambitions in automotive finance. Senior funding for the facility is provided by one of the Major Banks, a large domestic institutional investor and an international bank fund the mezzanine classes. As at 10 July 2020, Plenti has a minimum equity position of 5.0% of the total Warehouse Facility, as well as subscribing for some smaller, junior notes.

The Warehouse Facility had an initial facility size of $50 million. In July 2020, the senior funding commitment was increased to $70 million, increasing the overall Warehouse Facility to $100 million. In August 2020, the senior funding commitment was increased to $105 million, increasing the overall warehouse facility to $150 million. The Warehouse Facility is $61.5 million drawn as at 10 August 2020.

The Warehouse Facility allows Plenti to fund loans secured on a wide variety of both new and used automotive assets, including cars, SUVs, vans, light trucks, caravans and trailers across a range of borrower credit profiles.

3.6 Loan economics

Plenti primarily generates revenue from customers by charging interest and fees for the provision of credit products and related services. The key direct costs incurred for the provision of these services include customer acquisition costs, funding costs, credit losses and other operational costs associated with processing and managing loans.

Total revenue	
Interest income	Relates to contracted interest and fees (including upfront fees) from loans
Attributable costs	
Acquisition costs	Relates to the direct and indirect sales and marketing costs associated with acquiring customers, such as marketing spend for direct and digital channels, commissions paid to third-party introducers and salaries for marketing and third-party introducer sales teams
Funding costs	Relates to the interest costs paid to investors on the Plenti Lending Platforms and the Warehouse Facility to fund loans
Loan impairment	Relates to the lifetime net credit losses on loan receivables expected at time of origination
Other	Relates to other variable costs associated with originating and managing a loan such as credit checks and direct debits

Figure 18 below depicts, for each of Plenti's three core loan products:

- The cost of borrower acquisition for the loan; and
- The net lifetime marginal contribution to Plenti (post attributable costs) for the loan.

In respect of the net lifetime marginal contribution, attributable costs include customer acquisition costs except those relating to sales team salary costs (as these do not vary for a marginal loan).

Figure 18: Loan unit economics

Notes:

1. Acquisition costs reflect upfront costs directly related to new originations. This includes direct advertising spend (for direct and digital channels), transaction costs (commissions paid to third-party introducers) and sales team salary costs.
2. Lifetime contribution reflects expected lifetime loan revenue (adjusted for early repayments) less lifetime funding costs, expected lifetime loan impairment expense, upfront acquisition costs and upfront credit scoring costs.
3. Sensitivity reflects the uplift in lifetime loan contribution assuming a 1% decrease in funding costs over the expected life of the loan.

Of Plenti's three core products, automotive loans have the highest average lifetime marginal loan contribution of approximately $2,500 predominantly due to automotive loans having larger average amounts and longer terms. Automotive loans are shown on a Q1 FY2021 (April to June 2020) basis to reflect loan economics post the introduction of the Warehouse Facility. Renewable energy loans have the lowest loan lifetime contribution at approximately $800 per loan due to a lower average loan size but are cashflow positive from origination date. Personal loans are originated from both direct and third-party channels and average approximately $1,000 in lifetime contribution per loan. Personal loans originated from third-party channels have a higher lifetime marginal loan contribution value due to a greater average loan size.

As Plenti grows, the Company expects it will be able to improve its acquisition costs and marginal loan contribution by further leveraging its sales teams and reducing funding costs for its personal lending and renewables products.

Further financial information for Plenti is set out in Section 4, including details of income and expenses not directly attributable to loan origination.

3.7 Credit and risk management

3.7.1 Approach to credit risk management

Plenti believes it has taken a considered and prudent approach to attracting and approving creditworthy borrowers since its launch in November 2014. Plenti's objective has been to test and incrementally expand its credit risk appetite as it scales its credit operations, data and collections capabilities, whilst also increasingly scaling its lending activities in lending verticals with relatively strong credit characteristics such as renewable energy (typically homeowners) and automotive (typically secured over a vehicle) lending. Plenti's credit risk management framework comprises:

- Credit risk policies;
- Credit policy rules;
- Responsible lending guidelines;
- The RAPID Credit Engine; and
- Credit pricing scorecards and models.

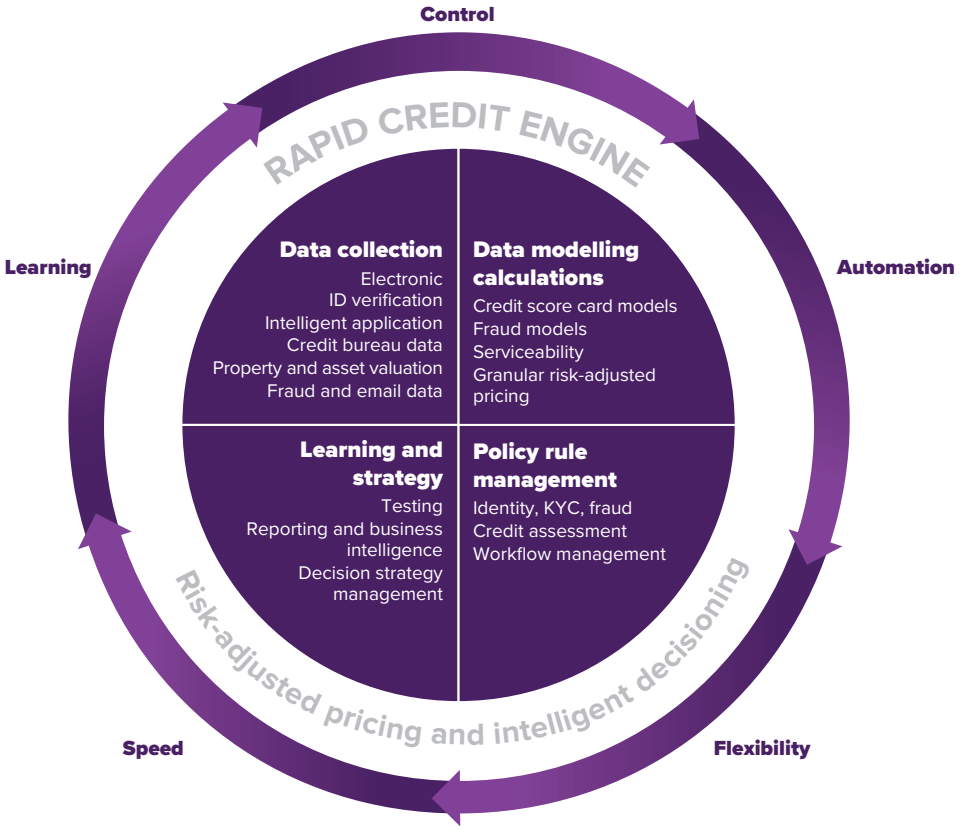
Plenti's credit risk framework is overseen by the Board, with certain responsibilities delegated to the Credit Risk Committee (currently comprising the CEO, CCO, COO and the Chief Risk Officer.) The Credit Risk Committee meets monthly to review credit performance and the operation of credit risk policies and rules, and is responsible, along with the risk and analytics team, for updating and maintaining the credit policy, associated policy rules and maintaining accurate and optimised pricing models.

3.7.2 RAPID credit decision engine

Plenti has developed its own purpose-built Risk-Adjusted Pricing and Intelligent Decisioning (**RAPID**) Credit Engine, within its Venus technology platform. RAPID seeks to automate the application of Plenti's credit risk policies and rules to loan applications received, and provides a user-friendly and auditable environment in which Plenti's credit analysts can operate.

In addition to assisting the efficient decisioning of credit applications in accordance with Plenti's credit policies and rules, RAPID also allows Plenti to iterate on policy and pricing settings in response to market developments and opportunities, whilst maintaining compliance with applicable regulatory requirements. The RAPID Credit Engine provides a scalable, streamlined and efficient technology platform for loan decisioning as Plenti scales lending volumes.

Figure 19: RAPID Credit Engine decisioning functionalities



RAPID's four key capabilities (illustrated in the figure above) are:

- **Data collection and verification** – in addition to data collected from a loan application, RAPID consumes hundreds of data points for each loan application from API connections to a number of trusted third-party sources including credit bureau information, bank statements, government and private identity databases, property and asset valuation sources and fraud databases. In accordance with its credit risk appetite and regulatory obligations, RAPID seeks to verify loan application details with reference to these third-party sources;
- **Data modelling calculations** – loan application and third-party sourced data is processed through Plenti's proprietary credit scoring, pricing, serviceability and fraud models. These credit scoring and pricing models leverage proprietary credit data, including Plenti's experience from funding over 55,000 loans as at the Prospectus Date. Where deemed necessary, this data is supplemented by third-party consultant reviews;
- **Policy rule management** – credit policy rules are coded into rulesets that are evaluated by RAPID. Rulesets may differ depending on (among other things) the loan product being applied for, or Plenti's assessment of the risk profile of the borrower. Rules are automatically evaluated with reference to application and other data and are presented to credit analysts in a 'traffic light' interface, focusing analyst attention on rules requiring manual scrutiny; and
- **Learning and strategy** – decisioning and credit performance data can be aggregated and exposed to the risk team for analysis, creating a continual feedback loop for optimising pricing, policy and other risk management settings.

RAPID automates the majority of the assessments and workflows required to decision a loan. This aims to make credit analysts more efficient by focusing their attention on decisions with higher risk consequences. Depending on the loan application, loan decisions may be communicated within minutes of the loan application being submitted.

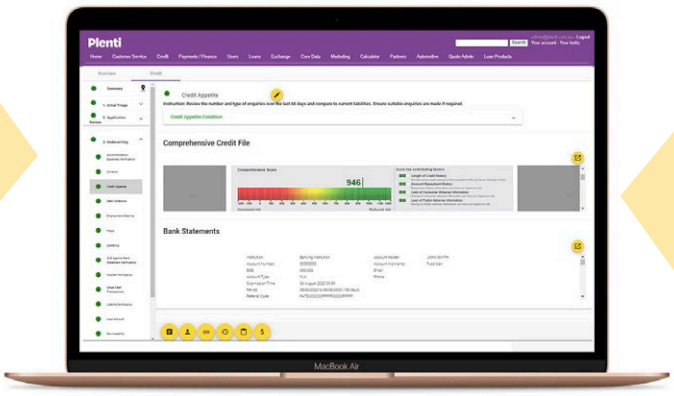
Since RAPID was deployed in 2018, Plenti has observed a significant increase in loan decisioning efficiency, increasing its credit assessment team's decisioning capacity per employee by approximately 70%.

Plenti anticipates that as additional data is made available through the Comprehensive Credit Reporting regime and Open Banking, its ability to improve decisioning efficiency will be further improved.

Figure 20: Plenti's credit assessment portal

Workflows and policy management

Credit workflows and policies are coded directly into the engine, which performs a number of functions from initial assessment, risk-pricing, application decisioning and settlement

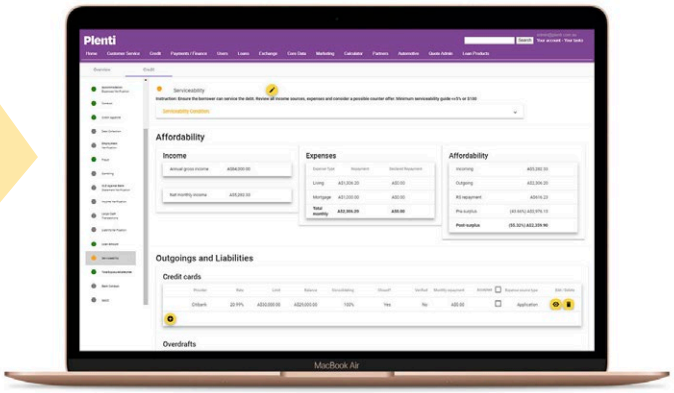


Integration with trusted third-party data

API connections to credit bureau information, bank statements, government and private identity databases, property and asset valuation sources and fraud database

User-friendly traffic light system

Rules are passed where sufficient data is available, with traffic light system focusing credit analysts on items requiring manual review



3.7.3 Credit process management

Every loan application received by Plenti undergoes a comprehensive credit decisioning process. Plenti's credit decisioning process is supported by the RAPID Credit Engine, supplemented by manual credit analyst intervention as required. Assessment effort is typically scaled according to the underlying profile of an application.

A key differentiator of Plenti's process compared to many traditional lenders in the Australian market is the 'One-minute eligibility' step. This provides many Plenti loan applicants with an indicative estimate of their personalised loan interest rates and fees without negatively impacting the applicant's credit score. This process allows Plenti to undertake an initial filter of loan applicants without having to invest significantly in third-party data or loan credit assessment time.

The figure below outlines the main steps and workflows associated with Plenti's credit assessment process.

Figure 21: Plenti's credit assessment process

One-minute eligibility	Full application	Risk-scoring and decisioning	Settlement
• Basic customer information collected • Initial credit risk-scoring and risk assessment applied, with no impact to customer's bureau credit score • If applicant meets credit appetite, indicative risk-pricing and eligibility is communicated • Applicants outside of credit appetite may be referred to other lenders	• Submission of application online by customer or third-party introducer • Information on customer's employment, income, expenses, liabilities and loan purpose collected • Online identity verification, bank statements and income verification documents collected	• Comprehensive credit file retrieved from bureau – score, repayment history and liability information extracted • Credit policy rules automatically applied and confirmed • Assessment against internal and external fraud databases • Income, employment and serviceability checks completed	• Approved loan offer electronically sent to customer • Final verification of any settlement conditions • Digital settlement process with online contract acceptance • Funds disbursed directly to customer or vendor (eg automotive dealer, renewable energy installer)
Initial screening for eligibility and indicative risk-pricing	**Collection of all details required for application decisioning and pricing**	**Core application decisioning, final risk-pricing and servicing checks completed**	**Fast electronic settlement and disbursement of funds**

3.7.4 Loan book and credit outcomes

Plenti maintains a diversified loan book with strong underlying borrower characteristics, focused on the prime borrower segment, which is typically characterised as borrowers with credit scores above 500 and a clear credit history. The average Plenti borrower is 42 years old, has a credit score of 769, owns their own home and earns above average income. The charts below outline Plenti's borrower and portfolio composition as at 31 July 2020.

Figure 22: Plenti's borrower profiles

Average borrower[4]

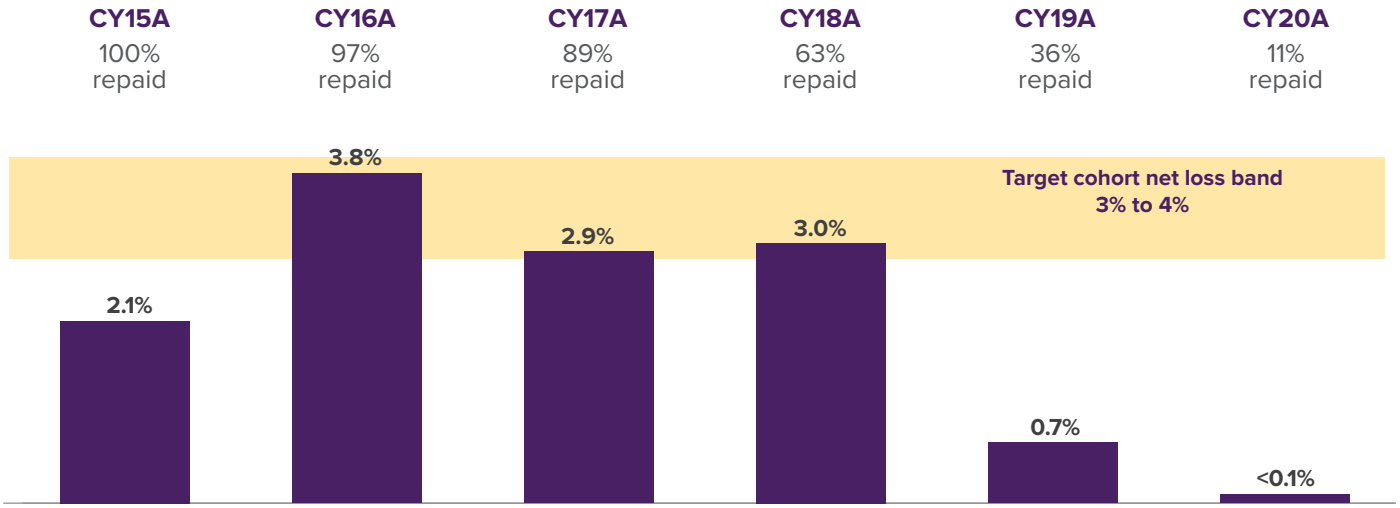
Credit Score	Age	Income	Living situation
769	42 years	~$97k	Homeowner

One of the indicators Plenti uses to assess loan book performance is the static loss rate, particularly for seasoned cohorts. A cohort is considered seasoned where there is a high degree of confidence that the majority of losses for that cohort have been incurred. Static loss rates are a measure of the principal not ultimately recovered on a given cohort, divided by the cohort's loan principal originated. Plenti tracks actual static losses per cohort at time of origination, allowing Plenti to test and learn from its pricing models. Given the average loan term at time of origination is approximately five years, in Plenti's experience it takes on average approximately three years for a cohort to become seasoned.

4 Based on $ value of loan book outstanding as at 31 July 2020.

As illustrated in Figure 23 below, Plenti's early cohorts (2015-2017) are considered seasoned with the 2015 and 2017 cohorts performing within target levels. The 2018-2020 cohorts are not yet seasoned, but are performing broadly in line with expectations.

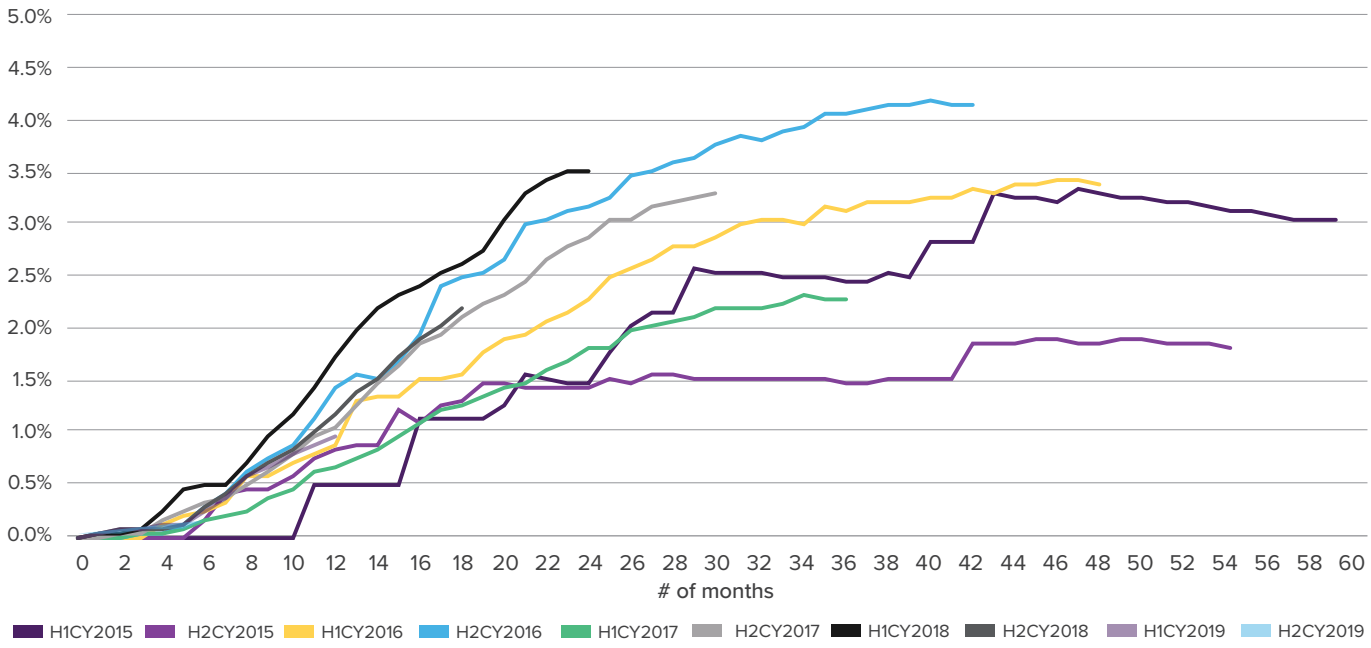
Figure 23: Cumulative static loss rate by annual cohort (net of recoveries) as at 31 July 2020



Note: Excludes lending to PurpleBricks customers (a commercial partner) and franchise business owners which are discontinued segments.

Figure 24 below illustrates Plenti's cumulative static loss rate over time for each semi-annual cohort. This is shown as a static pool to illustrate how each cohort has performed and the rate at which credit losses are experienced over time.

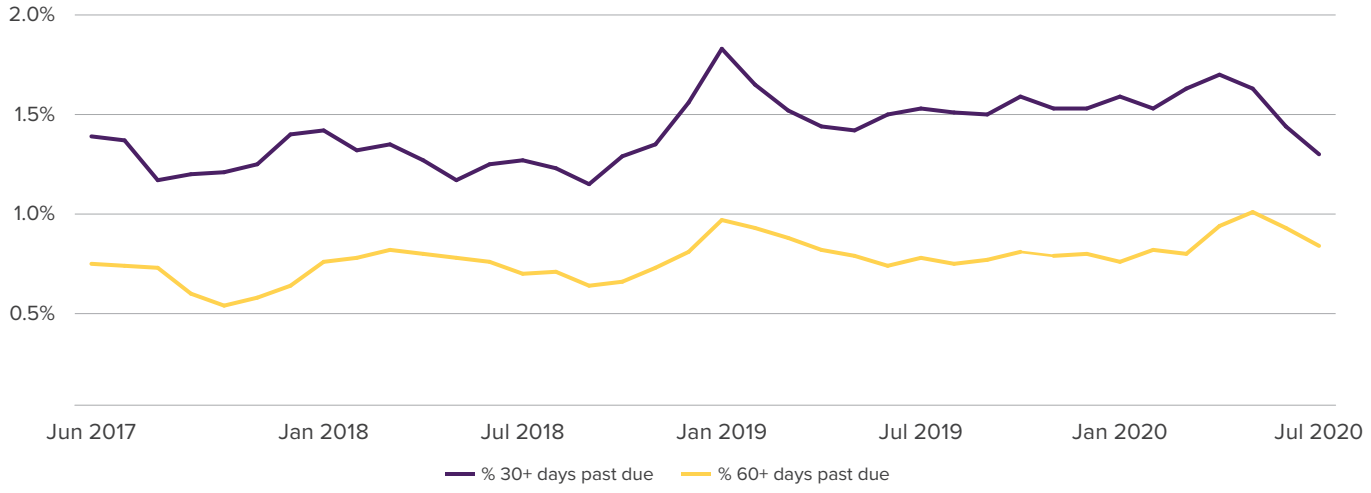
Figure 24: Cumulative static loss rate by semi-annual cohort (net of recoveries, calendar year) as at 31 July 2020



Plenti also monitors more contemporaneous measures including delinquency, roll rates and other loss leading indicators to assess the performance and health of the portfolio. The key indicators of early loss performance include the 30+ days past due and 60+ days past due metrics.

Figure 25 below illustrates the 30+ days past due and 60+ days past due metric on a monthly basis over the past three years. The past due levels have remained reasonably consistent in 2020.

Figure 25: 30+ and 60+ days past due



3.7.4.1 Credit outcomes during COVID-19

Plenti's credit performance through the current COVID-19 pandemic to date has remained strong, and the Company's loan deferral rates across its portfolio have been relatively low compared to many other consumer lenders.

Refer to Section 3.8 for further information on Plenti's operational response to the current COVID-19 pandemic, and an overview of credit outcomes during this period.

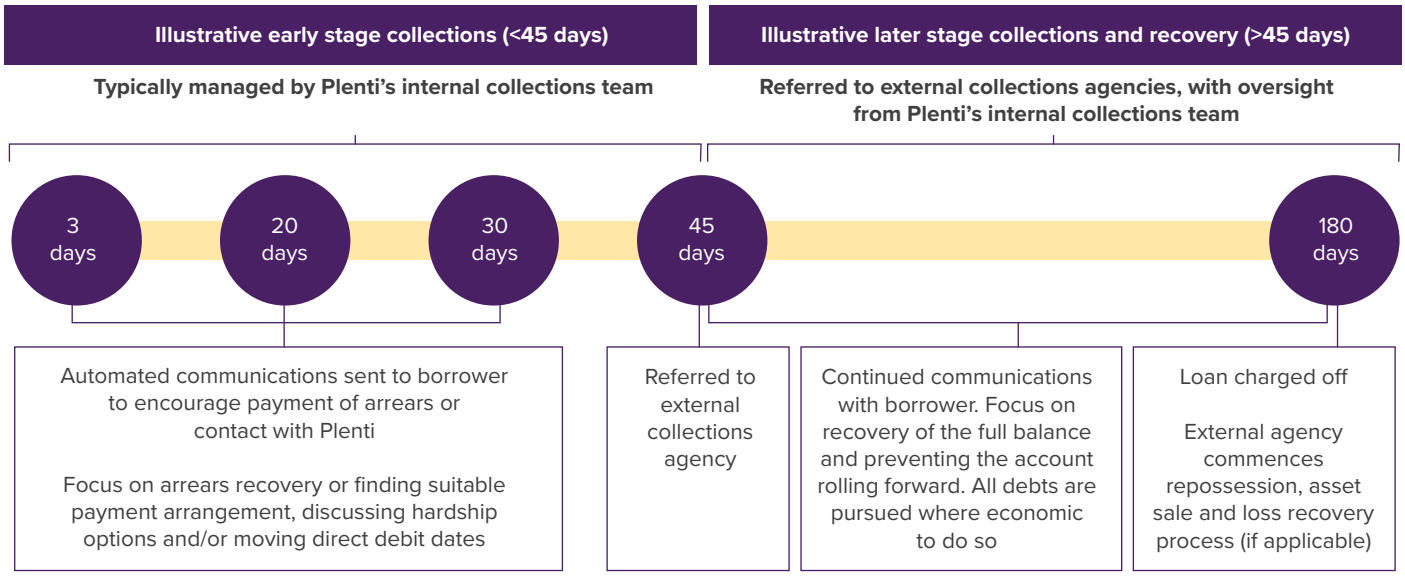
Plenti notes the ongoing uncertainty and rapidly evolving nature and impact of the COVID-19 pandemic, including on the consumer lending industry and economic conditions generally. There is no guarantee that Plenti's credit performance during the current COVID-19 pandemic to date will continue. Refer to Sections 5.2.1 and 5.3.2 for further information on the risks relating to the COVID-19 pandemic.

3.7.5 Arrears management and hardship management

Plenti believes that conducting timely, effective collections is key to minimising net loss rates. Plenti takes a proactive approach to managing borrowers who are in arrears or experiencing financial hardship (for example, due to a change in employment circumstances). Plenti's collections team manages various stages of delinquency, with the aim of working with borrowers to understand their financial situation and getting them back on track with their loan repayments.

Plenti's arrears management process uses technology and automation to send notifications and payment reminders via SMS text message, email and/or post, complemented by manual intervention for cases requiring human contact. Collections activities are performed or coordinated by Plenti's collections team. Typically, early stage collections (up to 45 days) are conducted internally and external collection agencies are used for later stage (>45 days) collections, onsite visits, repossessions, and asset sales.

Figure 26: Plenti's debt collection process



3.7.6 Portfolio monitoring

Venus, Plenti's technology platform, exposes loan performance data to specialist business intelligence and portfolio monitoring tools. This enables the Credit Risk Committee to monitor (among other things) originations and loss performance through:

- Analysis of the characteristics of applicants, borrowers and loans to monitor loan acquisition quality;
- Analysis and reporting of arrears, losses and recoveries; and
- Analysis and reporting on attempted and successful fraud.

By monitoring and analysing acquisition quality and loss/recovery performance, Plenti also seeks to identify opportunities for policy or pricing adjustment.

3.7.7 Approach to risk management

Plenti's business operations are guided by a risk management framework comprising the four pillars outlined in Figure 27 below.

The risk management framework seeks to identify and manage the risks encountered in Plenti's activities.

For each pillar detailed below Plenti has implemented one or more policies, operating procedures and/or technology rules to ensure that Plenti maintains an appropriate approach to risk, and that its business operations are conducted in accordance with its risk management framework.

Figure 27: Plenti's risk management framework

Source of risk	Description	Plenti's approach to risk management
Credit risk	Risk of loss encountered in the origination and servicing of loans, including through (among other things) fraud risk, misstatement of application details by applicants and change in borrower employment status.	Plenti has an established credit risk management framework, including documented credit risk appetites and policies, risk pricing and decisioning scorecards, established credit and collections procedures, comprehensive credit analytics and portfolio monitoring and product change management processes. Plenti's credit risk management is supported by the RAPID Credit Engine, to ensure consistent and efficient application of credit risk policies. Credit risk related to vendors or partners is mitigated through comprehensive due diligence and on-boarding training processes and ongoing monitoring of vendors including relating to financial health, compliance and customer outcomes.
Compliance risk	Risk of loss encountered in the conduct of Plenti's operations arising from a breach of relevant contracts, laws, regulations or other obligations.	Plenti has a comprehensive program to identify and monitor compliance with relevant legal and regulatory obligations, including, amongst others, the regulatory obligations under the legislation outlined in Section 2.7. The Board of Plenti RE has established an independent Compliance Committee which oversees and monitors compliance with Plenti's Compliance Plan. The Compliance Committee meets at least quarterly. Compliance management processes apply also to obligations under third-party agreements, including those in relation to State government renewable energy programs. As required by law, Plenti RE is a member of AFCA which provides an external dispute resolution service for the resolution of customer complaints and disputes. Plenti undergoes comprehensive annual audits, including an audit of each of its managed investments schemes, and an audit of its compliance with its obligations under its AFSL and Compliance Plan.
Technology risk	Risk of loss arising from use of technology, including the ability for technology to disrupt Plenti's business operations through (among other things) software or hardware issues, security incidents, natural disasters or human error.	Plenti is committed to best practices in information, application, infrastructure, and network security, and maintains a comprehensive technology risk framework. Plenti utilises monitoring tools, security practice education and external security assessments as preventative measures to help prevent its platform, customer and financial data being exposed to or accessed by unauthorised persons. To audit the effectiveness of security practices, Plenti commissions regular external reviews such as penetration tests.
Operational risk	Risk of loss encountered in the conduct of Plenti's operations, through (among other things) human error, insufficient or incorrect training, and inefficient or inaccurate operational processes.	Operational risk relating to the operation of its funding platforms and loan operations is managed by, amongst other things, clearly documented operational processes and protocols, comprehensive training programs, established operational monitoring and QA processes and continual operational efficiency and improvement projects. Vendor risk is managed through diversification and redundancy. Finance operations risks are managed through comprehensive policies and controls including, amongst other things, transaction delegation limits, dual-signatory requirements for fund transfers, daily fund reconciliations and audit and review processes.

3.8 Operational response to COVID-19

Plenti has responded (and continues to respond) rapidly to the changes in the economic environment caused by the COVID-19 pandemic. During this period Plenti believes it has shown strong resilience across its operations, credit performance, and loan origination performance.

The key operational actions taken by Plenti during the second half of the critical months of March to May 2020 are set out in Figure 28 below.

Figure 28: Response to COVID-19

Change in credit risk appetite and loan risk pricing	• Credit criteria for new loan applications was amended to reflect reduced certainty in relation to applicant creditworthiness • Additional credit criteria were applied to loan applications from selected at high-risk segments of the population, including those who work in hospitality or tourism • Loan pricing for certain applicant segments was increased to allow for potentially higher credit losses over time
Implementation of business continuity plans	• Plenti's business continuity plan, including working from home arrangements, was implemented with limited impacts on customers and introducers • Staff commenced working from home, as facilitated by Plenti's cloud-based platform • Certain processing functions were transitioned onshore from offshore, to ensure service levels were maintained • Information security arrangements were reviewed to help ensure continued protection of customer and partner data
Investment and cost reduction initiatives	• Investment in digital channels was substantially reduced • Cost control measures were implemented across the business, including in relation to employee and real estate costs
Increased communications	• A program for communicating regularly with investors was implemented across a broad range of stakeholders • Investors on the Plenti Lending Platform were provided with regular updates on credit performance outlook via emails, blog posts and webcasts • Warehouse funders were provided updates on credit performance • The Board met regularly, including a period where meetings were held on a weekly basis

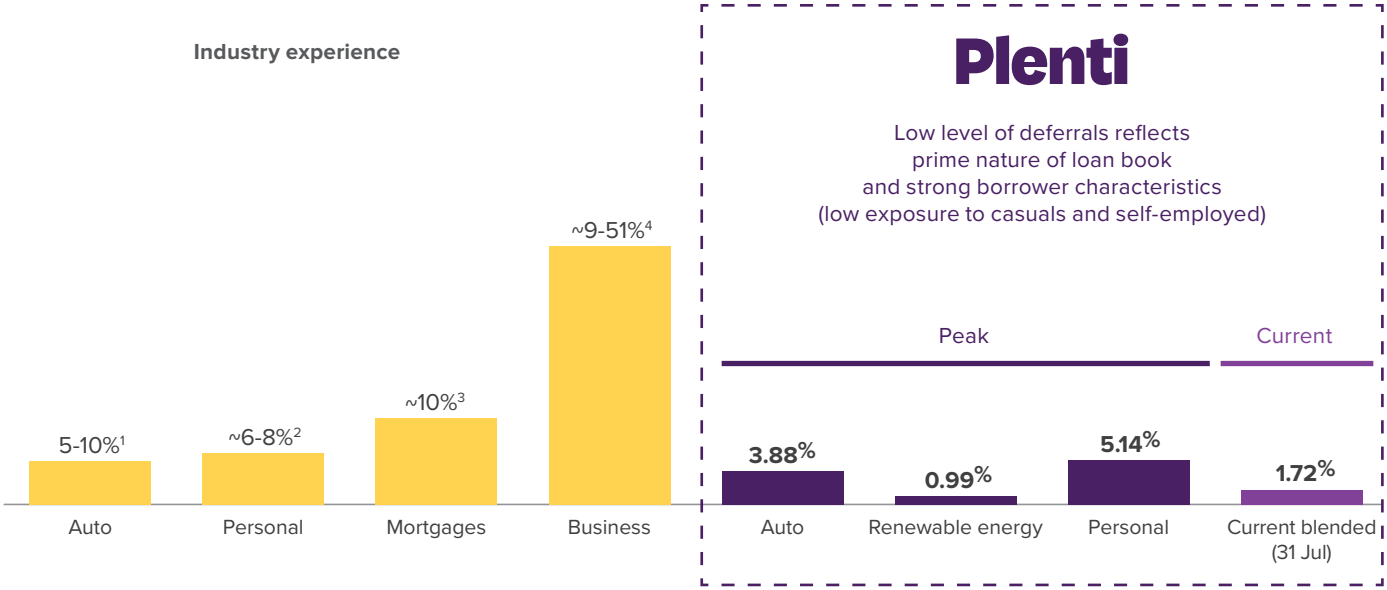
3.8.1 Credit performance

To date, Plenti's credit performance through the COVID-19 pandemic has remained strong. Plenti believes that this is partially attributable to the efficacy of its credit risk framework and the prime nature of its loan book. Over the March 2020 to July 2020 period, Plenti experienced borrower arrears at similar levels to prior years. Repayments by borrowers in late stage collections were similar to those prior to the onset of COVID-19.

Additionally, the number of borrowers who entered into financial hardship or loan deferral arrangements, which Plenti believes is a forward-looking indicator as to future credit performance, was materially below many other consumer lenders. This reached 4.17% of outstanding balances in the month of May 2020 and reduced to 1.72% of outstanding balances in the month of July 2020. Plenti experienced peak loan deferrals of 3.88% in automotive lending, 0.99% in renewable lending and 5.14% in personal lending in May 2020.

Of those borrowers who reached the end of their financial hardship arrangements, 82% have recommenced making their scheduled loan repayments or have paid off their loan.

Figure 29: COVID-19 loan deferrals as a percentage of loan balance outstanding



Notes:

1. Fitch Auto ABS index – Australia: The Dinkum ABS Index1Q20.
2. Feedback from participation in industry forums and Wisr loan deferrals announced to market.
3. Australian Banking Association COVID-19 Banking Statistics, APRA Monthly Authorised Deposit-taking Institution Statistics.
4. Range reflects Westpac, ANZ and Prospa loan deferrals as announced to market.

Throughout the COVID-19 pandemic to date, Plenti has actively monitored incoming loan applications and made changes to its credit appetite and credit assessment criteria in response to the uncertain economic environment.

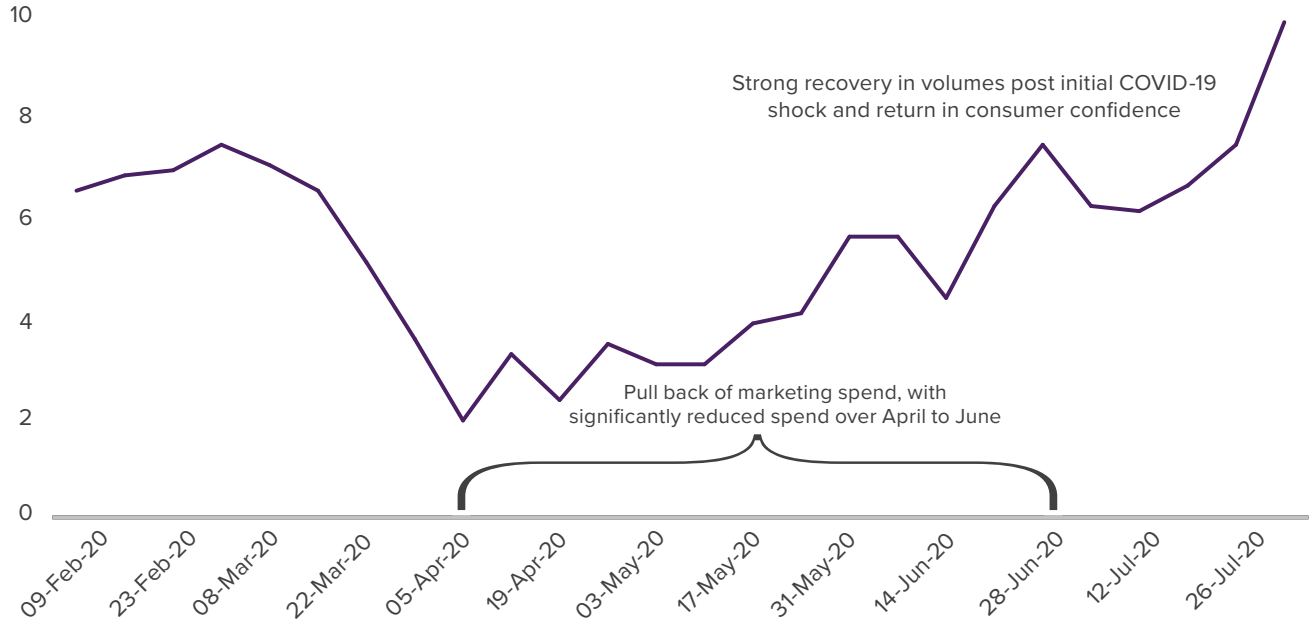
Plenti notes the ongoing uncertainty and rapidly evolving nature and impact of the COVID-19 pandemic, including on the consumer lending industry and economic conditions generally. There is no guarantee that Plenti's relatively strong credit performance during the current COVID-19 pandemic to date will continue. Refer to Sections 5.2.1 and 5.3.2 for further information on the risks relating to the COVID-19 pandemic.

3.8.2 Loan originations during COVID-19

Plenti's monthly originations initially declined at the onset of the COVID-19 period, partly due to reduced system demand for automotive and personal loans, and additionally due to the tightening of Plenti's credit criteria and the Plenti's reduced marketing spend. Renewable energy lending originations continued to grow, with record originations reached in April 2020.

The aggregate value of weekly loan originations started to recover from the second half of April 2020, with growth sustained thereafter. The total value of loan originations in July set a new record for Plenti, with especially strong originations in the Company's automotive lending.

Figure 30: Weekly loan originations during COVID-19 ($m)



3.9 Venus technology platform

3.9.1 Overview

Plenti's customer experience and operations are facilitated by its proprietary technology platform, Venus. Venus has been designed and built by Plenti with the aim of:

- Facilitating simple and rapid loan application experiences for borrowers;
- Efficiently processing and decisioning loan applications;
- Facilitating API integrations with commercial partners and introducers;
- Rapidly processing payments to and from borrowers and investors;
- Capturing customer and loan data, and using this data to improve credit decisioning and loan pricing;
- Allowing for rapid ongoing feature improvement; and
- Storing customer data securely and compliantly.

Plenti believes that Venus represents a significant and valuable point-of-difference in a market where many traditional finance businesses such as banks may be more limited in making technology changes by legacy systems. These systems in some cases cannot deliver the simplicity, product flexibility or customer experience increasingly desired by many borrowers.

Unlike many lenders who utilise technology platforms provided by third-party technology vendors, Plenti owns and continues to improve Venus via its onshore and offshore technology teams. Plenti believes ownership of its core technology platform – and its adherence to an agile development methodology – provides important strategic benefits, including most notably that Plenti can more efficiently and effectively develop new products and features to differentiate its products from competitors.

Venus has a rich feature-set to administer the credit lifecycle, from processing applications, decisioning and funding, to ongoing loan management, collections and business intelligence. Further, Venus offers a suite of API services, allowing for flexible integrations with third parties such as third-party loan introducers. Plenti's credit decision engine RAPID, which assists with efficient, compliant credit decisions and settlements, is a core component of Venus.

Venus is built on modern cloud-based technologies to support ongoing scalability and security, and is modular in nature to provide Plenti's technology team the ability to develop, test and deploy individual components of functionality without disrupting the operation of the broader platform. Venus consumes data from multiple sources (including third parties like credit bureaus, financial institutions, car and property valuation sources and federal government identity sources) and, through the RAPID Credit Engine, is able to utilise this data to accelerate credit decisions.

To develop and support Venus, Plenti employs a capable technology team of engineers and product managers. The Company has a strong technology culture, with technology and product roles comprising approximately 20% of overall headcount.

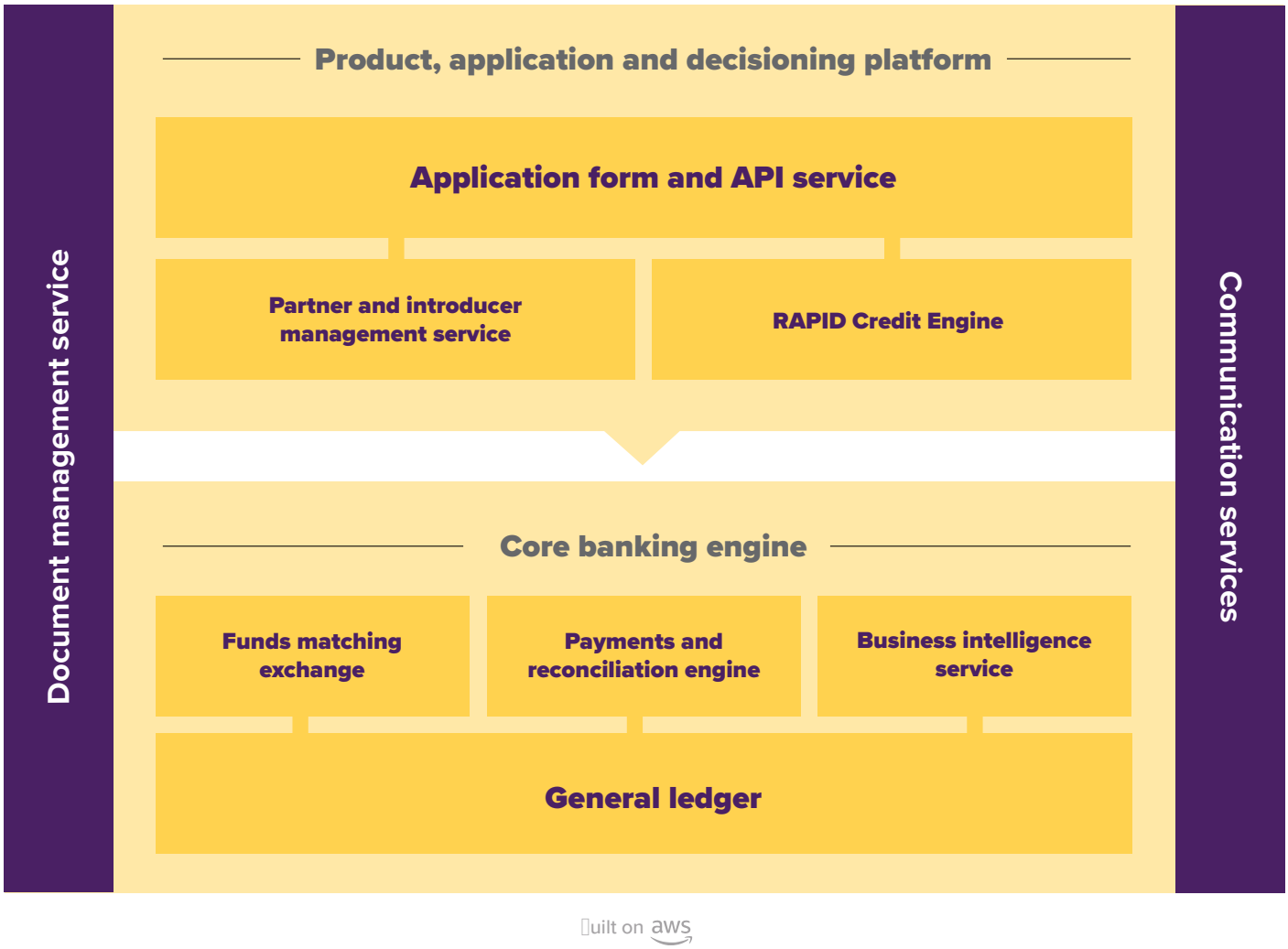
Plenti is committed to best practices in information, application, infrastructure and network security, and Plenti utilises monitoring tools, security practice education and external security assessments as preventative measures to help prevent its platform, customer and financial data being exposed or accessed by unauthorised persons.

Various security controls are implemented throughout Venus, with controls at the network level (such as virtual private clouds and subnetting to separate public, private and data access), the data level (such as role-based access control) and the application level (such as fine-grained permissions and roles, and software changes verified by peer-review). To audit the effectiveness of security practices, Plenti commissions regular external reviews such as penetration tests.

Plenti's technology team, based in Sydney and Vietnam, have responsibility for building and improving Venus.

3.9.2 Venus functionality

Figure 31: Venus functionality



The table below outlines each of Venus' modules in further detail.

Figure 32: Venus modules overview

	Module	Key functions
Product, application, and decisioning platform	**Application form and API service**	• Providing indicative pricing and eligibility details to customers and introducer partners • Collecting application information from customers or introducer partners • Providing application status updates to third-party introducers
	Partner and introducer management	• Attributing applications to accredited third-party introducers • Determining amounts payable as commission and/or brokerage to third-party introducers • Authenticating access to, and administering permissions/roles within, the Plenti Introducer Portal
	RAPID Credit Engine	• Determining rates and fees that apply to a given loan application • Processing credit rules based on defined rulesets, and highlighting rules for review by our credit assessors • Assessing applications for fraud risk
Core banking engine	**General ledger**	• Recording financial transactions against platform financial accounts • Reporting on financial transactions and financial accounts to staff and customers • Performing automated integrity checks against platform financial account balances
	Funds matching exchange	• Sourcing loan funds from one of the Plenti Lending Platforms or Warehouse Facility
	Payments and reconciliation engine	• Settling approved loans, including electronic acceptance of the loan contract • Disbursing loan funds to the customer or their designated payee • Determining payment schedules, and collecting scheduled payments from borrowers • Settling payments received from borrowers to the lending platform and ultimate investor or investors from which loan principal was sourced • Facilitating changes to scheduled payment dates or amounts as requested by borrowers • Rescheduling payments, where the scheduled loan payment has been missed by a borrower
	Business intelligence services	• Serving customer and loan data to external systems for analysis and reporting • Providing event and data updates to external systems (such as cloud-based CRM systems) used for orchestrating operating processes
Communication service		• Communicating credit decisions to customers or introducer partners • Sending collections communications (via SMS and email) as required to borrowers who are in arrears
Document management service		• Generating and storing loan disclosures, including loan contracts • Storing documents provided by customers or third-party introducers to support a loan application • Generating statements of loan activity as required, including when requested by borrowers

3.10 Growth strategy

The Board, Co-Founders and Senior Management have ambitious growth aspirations for Plenti Group. Plenti's growth strategy aims to continue to leverage Venus (its proprietary technology platform) and Plenti's distribution channels to grow loan originations in each of its core lending verticals, and to expand into new lending and other financial service verticals over time.

3.10.1 Automotive loans

Since launching its automotive loan product in 2017, Plenti has sought to improve its product features, third-party introducer network, and funding. In March 2020 Plenti launched its new automotive loan product, which was targeted specifically to selected specialist automotive loan brokers.

Following this launch Plenti has rapidly grown automotive loan originations, achieving a new monthly automotive loan origination record in June 2020 and then again in July 2020 (which represented growth of approximately 500% in automotive loan originations compared with July 2019).

Plenti plans to maintain strong growth in automotive loan originations by:

- **Developing new product features** – Plenti regularly solicits customer and introducer feedback to improve its automotive lending product. Anticipated product developments include providing more flexible loan repayment options, and expanding the range of vehicles Plenti is able to fund;
- **Growing originations via Plenti's third-party introducer network** – Plenti believes there is significant opportunity for it to leverage its product and partner experience to become a major automotive lender via loan brokers;
- **Launching new loan products** – Plenti believes that providing automotive loans to selected commercial customers may present an attractive adjacent lending opportunity, with annual originations in this segment estimated to be in excess of $15 billion[5]. Plenti believes there is an opportunity to provide an attractive product to this adjacent vertical with Plenti's technology-led offering, as loan brokers with whom Plenti is already accredited facilitate commercial automotive finance; and
- **Establishing leadership in the direct and digital acquisition channel** – given Plenti's experience providing fast, simple and digital-first loan application and settlement experiences, Plenti believes it may have the potential to benefit from consumer trends to find and apply for automotive finance online.

3.10.2 Renewable energy loans

Plenti commenced offering renewable energy loans in May 2017. Plenti has since made technology, and credit process improvements to develop a more streamlined renewable energy loan offering. Plenti believes its renewable energy loans are simple for introducers and their clients at the point of sale. Further, Plenti has developed a technology platform and operating procedures through which Plenti administers the delivery of two State government programs. These programs are intended to accelerate the adoption of renewable energy equipment such as residential batteries. Refer to Section 3.4.3 for further information about Plenti's role in these programs.

Plenti has consistently accredited new third-party introducers to use its regulated loan product, and has grown its renewable energy loan monthly originations over time. A new record value of originations for Plenti was achieved in July 2020, over 44% above the value of renewable energy originations in July 2019. Except in relation to loans originated by Plenti as delivery partner for a State government program, the Company's renewable energy loans are regulated by the NCCP Act.[6]

Plenti plans to maintain strong growth in renewable energy loan originations by:

- **Launching new loan products** – Plenti's renewable energy loan product is currently available only for residential equipment installation; however, Plenti intends to launch a renewable energy loan product for selected commercial equipment installations. As commercial renewable energy equipment is typically of a larger capacity and a higher cost than residential renewable energy equipment, this launch has the potential to increase Plenti's renewable energy loan originations. Some vendors accredited to offer Plenti's consumer loans also install renewable energy products for commercial use;

5 ABS 5671.0 Table 9 LTM to Nov-18.

6 Interest-free loans facilitated under the Empowering Homes Project pilot are exempt from parts of the NCCP Act; however Plenti treats such loans as if they were regulated by the NCCP Act, including, amongst other things, undertaking responsible lending assessments in accordance with that Act in respect of these loans.

- **Growing its third-party introducer network** – potential regulatory changes (discussed further in Section 2.7), may support growth in Plenti's network of renewable energy vendors;
- **Growing its market share among its third-party introducer network** – with its simple NCCP Act-regulated loan product, Plenti may increase its market share among its existing network of accredited vendors; and
- **Where possible, participating in government programs that seek to promote solar and battery adoption** – State and Federal government programs may be a significant driver of growth in the number of residential solar and battery installations (discussed in Section 2.3). The Company currently acts as administrator or delivery partner for two such programs, the Home Battery Scheme in South Australia and the pilot of the Empowering Homes Program in New South Wales.[7]

3.10.3 Personal loans

Plenti has established itself as a leading technology-led personal loan provider across both the direct and third-party introducer channels. Plenti aims to capitalise on a growing trend for consumers to look beyond their primary bank when seeking finance, as evidenced by the decline in relevant market share of Australia's Major Banks from 82.5% in 2015 to 71.1% for the 12 months to November 2018.[8] See Section 2.4.1 for more information.

Plenti has sought to significantly improve the effectiveness and efficiency of its conversion funnel in recent years, with the ambition of improving lifetime revenues and reducing customer acquisition costs. These improvements have assisted Plenti to achieve strong monthly originations whilst also improving the conversion funnel efficiency of its personal loans. Monthly personal loan origination values declined during the COVID-19 period (due to changes in system demand and changes the Company made to its credit policy and marketing expenditure). Plenti will continue to adjust both its credit policy and marketing activity in response to changing economic circumstances. Refer to Section 3.8 for further information on Plenti's response to COVID-19.

Plenti plans to grow personal loan originations by:

- **Developing new product features** – regularly soliciting customer feedback, and using a dedicated technology team, Plenti expects to continue to improve its award-winning digital loan application experience, further simplifying its loan applications and accelerating credit decision times. Other anticipated product developments include providing more flexible loan repayment options, introducing additional loan repayment terms, and expanding Plenti's credit criteria as it continues to add depth to its own credit data;
- **Investing in introducer integrations** – a number of Plenti's digital distribution partners, including rate comparison sites, have made or are making significant technology and customer experience improvements such that customers are able to receive more accurate, personalised rate quotes directly at the point of comparison. These changes are expected to improve customer conversion and provide lenders an ability to target particular customer segments more accurately. Plenti may be able to leverage its technology platform and APIs to build more seamless integrations with these digital distribution partners, helping increase application volume while improving funnel efficiency and acquisition costs; and
- **Launching new loan products** – the flexibility of the Venus technology platform has provided Plenti with the ability to enter and build a meaningful presence in certain target loan segments. Lending to customers to pay legal fees, where Plenti has over 220 legal firm referral partners, is an example of such a lending segment. Plenti intends to add additional targeted lending segments to its offering over time.

7 Should the Empowering Homes Program proceed beyond a pilot phase, it is expected to support the purchase of over $3.2 billion worth of renewable energy equipment over a 10-year period.

8 ABS 567102.

Section 4

Financial information

4.1 Introduction

The Financial Information for the Plenti Group contained in this section includes the following:

- Historical Financial Information for the financial years ended 31 March 2018 (**FY2018**), 31 March 2019 (**FY2019**) and 31 March 2020 (**FY2020**), the trailing 12 months ended 30 September 2019 (**12MSep19**) and the six-month interim period ending 30 September 2019 (**H1FY2020**); and
- Forecast Financial Information for the six-month interim period ending 30 September 2020 (**H1FY2021**) and the trailing 12-month period ending 30 September 2020 (**12MSep20**).

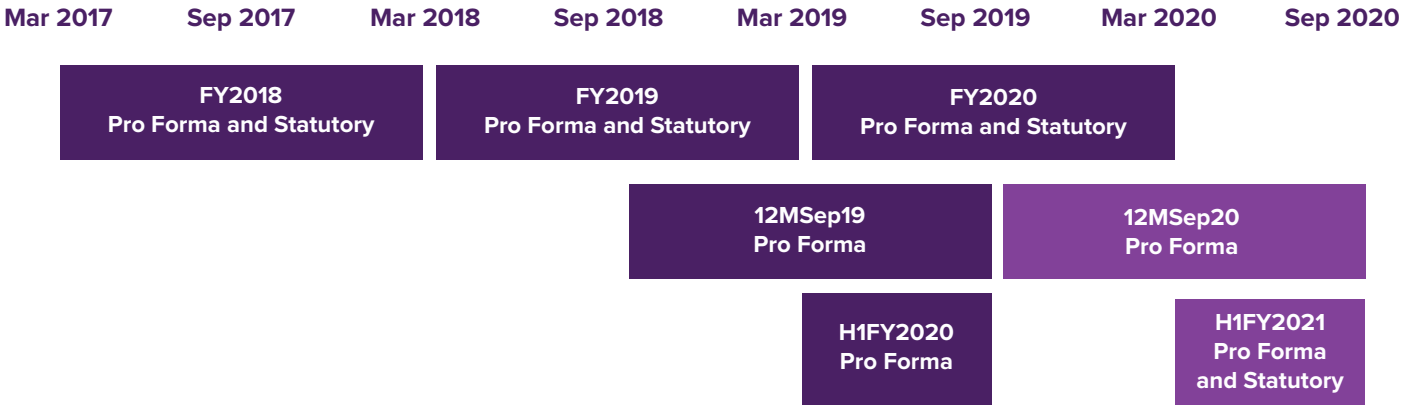
Figure 33: Overview of Plenti's Financial Information

	Statutory Financial Information	Pro Forma Financial Information
Historical Financial Information	Statutory Consolidated Historical Financial Information comprises the following: • Statutory consolidated historical statements of profit and loss and other comprehensive income for FY2018, FY2019 and FY2020, 12MSep19 and H1FY2020 ('Statutory Historical Results'); and • Statutory consolidated historical statement of financial position as at 31 March 2020 ('Statutory Historical Statement of Financial Position').	Pro Forma Consolidated Historical Financial Information comprises the following: • Pro forma consolidated historical statements of profit and loss and other comprehensive income for FY2018, FY2019 and FY2020, 12MSep19 and H1FY2020 ('Pro Forma Historical Results') together with a reconciliation to the audited/statutory historical statement of profit and loss and other comprehensive income; • Pro forma consolidated historical cash flows for FY2018, FY2019, FY2020 and 12MSep19 ('Pro Forma Historical Cash Flows') together with a reconciliation to the audited/statutory historical statement of cash flows; and • Pro forma consolidated historical statement of financial position as at 31 March 2020 ('Pro Forma Historical Statement of Financial Position').
Forecast Financial Information	Statutory Consolidated Forecast Financial Information comprises the following: • Statutory consolidated forecast statement of profit and loss and other comprehensive income for H1FY2021 ('Statutory Forecast Results'); and • Statutory consolidated forecast cash flows for H1FY2021 ('Statutory Forecast Cash Flows').	Pro forma Consolidated Forecast Financial Information comprises the following: • Pro forma consolidated forecast statement of profit and loss and other comprehensive income for H1FY2021 and 12MSep20 ('Pro Forma Forecast Results') together with a reconciliation to the statutory forecast statement of profit and loss and other comprehensive income; • Pro forma consolidated forecast cash flows for H1FY2021 and 12MSep20 ('Pro Forma Forecast Cash Flows') together with a reconciliation to the Statutory Forecast Cash Flows.

The Historical Financial Information and Forecast Financial Information defined above together form the Financial Information.

Plenti reports on a 31 March financial year end basis, and the Financial Information in this Section has been presented on this basis. In addition to the interim six-month period forecast covering the six-month period ending 30 September 2020, Plenti has also included pro forma historical and forecast results for the trailing 12-month periods to 30 September 2019 and 30 September 2020. Plenti does not report annual results on this basis therefore no statutory financial information is presented. A reconciliation of the respective six-month period results to reach the 12MSep19 and 12MSep20 has been provided in Appendix B. The Statutory Forecast Results and Cash Flows for H1FY2021 has been presented as this is a statutory (half year) period which Plenti will be reporting on when the Company announces its interim results for H1FY2021 by November 2020.

Figure 34: Overview of Plenti's Financial Information



Additional information

Also summarised in this section are:

- The basis of preparation and presentation of the Financial Information (Section 4.2);
- Information regarding certain non-IFRS financial measures (Section 4.6);
- A summary of key pro forma operating and financial metrics (Section 4.8);
- The pro forma adjustments to the Statutory Historical Results and Statutory Forecast Results, and reconciliations to the Pro Forma Historical Results and the Pro Forma Forecast Results respectively (Section 4.9);
- The Directors' best estimate assumptions underlying the Forecast Financial Information (Section 4.10);
- A description of the key drivers affecting Plenti's business including key financial and operating metrics and management discussion and analysis of the Financial Information (Section 4.11);
- Key sensitivities in respect of the Forecast Financial Information (Section 4.12); and
- A summary of Plenti's proposed dividend policy (see Section 4.17).

The information in Section 4 should be read in conjunction with the risk factors set out in Section 5 and other information contained in this Prospectus.

Unless stated otherwise, all amounts disclosed in this section are presented in Australian dollars and are rounded to the nearest $'000. Some numerical tables in this Prospectus have been subject to rounding adjustments. Any differences between totals and sums of components in tables contained in this Prospectus are due to rounding.

The Financial Information has been reviewed in accordance with the Australian Standard on Assurance Engagements *ASAE 3450 Assurance Engagements involving Fundraising and/or Prospective Financial Information* by the Investigating Accountant, whose Independent Limited Assurance Report on the Financial Information is contained in Section 8. Investors should note the scope and limitations of that report.

4.2 Basis of preparation of the Financial Information

The Financial Information has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards adopted by the Australian Accounting Standards Board which are consistent with International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board and Plenti's accounting policies. Plenti's significant accounting policies are described in Appendix A. All new and applicable accounting standards have been in place throughout the historical and forecast period.

The Financial Information is presented in an abbreviated form and does not contain all of the disclosures, statements or comparative information required by Australian Accounting Standards applicable to financial reports prepared in accordance with the Corporations Act 2001.

4.3 Basis of preparation of the Historical Financial Information

The Pro Forma Consolidated Historical Financial Information (other than the pro forma adjustments to the consolidated historical statement of profit and loss and other comprehensive income, consolidated historical cash flows and consolidated historical statement of financial position and the results of those adjustments) has been derived from the audited general purpose financial report of Plenti Pty Limited (formerly RateSetter Australia Pty Limited) and its controlled entities for FY2018, FY2019 and FY2020, which were prepared for the purposes of this Prospectus. The general purpose financial reports of Plenti Pty Limited and its controlled entities for FY2018, FY2019 and FY2020 were audited by Grant Thornton Audit Pty Ltd in accordance with Australian Auditing Standards. The audit opinions issued to the Directors for FY2018 and FY2019 were unqualified. The audit opinion issued to the Directors for FY2020 was unqualified but included an emphasis of matter on going concern as well as an emphasis of matter on the impact of COVID-19 on the financial position and performance of the business.

The Statutory Consolidated Historical Financial Information has been adjusted to include the impact of the following to form the Pro Forma Consolidated Historical Financial Information:

- Incremental costs of being a listed entity;
- Eliminating certain non-operating or non-recurring items; and
- One-off costs incurred in relation to the Offer.

Section 4.9 sets out the pro forma adjustments made to the Statutory Consolidated Historical Financial Information for FY2018, FY2019, FY2020, H1FY2020 and 12MSep19.

Plenti reported the operating activities and financial results of the business until the Restructure when Plenti Group Limited became the ultimate parent company of the Plenti Group. Following the Restructure, the Company is the reporting entity. The Restructure has been evaluated in accordance with the criteria in AASB 3: 'Business Combinations' and it has been determined that the underlying substance of the consolidated group is unchanged. The Restructure therefore has no impact on the book value of net assets as recorded prior to the Restructure. The transaction will be accounted for using the predecessor carrying values of the net assets of the Plenti Group at the time of the Restructure. The carrying value of the net assets will continue to be recorded at their book values as per the Plenti Group consolidated financial statements and the results of Plenti will continue to be reported in a manner consistent with that recorded by the Plenti Group. Refer to Section 9.3 for an overview of the Restructure.

The Directors note that the accounting for transactions such as the Restructure referred to above and contemplated in connection with the Offer is currently being reviewed by international accounting standard setters, and is subject to alternative interpretations and may be subject to change. The timing of any decisions, the outcome of these deliberations, and whether any potential changes are retrospective or only prospective could mean that the financial reporting outcome may be different to that reported in this Prospectus. In the event that the transactions contemplated by the Offer were required to be recorded at fair value:

- The net assets of Plenti would be increased to reflect the indicative market capitalisation of the Offer by approximately $280.3 million (based on the Offer Price);
- The Directors estimate that the excess of the fair value (based on the indicative market capitalisation) compared to the book value of net assets, if a purchase price allocation were required to be undertaken in the future, would primarily be allocated to customer relationships (estimated to be $12.2 million), the platform (estimated to be $30.3 million) and brand name (estimated to be $1.9 million), with any residual to goodwill. A deferred tax liability would also be recognised representing the difference between the tax and accounting cost bases of the identified intangible assets; and
- To the extent that any of the excess was allocated to finite intangible assets (customer relationships and platform), NLAT would be impacted by the annual amortisation of these intangible assets, which the Directors have estimated to be $7.5 million per year.

If acquisition accounting were required to be applied in the future, the exact impact cannot be determined at this time, as a formal purchase price allocation has not been carried out. The above estimates are preliminary indicative estimates only, which may change upon undertaking a formal purchase price allocation in the future.

Should acquisition accounting be subsequently required, the impact is non cash in nature and will not affect future cash flows or the ability of Plenti to pay future dividends, as the overall financial position of the parent entity, the Company, will be the determinant of whether or not dividends are able to be paid in future periods.

Investors should note that past financial results are not a guarantee of future financial performance.

4.4 Basis of preparation of the Forecast Financial Information

The Forecast Financial Information has been prepared solely for inclusion in this Prospectus. The basis of preparation and presentation of the Statutory Consolidated Forecast Financial Information and the Pro Forma Consolidated Forecast Financial Information is consistent with the basis of preparation of the Statutory Consolidated Historical Financial Information and Pro Forma Consolidated Historical Financial Information.

The Forecast Financial Information has been prepared by Plenti based on an assessment of current economic and operating conditions and on the general and specific assumptions regarding future events and actions set out in Section 4.10. The Forecast Financial Information should be read in conjunction with the general and specific assumptions set out in Section 4.10, the sensitivity analysis described in Section 4.12, the risk factors described in Section 5, the Significant Accounting Policies set out in Appendix A and other information in this Prospectus.

The disclosure of these assumptions is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring and the effect on the Forecast Financial Information if they do not occur, and is not intended to be a representation that the assumptions will occur. The Forecast Financial Information presented in this Prospectus has been reviewed by Grant Thornton Corporate Finance Pty Ltd but has not been audited. Investors should note the scope and limitations of the Independent Limited Assurance Report on the Historical and Forecast Financial Information (refer to Section 8).

The Directors believe the general and specific assumptions, when taken as a whole, to be reasonable at the time of preparing this Prospectus. However, the information is not fact, and investors are cautioned not to place undue reliance on the Forecast Financial Information. Investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information and that this may have a material positive or negative effect on Plenti's actual financial performance, cash flows or financial position.

In addition, the assumptions upon which the Forecast Financial Information is based are by their very nature subject to significant uncertainties and contingencies, many of which will be outside the control of Plenti, the Directors and management, and are not reliably predictable. Accordingly, none of Plenti, its Directors and management or any other person can give investors any assurance that the outcomes disclosed in the Forecast Financial Information will arise. Events and outcomes might differ in amount and timing from the assumptions, with a material consequential impact of the Forecast Financial Information.

The Company has no intention to update or revise the Forecast Financial Information or other forward looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

The Forecast Financial Information is presented on both a Statutory and a Pro Forma basis. The Statutory Consolidated Forecast Financial Information and Pro Forma Consolidated Forecast Financial Information for H1FY2021 include actual results for the first three months of that period. The Statutory Forecast Results for H1FY2021 also have regard to current trading performances up until the date of lodgement of this Prospectus.

In preparing the Pro Forma Forecast Results, pro forma adjustments have been made to the Statutory Forecast Results to:

- Reflect incremental costs associated with being a public listed company;
- Adjust for the impact of Offer costs which are recognised in the Statutory Forecast Results in H1FY2021;
- Adjust for the impact of COVID-19 related salary reductions taken by Plenti staff members and government assistance packages which are not expected to continue on an ongoing basis; and
- Adjust for other non-recurring and non-operational transactions.

Section 4.9 sets out the Pro Forma Adjustments made to the Statutory Forecast Results and a reconciliation of Statutory Forecast Results to Pro Forma Forecast Results.

4.5 Consolidation of the trusts

The Statutory Consolidated Historical Financial Information in this Prospectus has been prepared on a consolidated basis in accordance with AASB 101 Presentation of Financial Statements (**AASB 101**) and AASB 10 Consolidated Financial Statements (**AASB 10**). Application of these accounting standards has resulted in the consolidated financial statements for FY2018, FY2019 and FY2020 incorporating the assets and liabilities of the Plenti Provision Fund, Plenti Lending Platform, Plenti Wholesale Lending Platform, the Warehouse Facility, Plenti Subvention Trust and Early Access Facility Trust. The financial asset recognition requirements under AASB 9 Financial Instruments (**AASB 9**) were used in preparing the FY2018, FY2019 and FY2020 Statutory Consolidated Historical Financial Information.

Plenti is deemed to control the trusts for accounting purposes as per the terms of the trust deeds, Plenti has the power to direct activities and is exposed to and has the ability to affect the returns of the trusts and the power to govern the financial and operating policies and activities of the trusts. As a result, Plenti consolidates the assets and liabilities, and income and expenses, pertaining to these limited-recourse trusts in the Financial Information.

The consolidation of the Provision Fund impacts on the reporting of loan impairment expenses for loans funded by the Plenti Lending Platform. While losses on funds invested through the Plenti Lending Platform are non-recourse to Plenti, the Provision Fund may cover late payments and defaults by borrowers, as described in Section 3.5.2.2. As the Provision Fund cash is recorded in Plenti's Statutory and Pro Forma Statement of Financial Position, a payment made by the Provision Fund is recorded as an expense by Plenti with a corresponding reduction in its consolidated cash position. If a loan impairment expense were not to be covered by the Provision Fund, Plenti would not record a net expense for this amount and similarly if the Provision Fund were ever to be fully depleted, further losses would not be recorded as a net expense by Plenti. This is currently the case with the Plenti Wholesale Lending Platform where Plenti records a contra-expense to wholesale investors for losses on loans funded from this source.

4.6 Non-IFRS financial measures

Plenti uses certain measures to manage and report on its business that are not recognised under IFRS. These measures are collectively referred to as 'non-IFRS financial measures'. These non-IFRS financial measures do not have a prescribed definition under IFRS and therefore may not be directly comparable to similarly titled measures presented by other entities. These measures are collectively referred in this Section 4 and under Regulatory Guide 230 Disclosing Non-IFRS Financial Information published by ASIC as 'non-IFRS financial measures'. These should not be construed as an indication of, or an alternative to, corresponding financial measures determined in accordance with the IFRS. Although Plenti believes these non-IFRS financial measures provide useful information to users in measuring the financial performance and condition of the business, investors are cautioned not to place undue reliance on any non-IFRS financial measures included in this Prospectus.

In particular the following non-IFRS financial measures is included:

- **Total revenue before transaction costs** – represents the sum of interest revenue and other income;
- **Net income** – represents total revenue after the deduction of associated transaction costs, which include commissions paid to brokers and aggregators;
- **Funding costs** – represent the interest expense and set up costs incurred in connection with obtaining Funding Debt;
- **Customer loan impairment expense** – represents the principal value of loans charged off in a period (net of recoveries) and the change in the loan impairment provision for a given period;
- **Corporate cash** – relates to the total cash of Plenti excluding cash held in trust and in the Provision Fund; and
- **Operating cash flow** – is NLAT plus/minus changes in working capital and adding back any non-cash expenses including impairment expense, share-based payments and depreciation.

4.7 Pro Forma Historical and Forecast Results and Statutory Forecast Results

The table below presents the Pro Forma Historical Results for FY2018, FY2019 and FY2020 and the Pro Forma Forecast Results for 12MSep20. Section 4.9 sets out a reconciliation between the Statutory Historical and Forecast Results to the Pro Forma Historical and Forecast Results.

Table 1: Pro Forma Historical and Forecast Results

		Historical Period			Forecast Period
$'000	**Notes**	**FY2018 Pro forma**	**FY2019 Pro forma**	**FY2020 Pro forma**	**12MSep20 Pro forma**
Interest revenue	1	15,158	27,801	39,839	45,083
Other income	2	990	1,051	1,672	3,512
Total revenue before transaction costs		**16,148**	**28,852**	**41,511**	**48,595**
Transaction costs	3	(346)	(992)	(1,582)	(1,760)
Net income		**15,802**	**27,860**	**39,929**	**46,835**
Funding costs	4	(7,489)	(14,417)	(20,687)	(23,187)
Expense passed to unitholders	5	26	387	680	378
Customer loan impairment expense	6	(4,048)	(7,714)	(10,716)	(9,777)
Sales and marketing expense	7	(4,442)	(8,289)	(10,112)	(9,329)
Product development expense	8	(1,886)	(3,859)	(4,653)	(4,905)
General and administration expense	9	(6,311)	(7,598)	(10,184)	(12,101)
Depreciation and amortisation expense	10	(267)	(569)	(704)	(756)
NLAT		**(8,615)**	**(14,199)**	**(16,447)**	**(12,842)**

Notes:

1. **Interest revenue** represents interest and origination fees recognised on the loans originated, excluding any direct costs incurred which are reflected in transaction costs, and interest on cash deposits treated under the effective interest rate method.
2. **Other income** represents other fees that Plenti generates from its business activities and government rebates.
3. **Transaction costs** represent commissions paid to brokers and aggregators treated under the effective interest rate method.
4. **Funding costs** include the interest charges and set-up costs relating to unitholders' liabilities and warehouse borrowings, which are the primary sources of funding for loan originations.
5. **Expense passed to unitholders** relates to loan impairment expenses that are passed through to investors.
6. **Customer loan impairment expense** represents the principal value of loans charged off in a period (net of recoveries) and the change in the loan impairment provision for a given period. The pro forma historical loan impairment expense has been calculated in accordance with AASB 9 as explained in Appendix A.
7. **Sales and marketing expenses** include digital acquisition costs, and costs incurred in reaching and marketing to customers including advertising costs. They also include employee expenses in relation to sales and marketing teams.
8. **Product development expenses** includes costs in relation to the enhancement of existing technologies and/or the development of new technologies across the business. This is predominantly comprised of employee expenses.
9. **General and administration expenses** include employee expenses in relation to customer service, credit assessment, loan processing, loan and collection management, non-executive Directors, senior management personnel and business support functions as well as general business expenses such as legal and professional fees and facilities costs.
10. **Depreciation and amortisation expense** is incurred in relation to plant and equipment Plenti uses in the business and the depreciation of the right-of-use assets recognised under AASB 16, as well as in relation to the capitalised website costs and purchased software.

The table below presents the Pro Forma Historical Results for H1FY2020 and 12MSep19, the Pro Forma Forecast Results for H1FY2021 and 12MSep20 and the Statutory Forecast Results for H1FY2021.

Table 2: Pro Forma Historical and Forecast Results and Statutory Forecast Results

	Historical Period	Forecast Period		Historical Period	Forecast Period
$'000	**H1FY2020 Pro forma**	**H1FY2021 Pro forma**	**H1FY2021 Statutory**	**12MSep19 Pro forma**	**12MSep20 Pro forma**
Interest revenue	18,271	23,515	23,515	33,680	45,083
Other income	152	1,992	1,992	245	3,512
Total revenue before transaction costs	**18,423**	**25,507**	**25,507**	**33,925**	**48,595**
Transaction costs	(768)	(946)	(946)	(1,355)	(1,760)
Net income	**17,655**	**24,561**	**24,561**	**32,570**	**46,835**
Funding costs	(9,603)	(12,103)	(12,594)	(17,769)	(23,187)
Expense passed to unitholders	147	(155)	(155)	402	378
Customer loan impairment expense	(4,417)	(3,478)	(3,266)	(8,935)	(9,777)
Sales and marketing expense	(4,624)	(3,841)	(3,105)	(9,207)	(9,329)
Product development expense	(2,266)	(2,518)	(2,241)	(4,340)	(4,905)
General and administration expense	(4,463)	(6,380)	(10,141)	(8,567)	(12,101)
Depreciation and amortisation expense	(331)	(384)	(384)	(633)	(756)
NLAT	**(7,902)**	**(4,298)**	**(7,325)**	**(16,479)**	**(12,842)**

4.8 Key financial and operating metrics

Set out below are the key pro forma historical and forecast financial and operating metrics for FY2018, FY2019 and FY2020 and 12MSep20.

Table 3: Key annual pro forma historical and forecast financial and operating metrics

		Historical Period			Forecast Period
	Notes	FY2018 Pro forma	FY2019 Pro forma	FY2020 Pro forma	12MSep20 Pro forma
Loan book value and growth					
Originations ($'000)	1	151,889	229,619	286,444	317,965
Average term of originations (months)	2	40	51	55	57
Number of originations	3	12,371	15,312	17,913	18,062
Average value of originations ($)	4	12,278	14,996	15,991	17,604
Loan book (period end) ($'000)	5	147,620	253,489	380,882	426,038
Loan book (average) ($'000)	6	105,897	204,264	310,849	369,654
Originations – growth rate (%)		–	*51%*	*25%*	*34%*
Loan book (period end) – growth rate (%)		–	*72%*	*50%*	*39%*
Loan book (average) – growth rate (%)		–	*93%*	*52%*	*45%*
Average interest rate (%)	7	14.3%	13.6%	12.8%	12.2%
Funding debt (period end) ($'000)	8	140,630	246,280	372,259	412,750
Funding debt (average) ($'000)	9	104,353	201,563	305,551	364,092
Average funding rate (%)	10	7.2%	7.2%	6.8%	6.4%
Loan book quality					
Loan impairment – net charge off ($'000)	11	2,038	5,121	7,264	6,757
Loan impairment – provision movement ($'000)	12	2,010	2,594	3,452	3,020
Provision rate (%)	13	2.6%	2.5%	2.6%	2.4%
Net charge off to interest revenue (%)	14	13.4%	18.4%	18.2%	15.0%
Net charge off to average gross loans (%)	15	1.9%	2.5%	2.3%	1.8%
Productivity metrics					
Interest revenue per average FTE ($'000)	16	300	296	386	453
Sales and marketing to total revenue before transaction costs (%)	17	27.5%	28.7%	24.4%	19.2%
Product development to total revenue before transaction costs (%)	18	11.7%	13.4%	11.2%	10.1%
General and administration to total revenue before transaction costs (%)	19	39.1%	26.3%	24.5%	24.9%

Notes:

1. **Originations** represents the sum of the total loans provided to Borrowers for a given period.
2. **Average loan term of originations** represents the weighted average term of the loan originations for a given period.
3. **Number of originations** represents the number of loans originated for a given period.
4. **Average value of originations** represents the average value of loans originated for a given period.
5. **Loan book (period end)** is the value of the total gross loan book before provision for impairment.
6. **Loan book (average)** is calculated as the monthly average of the gross loan book for a given period.
7. **Average interest rate** represents interest revenue as a percentage of the average loan book for a given period.
8. **Funding debt (period end)** represents the funding debt as at the final day of each financial period. Funding debt represents the outstanding debt that Plenti uses for lending activities that have been allocated to Borrowers and does not include Corporate Debt.

9. **Funding debt (average)** is calculated as the monthly average of the funding debt values for a given period.
10. **Average funding rate** is calculated as funding costs divided by the average funding debt.
11. **Loan impairment – net charge off** represents the loan receivables written off in the period net of recoveries.
12. **Loan impairment – provision movement** represents the movement in the loan impairment provision over the period.
13. **Provision rate** is the balance sheet provision for impairment against loan book at the relevant period end in accordance with AASB 9.
14. **Net charge off to interest revenue** is calculated as the loan receivables written off in the period net of recoveries divided by interest revenue.
15. **Net charge off to average gross loans** is calculated as the loan receivables written off in the period net of loss recoveries divided by average loan book.
16. **Interest revenue per FTE** is calculated as interest revenue divided by the average number of FTEs (excluding outsourced offshore personnel) for the period.
17. **Sales and marketing to total revenue before transaction costs** is calculated as sales and marketing expense divided by total revenue before transaction costs.
18. **Product development to total revenue before transaction costs** is calculated as product development expense divided by total revenue before transaction costs.
19. **General and administration to total revenue before transaction costs** is calculated as general and administration divided by total revenue before transaction costs.

Set out below are the key pro forma financial and operating metrics for H1FY2020 and 12MSep19 and the key Pro Forma Forecast financial and operating metrics for H1FY2021 and 12MSep20.

Table 4: Key half year and annual pro forma historical and forecast financial and operating metrics

	Historical Period	Forecast Period	Historical Period	Forecast Period
	H1FY2020 Pro forma	**H1FY2021 Pro forma**	**12MSep19 Pro forma**	**12MSep20 Pro forma**
Loan book value and growth				
Originations ($'000)	125,167	156,688	237,372	317,965
Average term of originations (months)	54	58	54	57
Number of originations	8,033	8,182	14,939	18,062
Average value of originations ($)	15,582	19,150	15,889	17,604
Loan book (period end) ($'000)	306,007	426,038	306,007	426,038
Loan book (average) ($'000)	274,879	392,490	254,356	369,654
Originations – growth rate (%)	–	*25%*	–	*34%*
Loan book (period end) – growth rate (%)	–	*39%*	–	*39%*
Loan book (average) – growth rate (%)	–	*43%*	–	*45%*
Average interest rate (%)	13.3%	12.0%	13.2%	12.2%
Funding debt (period end) ($'000)	294,397	412,750	294,397	412,750
Funding debt (average) ($'000)	269,817	386,900	250,345	364,092
Average funding rate (%)	7.1%	6.3%	7.1%	6.4%
Loan book quality				
Loan impairment – net charge off ($'000)	3,711	3,204	6,690	6,757
Loan impairment – provision movement ($'000)	707	275	2,245	3,020
Provision rate (%)	2.3%	2.4%	2.3%	2.4%
Net charge off to interest revenue (%)	20.3%	13.6%	19.9%	15.0%
Net charge off to average gross loans (%)	2.7%	1.6%	2.6%	1.8%
Productivity metrics				
Interest revenue per average FTE ($'000)	343	474	323	453
Sales and marketing to total revenue before transaction costs (%)	25.1%	15.1%	27.1%	19.2%
Product development to total revenue before transaction costs (%)	12.3%	9.9%	12.8%	10.1%
General and administration to total revenue before transaction costs (%)	24.2%	25.0%	25.3%	24.9%

4.9 Pro Forma Adjustments to the Statutory Historical and Forecast Results

Set out below is a reconciliation between the Statutory Historical and Forecast Results net loss after tax to the Pro Forma Historical and Forecast Results net loss after tax:

Table 5: Pro Forma Adjustments to the Statutory Historical and Forecast Results

		Historical Period			Forecast Period
$'000	**Notes**	**FY2018 Audited**	**FY2019 Audited**	**FY2020 Audited**	**12MSep20 Statutory**
Statutory NLAT		**(7,642)**	**(13,264)**	**(16,232)**	**(16,129)**
Incremental public company costs	1	(973)	(935)	(956)	(912)
Convertible Note interest	2	–	–	297	788
Capital raising costs	3	–	–	153	170
Offer costs	4	–	–	291	2,593
JobKeeper Payments	5	–	–	–	(1,720)
COVID-19 salary reductions	6	–	–	–	(209)
Impairment expense policy	7	–	–	–	(212)
Accelerated Existing Incentive Plan vesting	8	–	–	–	2,494
Loss on derivative fair value	9	–	–	–	295
Pro forma NLAT		**(8,615)**	**(14,199)**	**(16,447)**	**(12,842)**

Notes: Refer to notes for Table 6 for description of Pro Forma Adjustments.

Table 6: Pro Forma Adjustments to the Statutory Historical and Forecast Results

		Historical Period	Forecast Period	Historical Period	Forecast Period
$'000	**Notes**	**H1FY2020**	**H1FY2021**	**12MSep19**	**12MSep20**
Statutory NLAT		**(7,429)**	**(7,325)**	**(15,538)**	**(16,129)**
Incremental public company costs	1	(473)	(430)	(941)	(912)
Convertible Note interest	2	–	491	–	788
Capital raising costs	3	–	17	–	170
Offer costs	4	–	2,301	–	2,596
JobKeeper Payments	5	–	(1,720)	–	(1,720)
COVID-19 salary reductions	6	–	(209)	–	(209)
Impairment expense policy	7	–	(212)	–	(212)
Accelerated Existing Incentive Plan vesting	8	–	2,494	–	2,494
Loss on derivative fair value	9	–	295	–	295
Pro forma NLAT		**(7,902)**	**(4,298)**	**(16,479)**	**(12,842)**

Notes: Description of pro forma adjustments:

1. **Incremental public company costs** include the incremental expenditure required to be a publicly listed company including Board, listing and ASX fees.
2. **Convertible note interest** relates to interest charged on Convertible Notes which will convert to Shares upon settlement of the Offer.
3. **Capital raising costs** are non-operational costs relating to prior capital raisings and primarily relate to consulting fees.
4. **Offer costs** include legal and accounting due diligence costs, as well as corporate adviser fees and listing costs.
5. **JobKeeper Payments** relate to payments received from the Australian government in relation to COVID-19.

6. **COVID-19 salary reductions** relate to reduced salary expenses as a result of employees taking voluntary pay reductions due to the uncertain impacts of COVID-19 on Plenti's business, net of an intended bonus payment to employees who took voluntary pay cuts which will be issued as shares in Plenti at listing.
7. **Impairment expense policy** relates to a change in Plenti's bad debt write-off policy during the period, which was increased from 120 to 180 days to align with market practice. This resulted in a period of lower than usual net charge-offs being recorded. While the lower charge-off expense was partially offset by a higher loan impairment provision charge resulting from fewer aged loans being written off, Plenti has sought to estimate the net remaining benefit and has reversed this out of the pro forma result as this is a non-recurring benefit.
8. **Accelerated Existing Incentive Plan vesting** relates to the expected accelerated vesting of the Existing Incentive Plan arrangement on IPO which is a one-off non-cash transaction.
9. **Loss on derivative fair value** relates to an increase in the fair value of the derivative liability to listing date and is incurred in connection with the convertible notes which all convert to ordinary equity upon listing.

4.10 Forecast Financial Information

The Forecast Financial Information is based on various specific and general assumptions, including those set out in this Section. In preparing the Forecast Financial Information, Plenti has undertaken an analysis of historical performance and applied assumptions where appropriate in order to forecast future performance for H1FY2021. Plenti believes that it has prepared the Forecast Financial Information with due care and attention and considers all assumptions, when taken as a whole, to be reasonable at the time of preparing the Prospectus. However, actual results are likely to vary from those forecasts and any variation may be materially positive or negative.

The assumptions on which the Forecast Financial Information is based are, by their nature, subject to significant uncertainties and contingencies, many of which are outside the control of Plenti and its Directors and management, and are not reliably predictable. Accordingly, none of Plenti, its Directors or any other person can give any assurance that the Forecast Financial Information or any prospective statement contained in this Prospectus will be achieved. Events and outcomes might differ in amount and timing from the assumptions, with a material consequential impact on the Forecast Financial Information.

The assumptions set out below should be read in conjunction with the sensitivity analysis set out in Section 4.12, the risk factors set out in Section 5 and the Independent Limited Assurance Report on Historical and Forecast Financial Information set out in Section 8. A reconciliation of the Pro Forma Forecast Results and Statutory Forecast Results is set out in Section 4.9.

4.10.1 General assumptions

In preparing the Forecast Financial Information, the following general Directors' best estimate assumptions have been adopted:

- No material change in the competitive operating environment in which Plenti operates;
- No significant deviation from current market expectations in the geographies in which Plenti operates and the economic conditions relevant to Plenti;
- No new government restrictions applied to movement and working freedom, other than those in force in Victoria at the date of this Prospectus;
- No material changes in any government legislation or regulation (including tax legislation), or government policy that has a material impact on financial performance or cash flows, financial position, accounting policies, or licensing requirements of Plenti;
- No material changes in key personnel and Plenti maintains its ability to recruit and retain the personnel required to support future growth;
- No material changes in applicable AAS or other mandatory professional reporting requirements which have a material effect on Plenti's financial performance, financial position, accounting policies, financial reporting or disclosure during the Forecast Period;
- No material industry disturbances, environmental costs, contingent liabilities or legal claims will arise or be settled to the detriment of Plenti;
- No material acquisitions, divestments, restructuring or investments other than as set out in, or contemplated by, this Prospectus;
- No material changes to Plenti's corporate or funding structure other than as set out in, or contemplated by, this Prospectus;
- No material disruptions to the continuity of operations of Plenti nor other material changes in its business activities;
- No material amendment to or termination of any material agreement, contract or arrangement other than as set out in, or contemplated by, this Prospectus;
- None of the risks listed in Section 5 eventuate, or if they do, none of them has a material adverse impact on the operations of Plenti; and
- The IPO process concludes and the proceeds of the Offer are received in accordance with the timetable set out in the Key Dates section of this Prospectus.

4.10.2 Specific assumptions

The Forecast Financial Information is based on various best estimate assumptions, including a comparison to historical financial performance. In preparing the Forecast Financial Information, Plenti has analysed historical financial performance, including the current rates of revenue and expenses and applied assumptions, where appropriate across the business. The assumptions set out below should be read in conjunction with the sensitivity analysis set out in Section 4.12, the risk factors set out in Section 5, the Independent Limited Assurance Report set out in Section 8 and other information contained in this Prospectus.

4.11 Management discussion and analysis of key historical and forecast metrics

4.11.1 Discussion of historical and forecast trading

The following information has been prepared using Plenti's Pro Forma Consolidated Historical Financial Information for FY2018, FY2019 and FY2020 and the Pro Forma Consolidated Forecast Financial Information for H1FY2021.

Drivers of Plenti's financial performance

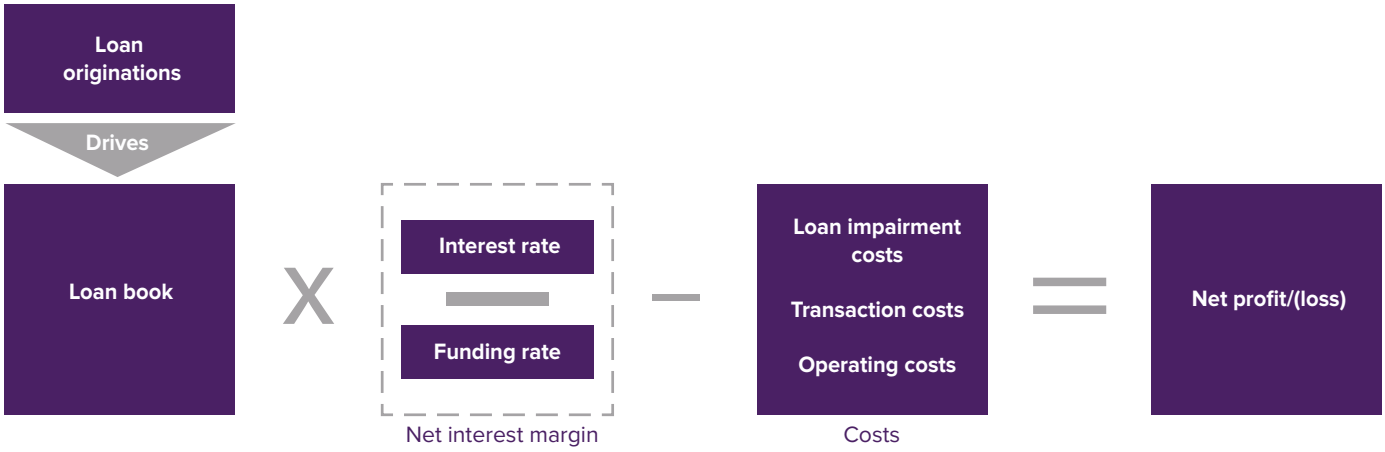
Plenti's primary sources of revenue are fees generated from the origination of new loans, and interest income and fees earned on the existing loan book. The primary costs of the business are interest costs paid to the providers of funding, origination costs incurred when writing new loans and other operating costs of the business.

Under the Australian Accounting Standards (**AASB 9**), Plenti recognises both fee income and interest income under the effective interest rate method over the life of the loan. This involves calculating the total fee and interest income expected to be generated from a loan during its life and recognising this as a single 'interest revenue' line in the Statement of Profit and Loss and Other Comprehensive Income. The interest rate used is the rate that, if applied to the amortising balance of the loan throughout its life, would give the same present value as the value of fees and interest that will actually be generated. Upfront fee income is therefore recognised over the life of the loan. Accordingly, fees and interest are not reported separately in the statement of profit and loss and other comprehensive income and are instead accounted for in the single 'interest revenue' line.

Transaction expenses that are part of the loan itself, notably broker fees and commissions, are also treated under the effective interest rate method. They are accounted for through the life of the loan in a manner that aligns with revenue recognition.

The below diagram sets out a simple high-level construct as to the key drivers of Plenti's financial results. Due to the effective interest rate treatment, both fees and interest income are captured through the 'interest rate' driver.

Figure 35: Key financial drivers



The key drivers of interest revenue are:

- The value of Plenti's loan book, which is in turn driven by the level of loans originated and the rate of repayment of existing loans; and
- The return Plenti generates on the loan book, which is a function of the level of ongoing fees and interest charges and fees generated when new loans are originated.

The key drivers of cost are:

- The value of Plenti's loan book and the funding rate required by providers of funding to the business;
- The level of loans originated and the associated fees and costs involved in originating those loans (e.g. payments to loan brokers or digital advertising costs); and
- Other operating costs involved in running the Plenti business.

As noted above, under the effective interest rate method of accounting for income, all fee and interest revenue associated with the origination of loans is spread over the life of the loan. While some transaction costs are treated in the same manner (notably broker and aggregator commissions), some variable costs associated with loan origination are still recognised in the period in which the loan is originated (e.g. direct marketing costs, loan processing costs). This has the effect of creating a 'profitability drag' in periods in which loan origination volumes are growing rapidly, but the associated increase in interest revenue and profit will be recognised over future periods.

It should also be noted that the application of the effective interest method also results in a difference in the timing between when upfront origination fees and upfront commissions costs are recognised in the statement of profit and loss and other comprehensive income and when cash is received.

Origination volumes

Figure 36 below presents origination volumes split by H1 vs H2. Plenti has grown originations from $152 million in FY2018 to $286 million in FY2020, an increase of $134 million and CAGR of 37%. Plenti's originations for the 12MSep20 period are forecast to be $318 million, which is an increase of $81 million or 34% on prior comparative period (**'pcp'**). This is despite a decline in originations in Q1FY2021 (three months ended 30 June 2020) due to COVID-19.

Figure 36: New loan originations by half year ($'million)

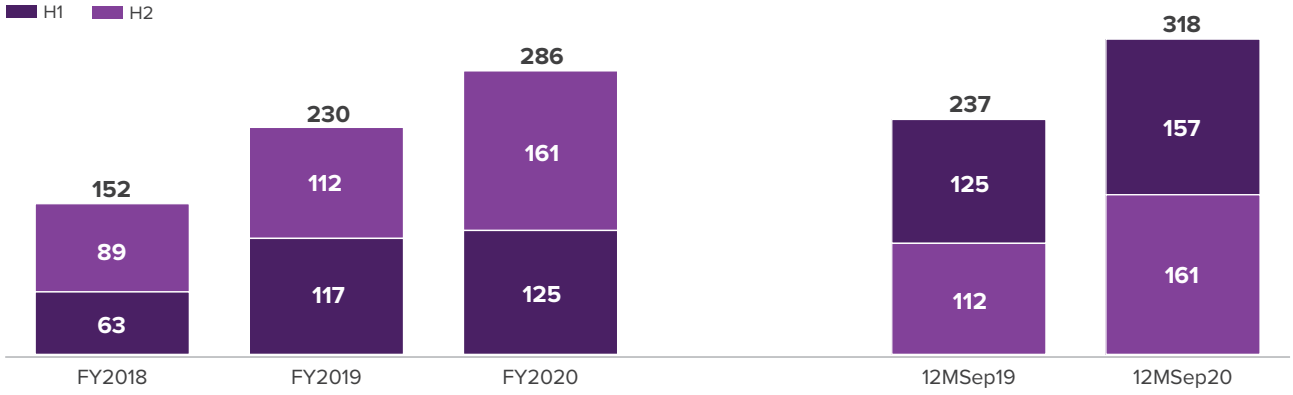
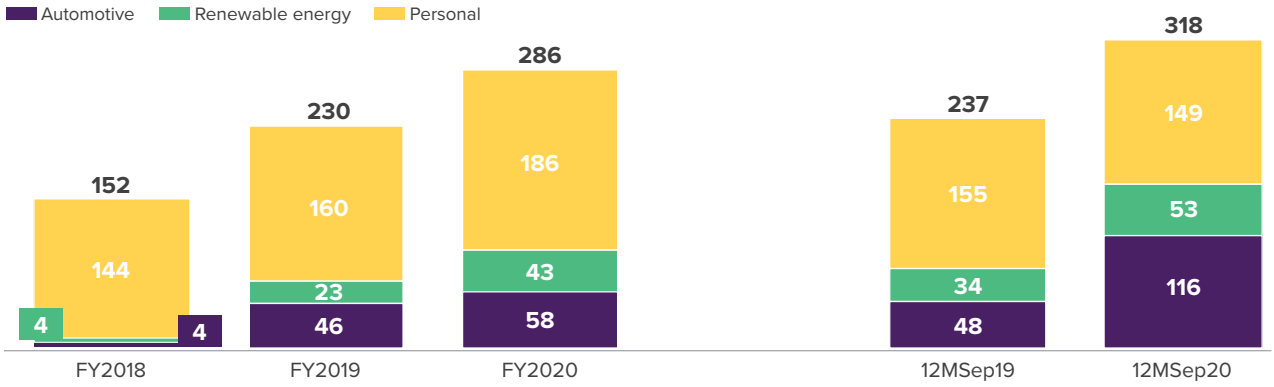


Figure 37 below presents the same origination volume information as above, however with annual volumes split by product across automotive, renewable energy and personal. The chart shows the increasing importance of automotive and renewable energy lending to Plenti, with those two products showing significant rates of growth in the past two years.

- Automotive lending grew 24% in FY2020 vs pcp, and is expected to grow from $48 million in 12MSep19 to $116 million in 12MSep20, an increase of $68 million or 141%.
- Renewable energy lending grew 85% in FY2020 vs pcp, and is expected to grow from $34 million in 12MSep19 to $53 million in 12MSep20, an increase of $19 million or 57%.
- Personal lending grew 16% in FY2020 vs pcp, and is expected to reduce from $155 million in 12MSep19 to $149 million in 12MSep20, a decrease of $6 million or 4%. The reduction was driven by Plenti intentionally tightening lending standards and reducing marketing investments in relation to personal lending given the increased uncertainty as to borrower creditworthiness resulting from the impact of COVID-19.

Figure 37: New loan originations by lending vertical ($'million)



As explained in Section 3.3.1, automotive and renewable energy loans have a longer weighted average loan life than personal loans. This results in the average automotive loan and renewable energy loan currently delivering a higher lifetime value per dollar of lending compared with a personal loan.

Plenti did see a downturn in loan origination in Q1FY2021 due to the impact of COVID-19 (refer to Section 3.8 for a description of the impact of COVID-19). However volumes have recovered substantially since June, and July was a record month for Plenti with $34.4 million of loans originated.

The forecast has been based on an assumed daily loan origination run rate in line with that achieved in July. While Plenti has seen good growth in origination volumes in recent months, the forecast assumption that daily originations do not grow in August and September is intended to reflect the risk of some impact on lending volumes from lock-downs occurring in Victoria. The impact of a variance in the forecast loan origination assumptions on the H1FY2021 forecast is minimal as the forecast is largely driven by the existing loan book.

Loan book

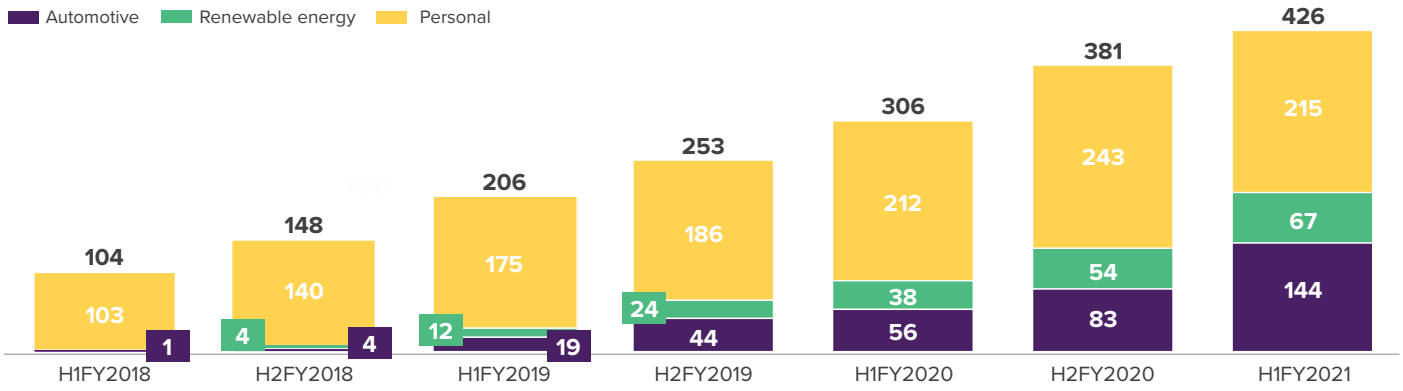
Plenti's growing volume of originations has translated to a growing total loan book, as shown in Figure 38.

- Between March 2019 and March 2020 Plenti's loan book grew from $253 million to $381 million, an increase of 50%.
- Plenti's loan book is forecast to be $426 million by September 2020, an increase of 39% on the prior year, the lower growth rate in part reflecting the impact of COVID-19.

Figure 38 also shows the shift in composition of the loan book between loan products. In particular, automotive and renewable energy loans are increasing as a proportion of the book. At 31 July 2020 automotive loans represented 29% of the book, renewable energy loans 17% and personal loans 54%.

Given the longer weighted average loan life of automotive and renewable energy loans and resulting lower annual amortisation, a greater proportion of such loans in the book will lead to a faster rate of total loan book growth, all other things being equal.

Figure 38: Loan book by product ($'million)



Interest revenue

Interest margin by product

While reported in separate lines in the statement of profit and loss and other comprehensive income, it is useful to consider interest revenue and funding costs together. The difference between the average interest rate generated on lending and the average funding cost paid is often referred to as the net interest margin.

Table 7 sets out the total net interest margin (pre credit impairment costs) generated by Plenti as well as margins in respect of each lending vertical.

Table 7: Interest margin by lending vertical

		Historical Period		
	Notes	FY2018 Pro forma	FY2019 Pro forma	FY2020 Pro forma
Average interest rate %				
Automotive		–	6.4%	7.0%
Renewable energy		–	10.4%	10.3%
Personal		14.3%	14.7%	14.8%
Total	1	**14.3%**	**13.6%**	**12.8%**
Average funding rate %				
Automotive		–	5.1%	5.7%
Renewable energy		–	5.9%	6.0%
Personal		7.2%	7.5%	7.2%
Total average funding rate	2	**7.2%**	**7.2%**	**6.8%**
Net interest margin %				
Automotive		–	1.3%	1.3%
Renewable energy		–	4.5%	4.3%
Personal		7.1%	7.2%	7.6%
Total net interest margin %	3	**7.1%**	**6.5%**	**6.0%**

Notes:

1. **Average interest rate** represents interest revenue as a percentage of the average loan book for a given period.
2. **Average funding rate** represents funding costs as a percentage of the average funding debt for a given period.
3. **Net interest margin** represents average interest rate less average funding rate.

Plenti's overall net interest margin has reduced from 7.1% in FY2018 to 6.0% in FY2020. This reflects a number of factors, principally associated with the product mix of loans originated by Plenti, including:

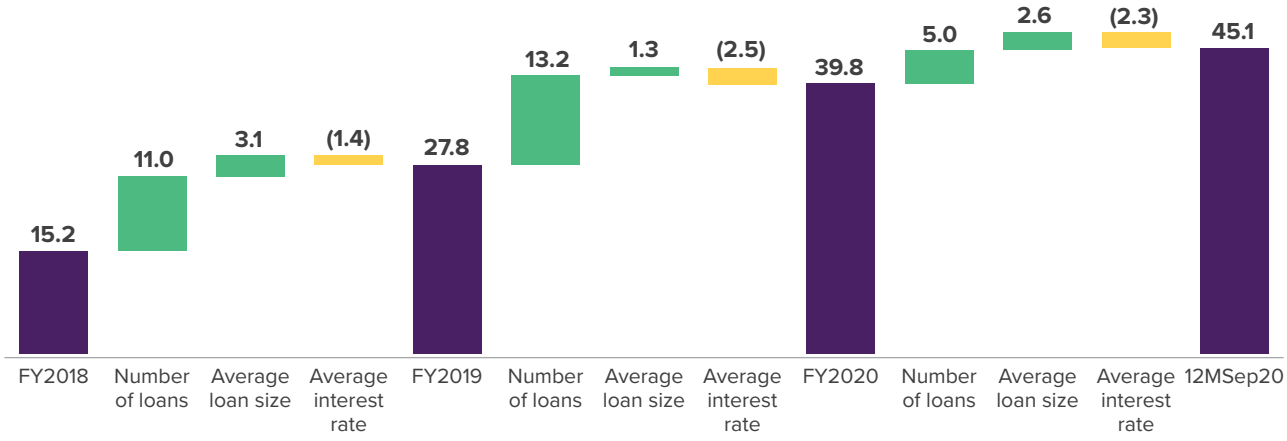
1. The shift to lower risk automotive and renewable energy products from FY2018 to 12MSep20; and
2. Plenti generated a low level of net interest margin on automotive lending in FY2019 and FY2020. This reflected the high cost of funding sources used in this period. While generating low profitability, the track record demonstrated through this period assisted Plenti in establishing the Warehouse Facility in December 2019 which provides materially lower cost funding for automotive lending. In Q1FY2021, during which period automotive loans have been funded from the Warehouse Facility, Plenti's net interest margin on new automotive loan originations has increased more than three times to 4.7%.

Plenti believes that the scale and credit track record that it has demonstrated over the last few years in lending in the personal and renewable energy verticals creates an opportunity to establish warehouse funding for these products, to complement lending via the Plenti Lending Platform and Plenti Wholesale Lending Platform. It is expected that any warehouse funding will have a materially lower cost of funding than historical funding rates. Any impact would be beyond the forecast period.

Figure 39 sets out a bridge in revenue growth from FY2018 to 12MSep20 broken down between number of loans, average loan size and average interest rate. The primary driver of growth in FY2019 and FY2020 was an increase in the number of loans originated as Plenti has expanded its activities into automotive and renewable energy lending. The reduction due to average interest rate is due to the factors described above, primarily a shift towards lower credit risk lending verticals.

Forecast assumptions in relation to interest rates and loan terms are all in accordance with recent run rate of Plenti's loan book per the respective cohorts. The greater contribution of average loan size in the bridge to 12MSep20 reflects the increased contribution from automotive lending, which has a larger average loan size than the renewable and personal channels.

Figure 39: Historical and forecast interest revenue bridge ($'million)



Note: There is a six month overlap of periods between FY2020 and 12MSep20 and, therefore, the movements between FY2020 and 12MSep20 correspond to six month comparatives while the movements for the other periods are for 12 months.

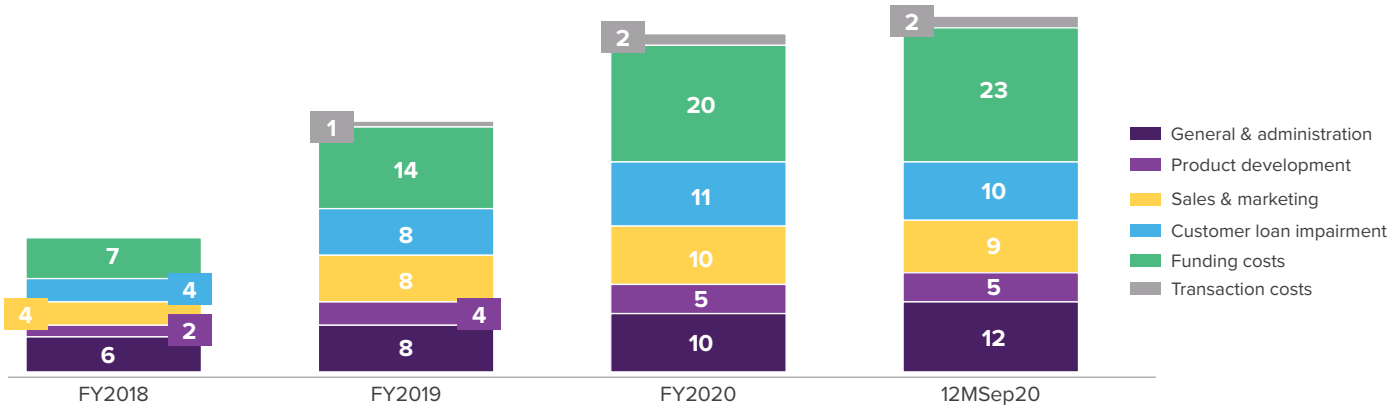
Other income

Other income predominantly relates to government grants and rebates associated with the Commonwealth research and development tax incentive. The forecast R&D incentive in H1FY2021 has been claimed and is expected to be received in September 2020. Refer to Section 5 for a description of the risks in relation to taxation and government rebates.

Operating expenses

Plenti presents its operating expense categories within the consolidated income statement on a functional basis. The categories used are funding costs, loan impairment, sales and marketing, product development, and general and administration expenses. With the exception of funding costs and loan impairment expenses, each of these expense categories consists predominantly of salaries and personnel-related costs.

Figure 40: Operating expenses ($'million)



Funding costs include the interest charges and set-up costs related to the Funding Debt. The cost of these facilities is driven by the average funding cost rate incurred on drawn and undrawn balances, the size of the loan book being funded and the level of debt funding used to fund the loan book. Funding costs are driven by:

- **Average funding rate** – interest expenses paid on drawn Funding Debt and fees on undrawn amounts. In addition, some up-front setup costs (including origination and legal fees) incurred are amortised over the maximum term of loans funded from the relevant facility; and
- **Size of loan book** – the size of the loan book is a function of a number of drivers, including the number of loans originated, the average loan size at origination, the average loan term, and the payment profile of customers.

The increase in funding costs correlates with the increase in the loan book over the historical period; however as the funding mix shifts towards relatively cheaper warehouse facilities, it is forecast to decline as a percentage of the average loan book in H1FY2021.

Customer loan impairment expenses represent the value of loans written off in a period due to non-payment by the borrower (net of recoveries) and the movement in the loan impairment provision over a given period. The value of the loan impairment provision is calculated in accordance with Australian Accounting Standards under AASB 9, as described further in Section 4.5. At 31 March 2020, Plenti provided for 2.6% of the loan book balance for loan impairments.

Customer loan impairment costs declined in Q1FY2021 due to accelerated paydown of loan balances through the period including aged balances, resulting in less debt write-off and lower balances contributing to the loan impairment provision. Plenti believes that a key likely driver of this improved credit position is borrowers accessing the early superannuation release scheme introduced by the Australian Government in response to COVID-19 and using it to pay back debt. In addition, with reduced activity during lock-down periods some borrowers will also have had greater levels of free cash available to use to repay debt and some customers may have taken advantage of mortgage payment deferrals to accelerate repayment of personal debts. Finally, debt recoveries have been higher than average historic levels through recent months, in part due to overdue borrowers being more easily contacted by collection agencies due to reduced population mobility.

New loan balances in Q1FY2021 have had a higher proportion of automotive and renewable energy loans than the existing book, which has also contributed to a lower overall provision position given the lower risk carried in these segments.

While actual observed credit performance has been favourable during the COVID-19 period, management has increased downside overlays in the calculation of the impairment loan provision given overall increased economic uncertainty. The forecast assumes that the provision rate by lending vertical will be the same at September 2020 as it was in June 2020, although this sees a decline as an overall proportion of the loan book given the relative higher proportion of automotive and renewable energy.

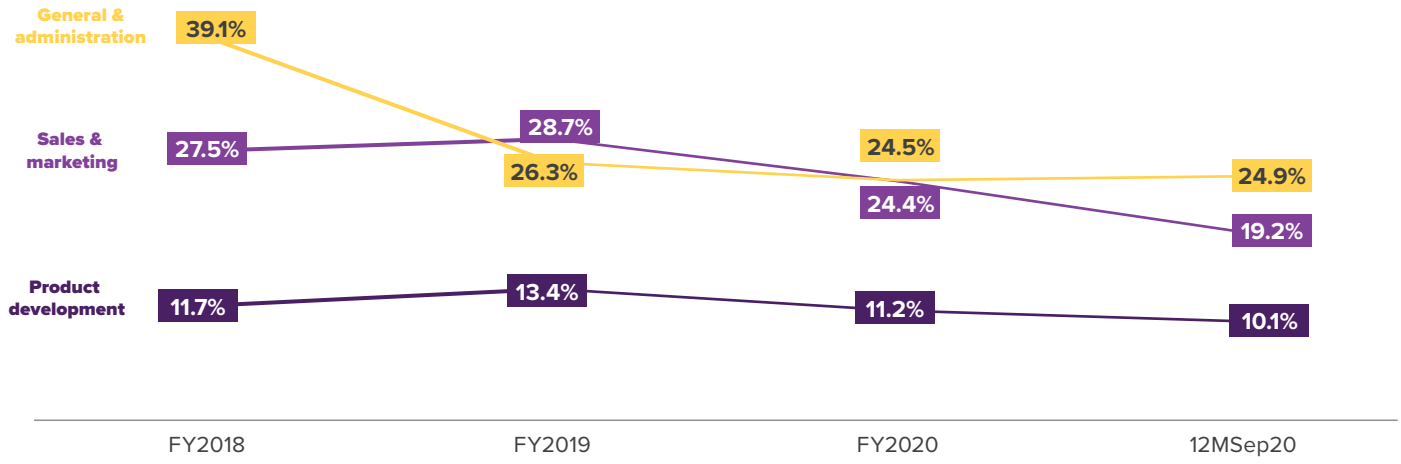
It should be noted that, all other things being equal, Plenti will record a higher proportionate loan impairment expense in periods where the loan book is growing rapidly given that the provision is a function of loan book size. The inverse is also true, which is part of the reason for the lower relative loan impairment charges in 12MSep20 and H1FY2021 when the impact of COVID-19 led to a period of lower loan originations.

Sales and marketing expenses primarily relate to the salary costs of Plenti's sales teams as well as marketing team salaries and other marketing costs. The largest component of non-salary marketing costs relates to digital advertising costs incurred in the origination of direct loans such as paid Google search advertising and rate comparison site costs. Plenti has invested in its sales and marketing capabilities in the historic period to help drive new loan origination volumes. In Q1FY2021 (three months ended 30 June 2020), Plenti reduced its digital marketing activities which has reduced costs, with some offsetting higher costs relating to rebranding of the business. Forecast advertising spend to September 2020 is largely based on forecast direct loan origination volumes and run-rate cost per loan metrics.

Product development expenses include costs in relation to the enhancement of existing technologies and/or the development of new technologies across the business. This is predominantly comprised of employee expenses for engineering, product, design and analytics functions. Plenti believes that its technology platform is a key enabler and competitive differentiator to the business and has therefore continued to invest in this area over the historic period. Plenti has historically expensed the costs of developing its technology platform rather than capitalising these costs.

General and administration expenses include employee expenses in relation to customer service, credit assessment, loan processing, retention and collection management, non-executive Directors, senior management personnel and business support functions as well as general business expenses such as legal and professional fees and facilities costs. Over the historical period, Plenti has sought to increase the efficiency of loan processing and support functions through increased use of technology to automate activities and has also moved some activities to a lower cost offshore servicing centre.

Figure 41: Select operating costs as % of revenue



- Product development, sales and marketing, and general and administration expense represented 78% of revenue in FY2018:
  - In FY2019 they represented 68% of revenue, a reduction of 10% vs pcp;
  - In FY2020 they represented 60% of revenue, a reduction of 8% vs pcp; and
  - In 12MSep20 they are forecast to represent 54% of revenue, a reduction of 6% vs FY2020.
- General and administration expenses were 39.1% of revenue in FY2018 and are forecast to be 24.9% of revenue in 12MSep20, a reduction of 14.2%.
- Sales and marketing expenses were 27.5% of revenue in FY2018 and are forecast to be 19.2% of revenue in 12MSep20, a reduction of 8.3%.
- Product development expenses were 11.7% of revenue in FY2018 and are forecast to be 10.1% of revenue in 12MSep20, a reduction of 1.6%.

Net loss after tax

Plenti has historically reported net operating losses. Plenti has been in a development and investment phase of its business life cycle whereby investments have been made to create capacity for future growth. Significant investment has been made to sales and marketing expenditure and product development expenditure to support the growth prospects of the business.

Impact of COVID-19 on the Company's Financial Information

Refer to Section 3.8 for details of the impact on Plenti's business and strategies in light of COVID-19.

4.12 Sensitivity analysis

The Forecast Financial Information is based on a number of estimates and assumptions as described in Section 4.10 and Section 4.11. These estimates and assumptions are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Company, the Directors and Plenti's management. These estimates are also based on assumptions with respect to future business decisions, which are subject to change.

Set out below is a summary of the sensitivity of the H1FY2021 Forecast Financial Information to changes in a number of key variables. The changes in the key variables as set out in the sensitivity analysis are not intended to be indicative of the complete range of variations that may be experienced.

Care should be taken in interpreting these sensitivities. In order to illustrate the likely impact on the Forecast Financial Information, the estimated impact of changes in each of the assumptions has been calculated in isolation from changes in other assumptions and assumes a full year impact. In practice, changes in assumptions may offset each other or be additive, and it is likely that Plenti's management would respond to any changes to seek to minimise the net effect on Plenti's revenue, NLAT and cash flow.

For the purposes of the analysis below, the effect of the changes in key assumptions is based on the H1FY2021 statutory forecast NLAT of $7.3 million, statutory revenue of $25.5 million, closing loan book of $426.0 million and statutory corporate operating cash outflow of $2.2 million.

Table 8: Sensitivity analysis

Assumption	Reported NLAT	H1FY2021 reported NLAT impact	Adjusted reported NLAT	Pro forma revenue	H1FY2021 pro forma revenue impact	Adjusted pro forma revenue
+20% number of originations	(7,325)	(286)	(7,611)	25,507	75	25,582
–20% number of originations	(7,325)	321	(7,004)	25,507	(75)	25,432
+50% automotive originations[1]	(7,325)	(126)	(7,451)	25,507	47	25,554
–50% automotive originations[1]	(7,325)	160	(7,165)	25,507	(47)	25,460

Notes:

1. Only includes automotive loans introduced by asset finance brokers which represents the majority share of current automotive loans.

Assumption	H1FY2021 loan book impact	H1FY2021 corporate operating cash flow impact
+20% number of originations[2]	+2.9%	22
–20% number of originations[2]	(2.9)%	14
+50% automotive originations[1]	+2.9%	(335)
–50% automotive originations[1]	(2.9)%	370

Notes:

1. Only includes automotive loans introduced by asset finance brokers which represents the majority share of current automotive loans.
2. Impact on corporate operating cash flow is not symmetric between scenarios due to stepped utilisation levels in the Warehouse Facility, which results in different funding cost impacts between volume increase and decrease scenarios.

4.13 Pro Forma Historical and Pro Forma and Statutory Forecast Cash Flows

Set out in the table below is a summary of Plenti's pro forma historical and forecast cash flows for FY2018, FY2019, FY2020 and 12MSep20.

Table 9: Pro Forma Historical and Forecast Cash Flows

	Historical Period			Forecast Period
$'000	**FY2018 Pro forma**	**FY2019 Pro forma**	**FY2020 Pro forma**	**12MSep20 Pro forma**
Cash flows from operating activities				
Pro forma NLAT	**(8,615)**	**(14,199)**	**(16,447)**	**(12,842)**
Add back: loan impairment expense	4,048	7,714	10,716	9,777
Add back: share-based payments	283	300	581	1,182
Add back: depreciation and amortisation	267	569	704	756
Add back: other non-cash items	136	(101)	(110)	(375)
Movement in working capital	3,958	2,972	1,572	472
Cash flows from operations	**77**	**(2,745)**	**(2,984)**	**(1,030)**
Cash flows from investing activities				
Net increase in loans to customers	(75,761)	(111,365)	(135,057)	(126,465)
Payments for property, plant and equipment	(132)	(198)	(78)	(52)
Payments for intangibles	–	(20)	(396)	(100)
Proceeds/(payments) from/(for) term deposits	(342)	(8,905)	8,985	1,985
Proceeds from disposal of property	–	9	–	–
Investing cash flows	**(76,235)**	**(120,479)**	**(126,546)**	**(124,632)**
Net operating and investing cash flows	**(76,158)**	**(123,224)**	**(129,530)**	**(125,662)**
Cash flows from financing activities				
Proceeds from issue of shares	10,500	17,409	–	55,000
Offer costs and other share issuance costs	(155)	(627)	–	(5,685)
Proceeds from borrowings	110,211	174,732	243,455	328,292
Proceeds from issue of convertible notes	–	–	10,083	10,083
Repayment of borrowings	(32,003)	(64,307)	(110,740)	(205,586)
Repayment of lease liabilities	(266)	(488)	(564)	(527)
Net financing cash flows	**88,287**	**126,719**	**142,234**	**181,577**
Net cash flows	**12,129**	**3,495**	**12,704**	**55,915**
Cash flows from operations reconciliation				
Corporate operating cash flows	(6,424)	(10,017)	(9,926)	(9,023)
Provision Fund operating cash flows	6,501	7,272	6,943	7,993
Cash flows from operations	**77**	**(2,745)**	**(2,984)**	**(1,030)**

Table 10: Pro Forma Adjustments to the Historical and Forecast Statutory Cash Flows

		Historical Period			Forecast Period
$'000	**Notes**	**FY2018**	**FY2019**	**FY2020**	**12MSep20**
Statutory operating and investing cash flows		**(75,185)**	**(122,289)**	**(128,727)**	**(122,991)**
Incremental public company costs	1	(973)	(935)	(956)	(912)
Capital raising costs	2	–	–	153	170
JobKeeper Payments	3	–	–	–	(1,720)
COVID-19 salary reductions	4	–	–	–	(209)
Pro forma operating and investing cash flows		**(76,158)**	**(123,224)**	**(129,530)**	**(125,662)**

Notes: Description of pro forma adjustments to the statutory operating cash flow:

1. **Incremental public company costs** include the incremental expenditure required to be a publicly listed company including Board, Listing and ASX fees;
2. **Capital raising costs** are non-operational costs;
3. **JobKeeper Payments** relate to Government support payments due to the COVID-19 pandemic; and
4. **COVID-19 salary reductions** relate to reduced salary expenses as a result of employees taking voluntary pay reductions.

Set out in the table below is a summary of Plenti's Pro Forma Historical and Forecast Cash Flows for H1FY2020, H1FY2021, 12MSep19 and 12MSep20 and the Statutory Forecast Cash Flows for H1FY2021.

Table 11: Pro Forma Historical and Forecast and Statutory Forecast Cash Flows

	Historical Period	Forecast Period		Historical Period	Forecast Period
$'000	**H1FY2020 Pro forma**	**H1FY2021 Pro forma**	**H1FY2021 Statutory**	**12MSep19 Pro forma**	**12MSep20 Pro forma**
Cash flows from operating activities					
Pro forma NLAT	**(7,902)**	**(4,298)**	**(7,325)**	**(16,479)**	**(12,842)**
Add back: loan impairment expense	4,417	3,478	3,267	8,935	9,777
Add back: share-based payments	150	751	3,245	300	1,182
Add back: depreciation and amortisation	332	384	384	633	756
Add back: other non-cash items	(118)	(382)	2,704	(117)	(375)
Movement in working capital	237	(863)	(863)	834	472
Cash flows from operations	**(2,884)**	**(930)**	**1,412**	**(5,894)**	**(1,030)**
Cash flows from investing activities					
Net increase in loans to customers	(56,994)	(48,401)	(48,401)	(107,431)	(126,465)
Payments for property, plant and equipment	(32)	(7)	(7)	(94)	(52)
Payments for intangibles	(295)	–	–	(317)	(100)
Proceeds/(payments) from/(for) term deposits	7,000	–	–	(2,010)	1,985
Proceeds from disposal of property	–	–	–	9	–
Investing cash flows	**(50,321)**	**(48,408)**	**(48,408)**	**(109,843)**	**(124,632)**
Net operating and investing cash flows	**(53,205)**	**(49,338)**	**(46,996)**	**(115,737)**	**(125,662)**
Cash flows from financing activities					
Proceeds from issue of shares	–	55,000	55,000	17,409	55,000
Offer costs and other share issuance costs	–	(5,685)	(5,685)	(627)	(5,685)
Proceeds from borrowings	85,560	170,396	170,396	178,681	328,292
Proceeds from issue of convertible notes	–	–	–	–	10,083
Repayment of borrowings	(30,848)	(125,693)	(125,693)	(75,122)	(205,586)
Repayment of lease liabilities	(282)	(245)	(245)	(547)	(527)
Net financing cash flows	**54,430**	**93,773**	**93,773**	**119,794**	**181,577**
Net cash flows	**1,224**	**44,435**	**46,777**	**4,057**	**55,915**
Cash flows from operations reconciliation					
Corporate operating cash flows	(5,479)	(4,575)	(2,233)	(10,945)	(9,023)
Provision Fund operating cash flows	2,595	3,645	3,645	5,051	7,993
Cash flows from operations	**(2,884)**	**(930)**	**1,412**	**(5,894)**	**(1,030)**

Table 12: Pro Forma Adjustments to the Historical and Forecast Statutory Cash Flows

		Historical Period	Forecast Period	Historical Period	Forecast Period
$'000	**Notes**	**H1FY2020**	**H1FY2021**	**12MSep19**	**12MSep20**
Statutory operating and investing cash flows		**(52,732)**	**(46,996)**	**(114,796)**	**(122,991)**
Incremental public company costs	1	(473)	(430)	(941)	(912)
Capital raising costs	2	–	17	–	170
JobKeeper Payments	3	–	(1,720)	–	(1,720)
COVID-19 salary reductions	4	–	(209)	–	(209)
Pro forma operating and investing cash flows		**(53,205)**	**(49,338)**	**(115,737)**	**(125,662)**

4.13.1 Discussion of historical and forecast cash flows

Plenti has historically been loss making as it has undertaken spend to grow the business in excess of income. This has led to operating cash flows being in deficit. NLAT is impacted by loan impairment provisions which do not have a cash flow impact until realised and employee share ownership plan expenses which also do not result in cash outflow.

Forecast operating cash flows continue to be in deficit as Plenti has not yet reached a scale where operating inflows are sufficient to cover operating costs. The forecast assumes timing of payments on material cash flow items is in accordance with recent historical experience.

It is noted that Plenti Group's operating cash flows can be split into Corporate operating cash flows and Provision Fund cash flows, as shown in Table 10. Cash, which is received from borrowers in relation to loan provisioning and is held in the Provision Fund, is not available for the general corporate purposes of Plenti. It may, however, cover loan impairment expenses on loans funded from the Plenti Lending Platform and which are recorded in Plenti's Pro Forma Historical and Forecast Results as discussed further in Section 4.11.

4.13.2 Investing cash flows

Cash payments to borrowers as part of new loans originations are classified as investing cash flows. Loans to customers have significantly increased over the Historical Period which has been offset by proceeds from, and repayments of, borrowings from unitholders (which are classified as a financing activity). Payments for other investments in FY2019 relate to term deposits which were subsequently repaid in FY2020.

Loans to customers are forecast to continue to increase over the Forecast Period as Plenti continues to grow its business, particularly in respect of automotive lending.

4.13.3 Financing cash flows

Proceeds from borrowings relate to the cash flows received for investors which has increased to support the growth in the underlying loan book. Capital raising activities took place through FY2018 to FY2020 resulting in the issue of shares and convertible notes.

Forecast financing activities includes the Offer of $55 million and associated Offer costs, as well as a net increase in borrowings as the loan book continues to grow.

4.14 Statutory and Pro Forma Historical Statement of Financial Position

The table below has been extracted from the audited consolidated historical statement of financial position assuming Plenti Group Limited was incorporated as at 31 March 2020 and adjusted to reflect the pro forma adjustments that have been made to the consolidated historical statement of financial position (further described in Section 4.15) and the pro forma consolidated historical statement of financial position as at 31 March 2020.

The pro forma consolidated historical statement of financial position is provided for illustrative purposes and is not represented as being necessarily indicative of Plenti's view on its future financial position.

Table 13: Statutory and Pro Forma Statement of Financial Position as at 31 March 2020

$'000	Notes	Plenti Group Limited historical statement of financial position at incorporation date	Impact of the Restructure	Impact of the Offer	Pro Forma subscription
Assets					
Cash and cash equivalents	1	–	42,028	49,315	91,343
Term deposits		–	457	–	457
Customer loans	2	–	360,184	–	360,184
Trade receivables		–	357	351	708
Other assets	3	–	2,434	–	2,434
Property, plant and equipment		–	303	–	303
Right-of-use assets	6	–	1,102	–	1,102
Intangibles		–	327	–	327
Total assets		**–**	**407,192**	**49,666**	**456,858**
Liabilities					
Trade payables	4	–	3,448	–	3,448
Other liabilities	4	–	4,813	(291)	4,522
Unitholders' liabilities	5	–	374,609	–	374,609
Warehouse borrowings	5	–	18,500	–	18,500
Convertible notes		–	8,873	(8,873)	–
Derivative liabilities		–	1,543	(1,508)	35
Lease liabilities	6	–	1,206	–	1,206
Provisions		–	652	–	652
Total liabilities		**–**	**413,644**	**(10,672)**	**402,972**
Net assets/(liabilities)		**–**	**(6,452)**	**60,338**	**53,886**
EQUITY					
Issued capital		–	324,042	63,425	387,467
Share-based payment reserve	7	–	1,401	(1,436)	(35)
Restructuring reserve	7	–	(281,714)	–	(281,714)
Accumulated losses		–	(50,181)	(1,651)	(51,832)
Total equity	8	**–**	**(6,452)**	**60,338**	**53,886**

Notes: Description of key Statement of Financial Position items

1. **Cash and cash equivalents** includes Corporate Cash, Provision Fund cash, Plenti Lending Platform cash and Plenti Wholesale Lending Platform cash. The Provision Fund cash, Plenti Lending Platform cash and Plenti Wholesale Lending Platform cash are held in trusts and ring-fenced from other uses. Refer to Table 13 for the reconciliation of audited to pro forma cash and cash equivalents.
2. **Customer loans** relates to the balance of outstanding loans to customers of Plenti, net of deferred upfront fee revenue (due to the effective interest rate method of accounting) and the value of the loan impairment provision.
3. **Other assets** primarily include prepayments and capitalised legal fees in relation to the setup of the Warehouse Facility.
4. **Trade payables and other liabilities** include amounts due to suppliers, accruals and other employee liabilities.
5. **Unitholders' liabilities and warehouse borrowings** relate to funds from the Plenti and Plenti Wholesale Lending Platforms and from the warehouse used by Plenti to fund outstanding loan amounts. This also includes cash amounts in lender accounts currently held on the platform but not deployed against outstanding loans.
6. **Right-of-use assets and corresponding lease liabilities** relate to the operating lease held for the Sydney office, whilst property, plant and equipment relates to furniture and fixtures, office equipment and computer software.
7. **Reserves** are recognised in relation to the long-term employee share option incentive plan, which offers eligible personnel options to acquire shares in Plenti and the cash flow hedge reserve relating to interest rate swaps used to hedge the warehouse borrowings. The restructuring reserve arises on restructure and, in future reporting periods, issued capital will be reported net of this amount.
8. Refer to Section 4.15.1 for the reconciliation of audited to pro forma equity account balances and undiluted pro forma capital structure.

The customer loan balance recorded by Plenti is net of the loan impairment provision, recognised under AASB 9. As at 31 March 2020 the provision balance was $9.9 million or 2.6% of the outstanding loan book. Further detail in relation to the basis and calculation of the impairment provision is set out in Appendix A.

It is important to note that the AASB 9 loan impairment provision and the Provision Fund, are related but separate concepts. The loan impairment provision is a non-cash entry recorded by Plenti to account for future expected credit losses on the portfolio, calculated in accordance with accounting standards. The Provision Fund, as described in Section 3.5.2.2, is a pool of restricted cash funds available to cover non-payment of interest and principal amounts by borrowers funded from the Plenti Lending Platform. When losses that have been provided for are realised, the cash cost of payment to lenders may be covered by the Provision Fund, but the value of the two amounts and their operation are separate and independent.

4.15 Pro forma adjustments

The following transactions and events contemplated in this Prospectus which are to take place on or before Completion of the Offer, referred to as the Pro forma Adjustments, are presented as if they, together with the Offer, had occurred on or before 31 March 2020 and are set out below.

With the exception of the pro forma transactions noted below no material transactions have occurred between 31 March 2020 and the date of this Prospectus which the Directors consider require disclosure.

Pro forma transactions:

1. As described in Section 4.3, the Restructure has been accounted for using the net asset carrying values of the Plenti Group prior to the Restructure. The difference between the fair value (based on the indicative market capitalisation) and the carrying values has been recognised as a restructuring reserve for the purposes of this Prospectus to highlight the impact of maintaining the predecessor carrying values. In future reporting periods, issued capital will be reported net of this amount;
2. Additional interest accrued on convertible notes between 31 March 2020 and the Offer date;
3. Loss on the derivative liability fair value in relation to the revaluation of the derivative at the date of the Offer;
4. The accelerated vesting of the Existing Incentive Plan arrangement at date of the Offer;
5. The conversion of the principal and accrued interest on the convertible notes into a total of 7,701,209 Shares. The derivative liability recognised in relation to the convertible notes has been expensed through accumulated losses;
6. The Completion of the Offer, raising $55 million through the issue of 33,132,530 Shares at the Offer Price of $1.66; and
7. Cash costs associated with the Offer totaling $5.7 million with $2.7 million being capitalised and $2.6 million being expensed. The GST claimable as a result of the RITC provisions within the GST legislation totals $0.4 million. $0.3 million of the cost was accrued for and unpaid as at 31 March 2020.

4.15.1 Pro forma cash and cash equivalents

Plenti expects that it will have sufficient cash to fund its operational requirements and business objectives following the Offer.

Table 14: Pro forma cash and cash equivalents as at 31 March 2020

$'000	Pro forma adjustment	Restricted cash and cash equivalents	Unrestricted cash and cash equivalents	Total cash and cash equivalents
Plenti Group Limited cash and cash equivalents at incorporation		**–**	**–**	**–**
Pro forma transactions:				
Restructure	1	35,347	6,681	42,028
Offer	6	–	55,000	55,000
Offer costs	7	–	(5,685)	(5,685)
Pro forma cash and cash equivalents		**35,347**	**55,996**	**91,343**

Notes: Refer to pro forma transactions in Section 4.15 for further detail.

4.15.2 Pro forma capital structure summary

Table 15: Pro forma capital structure

		No. of shares	Issued capital $'000	Share-based payment reserves $'000	Restructuring reserves $'000	Accumulated losses $'000	Net assets $'000
Plenti Group at incorporation date	**Pro forma adjustment**	**–**	**–**	**–**	**–**	**–**	**–**
Subsequent transactions:							
Restructure	1	21,333,074	324,042	1,401	(281,714)	(50,181)	(6,452)
Additional interest on convertible notes	2	–	–	–	–	(491)	(491)
Loss on derivative fair value	3	–	–	–	–	(295)	(295)
Accelerated Existing Incentive Plan vesting	4	–	–	(1,436)	–	1,436	–
Shares split (6:1)		127,998,444					
Conversion of convertible notes	5	7,701,209	11,166	–	–	–	11,166
Pre Offer capital structure		**135,699,653**	**335,208**	**(35)**	**(281,714)**	**(49,531)**	**3,928**
Pro forma transactions:							
Offer	6	33,132,530	55,000	–	–	–	55,000
Offer costs	7	–	(2,741)	–	–	(2,301)	(5,042)
Total		**168,832,183**	**387,467**	**(35)**	**(281,714)**	**(51,832)**	**53,886**

Notes: Refer to pro forma transactions in Section 4.15 for further detail.

4.16 Contingent liabilities

Plenti has given bank guarantees as at 31 March 2020 of $352,000 to Perpetual Trust Company Limited and KI Martin Place Pty Ltd. This is secured by the term deposit held by Plenti.

Plenti has collateral security as at 31 March 2020 of $95,000 to the superannuation clearing house as a Transaction Negotiation Authority relating to the payment of superannuation.

4.17 Dividend policy

The dividend policy of the Company is to reinvest all cash flows into the business to maximise its growth. Accordingly, no dividends are expected to be paid in the near term following the Company's listing on the ASX.

4.18 Indebtedness

Plenti's principal source of funding will be retail investors, institutional investors (superannuation funds, fixed income funds and ADIs), government borrowings (in relation to renewable energy loans) as well as the recently opened warehouse facility.

Table 16: Indebtedness and capitalisation as at 31 March 2020

$'000	Notes	Plenti Group Limited at incorporation date	Impact of the Restructure	Impact of the Offer	Pro Forma subscription
Funding debt					
Unitholders' liabilities	1	–	374,609	–	374,609
Warehouse borrowings	1	–	18,500	–	18,500
Funding debt		**–**	**393,109**	**–**	**393,109**
Less: restricted cash and cash equivalents	2	–	(35,347)	–	(35,347)
Net funding debt		**–**	**357,762**	**–**	**357,762**
Corporate Debt		**–**			
Corporate Debt	3,4	–	10,416	(10,381)	35
Less: unrestricted cash and cash equivalents	5	–	(6,681)	–	(6,681)
Gross Corporate Debt/(Cash)		**–**	**3,735**	**(10,381)**	**(6,646)**
Less: net Offer proceeds	6	–	–	(49,315)	(49,315)
Net Corporate Debt/(Cash)		**–**	**3,735**	**(59,696)**	**(55,961)**
Net debt		**–**	**361,497**	**(59,696)**	**301,801**
Balance sheet					
Total assets		–	407,192	49,666	456,858
Total equity		–	(6,452)	60,338	53,886
Key metrics					
Funding debt/gross loans		N/A	103.2%	N/A	103.2%
Net debt/total assets		N/A	88.8%	N/A	66.1%

Notes:

1. **Funding debt** relates to unitholders' liabilities and warehouse facilities used to fund Plenti's loan book.
2. **Restricted cash and cash equivalents** relate to cash in bank accounts controlled by securitisation trustees.
3. **Corporate Debt** relates to the convertible notes and derivative liabilities.
4. **Pro forma corporate debt** relates to a derivative recognised in relation to a cash flow hedging instrument with Plenti Group having nil corporate borrowings.
5. **Unrestricted cash and cash equivalents** relate to the cash at bank controlled by Plenti.
6. **Offer proceeds** relates to the cash raised from the Offer of $55 million, net of fees associated with the Offer on a cash basis of $5.7 million.

4.19 Quantitative and qualitative disclosures about market risk

Interest rate risk

Plenti's main interest rate risk arises from cash at bank, term deposits and borrowings. Cash at bank, term deposits and borrowings obtained at variable rates expose Plenti to interest rate risk. Cash at bank and term deposits obtained at fixed rates expose Plenti to fair value interest rate risk.

For Plenti, the unitholder loans outstanding are principal payment loans. The value is not subject to movement in interest rates and thus not subject to interest rate risk.

Borrowings to fund automotive loans are variable rate borrowings where the rates are reset regularly to current market rates. Interest rate risk is managed on these borrowings by entering into interest rate swaps, whereby Plenti pays fixed rate and receives floating rate. The contracts require settlement monthly of net interest receivable or payable. The settlement dates coincide with the dates on which interest is payable on the underlying borrowing. The gain or loss from remeasuring the hedging instruments at fair value is recognised in other comprehensive income and deferred in equity in the cash flow hedge reserve, to the extent that the hedge is effective.

It is reclassified into the statement of profit and loss if the hedging relationship ceases. In the year ended 31 March 2020, nil amounts were reclassified into profit and loss. There was no material hedge ineffectiveness in the current year.

Plenti hedges a significant portion of the variability in future cash flows attributable to the interest rate risk on floating rate borrowings using interest rate swaps. As at 31 March 2020, Plenti had a hedge ratio of 54%; however, the hedge was topped up to over 90% in the immediate subsequent days in line with the hedge policy. There were no forecast transactions for which the cash flow hedge accounting had to be ceased as a result of the forecast transaction not occurring in the historical period.

Section 5

Key risks

5.1 Introduction

This Section 5 describes some of the potential risks associated with Plenti's business and the industry in which it operates, and the risks associated with an investment in the Shares.

Plenti is subject to risk factors that are both specific to its business activities and that are more general in nature. Any of these risk factors (individually or in combination) may, if they eventuate, have a material adverse effect on Plenti's business, financial position, operating and financial performance, growth, price and/or value of the Shares, and your investment returns. Many of the circumstances giving rise to these risks and the occurrence of consequences associated with each risk are partially or completely outside the control of the Company, its Directors and Senior Management. This Section 5 should be read in conjunction with other information disclosed in this Prospectus. There can be no guarantee that Plenti will achieve its stated objectives or that any forward looking statements or forecasts will eventuate.

Section 5 does not purport to list every risk that may be associated with an investment in Plenti or the Shares now or in the future. The selection of risks in this Section 5 has been based on an assessment of a combination of the probability of the risk occurring and the impact of the risk if it did occur. The assessment is based on the knowledge of the Directors as at the Prospectus Date; however, there is no guarantee or assurance that the importance of risks will not change or that other risks will not emerge.

Before applying for Shares, you should read the entire Prospectus and satisfy yourself that you have a sufficient understanding of these matters and should consider whether Shares are a suitable investment for you having regard to your own investment objectives, financial circumstances and particular needs (including financial and taxation issues). If you do not understand any part of the Prospectus or are in any doubt as to whether to invest in Plenti, you should seek professional advice from your stockbroker, accountant, lawyer, financial adviser or other independent professional adviser before deciding whether to invest.

5.2 Risks specific to an investment in Plenti or the industry in which it operates

5.2.1 Borrowers may default on loans matched on the Plenti Lending Platforms or held in the Warehouse Facility

a. Borrower default on loan repayments to investors on the Plenti Lending Platform or Plenti Wholesale Lending Platform

Borrowers may default on their obligations to pay principal, interest and/or fees owing on amounts lent by investors participating on the Plenti Lending Platforms. The Plenti Lending Platforms facilitate retail and institutional investors to invest in consumer loans. While Plenti is generally not directly exposed to borrower defaults on loans funded via the Lending Platforms[1], borrower default has a direct impact on investors who have funded loans through the Plenti Lending Platforms that are not repaid or are subject to late repayment.

Widespread borrower default could result in negative publicity and/or have reputational impact on the Plenti business. As a result, Plenti may experience a loss of existing Plenti investors and weaker growth of new investors on the Plenti Lending Platforms. This could impact Plenti's growth, future operating and financial performance and the value of the Shares.

Plenti has a Provision Fund which has been established to compensate Plenti investors in the event that borrowers to whom their funds are matched are late in making payment or default on loans made through the Plenti Lending Platform. However, the Provision Fund may not be available or may not be sufficient to compensate all Plenti investors, for example, in the event of widespread default on loan repayments (refer to Section 5.2.2 for further information). Wholesale investors participating in the Plenti Wholesale Lending Platform do not have access to the Provision Fund and may not be able to recover the full amount of outstanding loans through collection activities or enforcement of loan security. Not all loans placed on the Plenti Lending Platform are secured and some loans may not have adequate security to recover the full value of outstanding amounts and associated recovery costs upon default.

Plenti may not be able to recover its own fees from borrowers who are in default of their loans matched on the Plenti Lending Platforms. In some circumstances, it may not be economically viable to pursue repayment of some fees or outstanding loans even where potential legal claims arise under loan contracts. If any or all of these risks eventuate, it may have a material adverse effect on Plenti's operating and financial performance (including revenues, growth and profitability), financial position and the value of the Shares.

b. Warehouse Facility – borrower default on repayments of securitised loans

Plenti Finance enters into automotive loans with borrowers and the loan receivables are assigned to the Warehouse Facility under an asset-backed warehouse securitisation structure. The Warehouse Facility is provided by the Warehouse Lenders, who fund up to 95% of the funding requirements. Plenti is required to subscribe for subordinated debt in the Warehouse Facility from its own equity to provide credit support (as 'first loss' capital) representing a minimum of 5% of the debt issued by the Warehouse Facility. Refer to Section 9.4 for an overview of the Warehouse Facility terms and total amounts committed and drawn as at the Prospectus Date.

1 Plenti may participate as an investor on the Plenti Lending Platforms from time to time. As at 19 August 2020, Plenti has outstanding loan amounts of $505,340.47 which is directly invested in loans through the Plenti Lending Platforms. Plenti may not be able to recover all of its loan amounts if the borrowers under such loans default on repayment obligations.

If borrowers default on the repayment of loans in the Warehouse Facility and such amounts are unable to be recovered, then such losses will be borne first by Plenti from its 'first loss' capital. If losses on loans in the Warehouse Facility are high, it will erode capital positions and result in a loss of such capital to satisfy loan losses. Widespread borrower default on loans in the Warehouse Facility could result in a Stop Funding Event under the Warehouse Funding Documents (refer to Section 5.2.4 for further information). If this occurs, the Warehouse Lenders may be entitled to stop funding and, if this leads to an Amortisation Event and/or Event of Default, they may enforce their security in respect of the loan receivables and/or require repayment of their funding to the Warehouse Facility.

If Plenti's exposure to bad debts as a result of borrowers failing to repay loans in the Warehouse Facility (or under other warehouse vehicles established in the future by Plenti) is higher than expected, it may have a material adverse effect on Plenti's financial position and its operating and financial performance, which could impact the value of the Shares.

c. Potential causes of borrower default – COVID-19 and economic downturn

Borrower default may be caused by changes to a borrower's specific circumstances, such as a deterioration in personal finances (for example, loss of employment) or the financial performance of the borrower's business, including through reduced cash flow or insolvency. If in financial distress, borrowers may determine to make other financial payments ahead of their payments to Plenti (for example, payments to secured lenders, employees or key suppliers).

Macroeconomic events such as an economic downturn in Australia or globally may result in the deterioration of the financial position of Plenti borrowers, which could lead to borrower default. The ongoing COVID-19 pandemic has led to increased unemployment levels, deteriorating household income and worsening financial performance of many businesses throughout Australia and worldwide. As a result, Plenti could experience increased levels of borrower default and bad debt which could impact its future financial performance.

If widespread borrower default occurs, Plenti may experience lost fee revenues and/or loss of capital or third-party funding. This could result in a significant decrease in revenues, operating cash flows and profitability and an increase in impairment expenses and funding costs. These factors individually or in combination may have a material adverse effect on Plenti's business, financial condition, operating and financial performance and the value of the Shares.

5.2.2 The Provision Fund may not be sufficient, or may no longer be available, to compensate investors for loan defaults

The Plenti Provision Fund has been established to act as a buffer to help protect investors on the Plenti Lending Platform from borrower late payment or default. Plenti's objective is that the Provision Fund is sufficiently funded to protect investors in the Plenti Lending Platform on an ongoing basis so that they do not suffer financial loss (refer to Section 3.5.2.2 for further information). However, the Provision Fund is not a guarantee nor an insurance product and may not cover all claims for borrower late payment or default. Decisions on whether a claim should be made to the Provision Fund for a specific borrower late payment or default, and the amount of any such claim, are undertaken by a Provision Fund Claims Committee at its discretion based on a variety of factors.

Although Plenti expects that in ordinary circumstances the Provision Fund Claims Committee will make a claim to the Provision Fund to compensate investors for the full amount of borrower late payment or default, there is a risk that the Provision Fund does not cover some or all of such amount. This could occur on a case-by-case basis and impact individual investors or it may have a widespread impact on many investors experiencing loan defaults (for example, in the event of systemic borrower default as a result of an economic downturn). Where a payment (or part of a payment) is made from the Provision Fund to compensate for a loss of interest, Plenti may deduct from that payment an interest margin fee. If claims made to the Provision Fund are not approved or there are insufficient funds in the Provision Fund to approve all claims, Plenti may experience reputational damage and a loss of investors on the Plenti Lending Platforms.

If the Provision Fund is wound up, investors on the Plenti Lending Platform will have no entitlement to receive any of the funds distributed from the Provision Fund. This could occur, for example, if there is a change in the regulation of the Provision Fund which makes it unviable for Plenti to continue to offer this protection. Any removal of the Provision Fund could result in a loss of investors or impact Plenti's ability to attract new investors to achieve its growth objectives.

5.2.3 Plenti may not attract or retain investors to meet borrower demand on the Plenti Lending Platforms

Plenti's ability to grow its business is partially dependent upon investors providing loan funding to borrowers participating on the Plenti Lending Platforms. A decline in investors on the Plenti Lending Platforms may impact the amount of funds available for Plenti to use in funding loans to borrowers. This is a critical component of Plenti's business model and customer offering. This may occur, for example, through a loss of customer goodwill (if investors or other participants on the Plenti Lending Platforms are not satisfied with their experience) or Plenti is unable to attract and convert new investors or borrowers.

Other factors that may constrain or undermine Plenti's ability to attract investors and borrowers may include increased bad debts and loan defaults, negative publicity, operational issues, increased fees charged by Plenti or the materialisation of other risks set out in this Section 5 (including regulatory, competition, technical, or macroeconomic risks). This may impact Plenti's ability to grow and achieve strategic objectives and could have a material adverse effect on fee revenues and the resulting financial performance of Plenti.

5.2.4 Breach of restrictions under Warehouse Funding Documents may lead to a loss of funding (or an obligation on Plenti to contribute more capital)

The Warehouse Lenders provide funding to the Warehouse Facility in accordance with the Warehouse Funding Documents. The terms of the Warehouse Funding Documents include various restrictions and consent requirements (for example, upon a change of control), including in respect of a Stop Funding Event, Amortisation Event or an Event of Default (refer to Section 9.4 for further information). Although Plenti considers that the Offer will not give rise to a change of control or other breach of the Warehouse Funding Documents, there is a risk that future events or transactions may result in a breach of the terms of the Warehouse Funding Documents.

A Stop Funding Event, Amortisation Event or Event of Default may arise from a range of factors, including a breach of undertakings in respect of the origination and servicing of loan receivables, credit-related factors relating to the quality or a deterioration in the performance of loans, or a breach of relevant Portfolio Parameter relating to the loan pool in the Warehouse Facility (refer to Section 9.4 for further information). If Daniel Foggo (Chief Executive Officer) or Glenn Riddell (Chief Operating Officer) resign, retire or otherwise terminate their employment with Plenti in circumstances where the Warehouse Lenders have not consented or are not otherwise satisfied with any replacement, then this will trigger a Stop Funding Event which could ultimately lead to an Amortisation Event and/or Event of Default.

If an Amortisation Event occurs, this may prevent Plenti from obtaining funding from the Warehouse Lenders. In addition, payments to Plenti (such as interest on its subordinated debt) may be impacted. If an Amortisation Event remains continuing for 18 months or another Event of Default occurs under the Warehouse Lending Documents, this may result in the Warehouse Lenders being permitted to enforce their security over the assets of the Warehouse Facility and selling the loan receivables funded by that Warehouse Facility. Plenti RE may also be removed as servicer of those receivables (meaning it would no longer interact with customers in relation to the receivables). All cash flows under loans assigned to the Warehouse Facility may be required to be used to repay the Warehouse Lenders and no cash flows may flow back to Plenti until the Warehouse Lenders are fully paid.

Plenti may also be required to repurchase loan assets from the Warehouse Facility which did not meet eligibility criteria at the time they were transferred to the Warehouse Facility. If any of these events occur in relation to the Warehouse Facility (or any other future warehouse facilities), they may have a material adverse effect on Plenti's revenues, profitability and financial position, which may impact the growth of its business and the value of the Shares.

5.2.5 Market dislocation risk – Plenti may not be able to access new funding or funding may only be available on unfavourable terms

Plenti's ability to facilitate new loans on favourable terms out of the Warehouse Facility (or under new warehouse facilities) depends, in turn, on its ability to access funding and the terms on which such funding is obtained. If Plenti is not able to secure additional funding on satisfactory terms, it may not be able to facilitate new loans out of the Warehouse Facility or its ability to do so may be restricted. This could have a significant impact on Plenti's future revenues and profitability.

If there is a loss or an adverse impact (for instance, an increase in the cost of capital) in respect of the Warehouse Lenders or any future funding sources, Plenti's ability to facilitate new loans on favourable and/or competitive terms will be limited. This may be caused by an increase in borrower defaults on loans in the Warehouse Facility, which could trigger the rights of the Warehouse Lenders to stop funding the Warehouse Facility (or, in some cases, enforce security and requirement repayment of their funding, as described in Section 5.2.4). In addition, if Plenti cannot efficiently secure additional equity funding (for example, due to prevailing capital market conditions), this may impact its ability to meet 'first loss' requirements and restrict its ability to expand its warehouse funding and increase loan volumes. These factors could result in a material adverse effect on Plenti's revenues and profitability.

This risk may be partially mitigated by alternative sources of funding available to Plenti, such as participating in securitisation markets and terming out loans as the Warehouse Facility grows. Plenti's ability to fund new loans may depend on obtaining additional or replacement funding via domestic or international capital markets, for example, by terming out loans into the securitisation markets to free up capacity in its Warehouse Facility. Dislocation in these capital markets or reduced investor appetite to acquire such securities may adversely affect Plenti's ability to continue to utilise the Warehouse Facility to facilitate new loans, or require Plenti to access funds at a higher cost or on unfavourable terms. This may be contributed to by global macroeconomic conditions and weaker financial and securitisation markets contributed to by the impact of the global COVID-19 pandemic.

As at the Prospectus Date, the Warehouse Facility has a facility limit of $150 million (which was increased from $100 million in August 2020). It is possible, however, that Plenti may not be able to further extend the financing term or increase the funding capacity of its Warehouse Facility (or any future warehouse facility arrangements) beyond existing terms or when renegotiating an extension or increase may not be able to do so on the same or more favourable terms. If Plenti cannot obtain sufficient funding or obtain funding on favourable terms, then it may not be able to introduce new warehouse facilities or other funding arrangements sufficient to meet customer demand or business requirements. This may impact Plenti's ability to pursue its growth strategy and strategic objectives, including through expansion into new loan products or new lending verticals.

5.2.6 Plenti may fail to comply with laws, regulations, licensing conditions or industry standards applicable to its business

a. Plenti and the consumer credit sector is subject to enhanced oversight and engagement from regulators

Plenti operates in a highly regulated industry and in new and emerging markets (for example, financial technology, marketplace lending and non-bank alternative loan products). Plenti was granted an AFS licence specifically authorising it to accept funds from retail investors on the Plenti Lending Platform. As such, Plenti and the markets it operates in are subject to enhanced oversight and engagement from ASIC and other regulators.

Plenti may fail from time to time to comply with all regulatory requirements and, as a result, could be subject to enforcement measures by ASIC or other regulators. Depending on the nature of the breach, this could result in fines, penalties or reputational damage from public and media scrutiny. In addition, mandatory changes could be required to be made to its business model or its offering to customers. This may have a material adverse effect on Plenti's operating and financial performance (including costs, revenues and profitability), which could impact the value of the Shares. As at the Prospectus Date, Plenti is not subject to any unresolved non-compliance or breach notices from ASIC or other regulators.

Plenti seeks to mitigate these risks by taking a compliance-focused approach to its business operations and lending platforms. It is possible, however, that compliance breaches or enhanced regulatory oversight could impact the ability of investors to continue to provide funding to the Plenti Lending Platforms or into warehouse facility structures. For example, changes to APRA regulatory standards regarding capital requirements and regulatory approach to securitisation facilities may impact Plenti's ability to obtain sufficient funding on satisfactory terms.

b. Breach of Plenti's AFSL or ACL could result in significant disruption and/or impact Plenti's ability to continue to operate its business

Plenti's ability to operate its business is reliant on Plenti continuing to hold its AFSL and ACL (which are currently held by Plenti RE). Plenti RE is the responsible entity of the Plenti Lending Platform, which is regulated as a managed investment scheme (**MIS**) registered with ASIC under the *Corporations Act 2001* (Cth). The registration of the Plenti Lending Platform with ASIC requires Plenti to comply with obligations additional to those under its AFSL and ACL. Refer to Section 2.7 for further information.

Any breach of the conditions attached to the AFSL/ACL and/or the MIS registration of the Plenti Lending Platform, or any breach of the underlying financial services, consumer credit or corporations laws requirements, could lead to a suspension or revocation of licences and/or registration and impact Plenti's ability to continue to operate its business. The imposition of new or modified conditions on existing AFSL or ACL licences or its MIS registration could impact Plenti's ability to comply with the new requirements and continue to operate its business in the same manner. This could lead to increased costs or an inability to provide the same offering to its customers, which could impact its ability to meet growth objectives and have a material adverse effect on operating and financial performance.

c. Other applicable regulatory requirements and risks of non-compliance

In addition to AFSL and ACL requirements, Plenti is subject to a range of laws, regulations and industry standards in its operation of the Plenti Lending Platforms and day-to-day business. Refer to Section 2.7 for detailed information on the regulatory landscape applicable to Plenti and the credit and consumer finance industry generally.

If Plenti fails to comply with any of its regulatory requirements, this could result in fines, penalties or reputational damage (including cessation of business activities, loss of investors or failure to attract new investors). In addition, Plenti may be subject to increased costs (on an individual or ongoing basis) to remedy non-compliance or to resolve disputes, litigation proceedings or regulatory investigations. Any or all of these regulatory non-compliance risks, if they eventuated, could result in a material adverse effect on Plenti's operating and financial performance and the value of the Shares.

The increasing demands of these laws, regulations or industry compliance standards, and changes to the regulatory landscape, could require Plenti to increase the resourcing of its compliance and risk function, which may add to its cost base. Refer to Section 5.2.8 for risks involved with security breaches and non-compliance with privacy legislation.

Plenti seeks to mitigate these risks by reviewing its compliance processes on an ongoing basis. Plenti also adopts due diligence processes and training to minimise exposure to third parties (such as suppliers) breaching compliance obligations in circumstances which may impact Plenti. For example, Plenti reviews and screens potential suppliers of products using credit provided by Plenti or other funding sources. Plenti also provides induction training to suppliers to minimise the risk that they act in breach of Australian Consumer Laws or misrepresent the terms of loan contracts. In addition, Plenti seeks indemnities from suppliers to compensate Plenti for exposure to supplier risk.

If AFCA determines there to be a systemic issue in a dispute between Plenti and its customers, AFCA may refer the issue to ASIC. This referral may result in loss or suspension of licence, monetary fines, remedial actions, legal proceedings and reputational damage. In addition, any public determination by AFCA naming Plenti in respect of consumer complaints may give rise to reputational and brand damage and impact Plenti's ability to attract or retain investors in the Plenti Lending Platforms. This could have a material adverse effect on its operating and financial performance, future growth and the value of the Shares.

5.2.7 Impact of changes to the regulatory environment or enhanced regulatory enforcement policies applied to Plenti's business

There is a risk that a change in laws or regulations (including their interpretation by courts or enforcement by regulators) could impact Plenti's business and/or increase its compliance costs. This may include, for example, changes to taxation laws or changes to the laws regulating consumer lending or laws for lenders generally (including those regulatory requirements outlined in Sections 2.7 and 5.2.6).

The financial services and consumer credit sector has been subject to recent political and regulatory scrutiny following the Banking Royal Commission. As a result, there has been media and public commentary targeted at financial service providers increasing standards of compliance and adapting their business models (including in relation to fees and disclosures). Regulators are showing a heightened preparedness to take action against financial services and consumer credit service providers (including as part of ASIC's adopted approach of 'why not litigate?'). There is also an increased risk of class action litigation from aggrieved investors under the current regulatory landscape.

The introduction of new laws, regulations and industry compliance standards which oblige industry participants to proactively change their business models or product features, alter funding arrangements or change their disclosure practices, could have a material adverse effect on Plenti's business, financial position, operating performance and growth. Following the Banking Royal Commission, regulators are showing a generally heightened preparedness to reassess existing regulatory frameworks and take action against, amongst others, consumer credit providers. As a result, it is possible that changes to laws, regulations and industry compliance standards will continue.

Refer to Section 2.7 for an overview of regulatory developments that may impact Plenti's business.

This environment creates uncertainty around the regulatory treatment of Plenti's current and proposed products, practices and procedures, and creates the risk that a regulator may take a different view to Plenti on how certain regulations apply to its current and proposed products, practices and procedures and the appropriateness of such proposed products, practices and procedures for consumers. In addition, some regulatory changes may be favourable to Plenti's competitors and strengthen their own funding arrangements or business models, enabling them to compete more effectively with Plenti.

5.2.8 Exposure to a security or data breach (including through cyberattacks)

Plenti provides access to the Plenti Lending Platform and other services through the Plenti website and other channels that rely on online technology. Plenti uses secure cloud-based platforms to host a number of these key systems and processes, including the collection of personal information from customers. Although Plenti has designed its technology and systems with a primary focus on security and data protection, information technology systems can be susceptible to security issues and it is possible that hacking, cyberattacks or other exploitation of Plenti's systems could cause loss, theft or corruption of data held by or on behalf of Plenti. This could occur through the deployment of viruses or malware designed to create system and service disruptions or to expose confidential information. Security or data breaches may result from human error, defects in technology or from third party service providers failing to comply with their obligations to Plenti in respect of the protection of personal data.

A security breach or failure to protect customer information (including from cyberattacks) may lead to a disruption in the availability of the Plenti Lending Platforms. As a result, Plenti investors and other market participants may not be able to access the Plenti Lending Platforms in order to execute loan transactions. Access to the Plenti Lending Platforms by market participants is critical to the successful operation of Plenti's business and if access is unavailable for an extended period of time, Plenti may experience a significant reduction in loan volumes and revenues.

There is a risk that Plenti may be found to be in breach of data protection laws or industry standards, which could result in penalties or fines imposed on Plenti and expose it to claims by customers whose data, personal information or security has been compromised. Plenti has an obligation under privacy laws (including the *Privacy Act 1998* (Cth)) to notify individuals and the Australian Information Commission of a privacy breach. Such breaches may also lead to enhanced regulatory and/or media scrutiny and result in significant reputational damage to Plenti. The reputational damage arising from a perceived loss of system integrity may impact Plenti's ability to retain or generate customers, which could lead to a reduction in the growth of Plenti's business and impact its future financial performance.

Data protection and system security is an integral part of the design and implementation of Plenti's processes, technology and systems. Plenti undertakes regular penetration testing and engages external consultants to audit its security systems. In addition, Plenti maintains insurance policies that partially mitigate against the consequences of these cybersecurity risks eventuating. However, despite these protective measures, it is possible that a security or data breach could occur. If these risks eventuate, they could have a material adverse effect on Plenti's business, operating and financial performance, and/or growth and the value of the Shares.

5.2.9 Reliance on third-party service providers providing critical services to Plenti

The Plenti Lending Platforms and Plenti's business generally is reliant on key inputs and services from third parties such as credit data providers, banking and payment services providers, and software and technology suppliers (including data warehousing and cloud hosting). If a third party fails to deliver a reliable and high quality service to Plenti this could result in disruption to its business and may impact on the ability of customers to transact loans on the Plenti Lending Platforms. This may have a material adverse effect on Plenti's business operations, ability to generate revenues and financial performance.

Although Plenti has developed and operates its credit assessment processes in-house in part by utilising the RAPID Credit Engine, Plenti also uses and relies on information provided from third-party credit agencies and data providers to feed into its credit assessment processes. The quality and reliability of the data (such as bank account information) provided by third parties is critical to the accuracy of Plenti's credit assessment processes. In addition, a change in access to data services, such as banks changing or restricting access to customer data or credit reporting bodies changing the inputs relied upon by Plenti, could impact Plenti's ability to make informed credit decisions. If Plenti's credit assessment processes do not operate in an effective manner, this could result in higher than expected loan defaults and have a significant impact on Plenti's business. Refer to Section 5.2.10 for further information.

Plenti is reliant on third parties for operational support. Plenti relies on contracts with third-party information technology suppliers and software providers to maintain and support the Plenti Lending Platforms. For example, the execution of some loans and direct debit repayments on loans are dependent on third party technology and services. As a result, Plenti's business relies on these products and services being delivered in a timely and effective manner and is exposed to a delay or disruption to the services. In addition, there is a risk that third-party arrangements may be terminated (including as a result of third-party insolvency) or not able to be renegotiated or renewed. If these events occur, it could result in a delay, disruption or outage of one or more of the Plenti Lending Platforms. A change or renegotiation in the terms under which third parties provide services may lead to an increase in the cost of supply and consequently may impact Plenti's profitability if it is unable to find viable cost efficient alternative providers.

Plenti is also reliant on third parties to an extent to monitor the operation of Plenti's health and safety management program. Third parties conduct due diligence regarding Plenti's compliance with health and safety laws and regulations from time to time, including reporting of any relevant on-site incidents. As part of its role in relation to the Government schemes outlined in Section 5.2.12, Plenti engages contractors and is responsible for managing an occupational health and safety program. There is a risk that these contractors may fail to properly perform their roles and this impacts Plenti's continued participation in the schemes.

Failure to comply with such laws and regulations may expose Plenti to enforcement actions by governmental agencies or compensation claims by third parties and may require Plenti to engage in financially material remediation activities. There is a risk that the third party may deliver a service below the expected standard or there may be a disruption to the services provided by that third party. Any such failure to deliver services to an expected standard will have a consequential and direct impact to Plenti in being exposed to such regulatory risks.

Any or all of these events could increase Plenti's cost of doing business, and cause disruption to its operations or a deterioration in its offering to market participants. This may damage Plenti's reputation and result in customers moving to alternative providers. These events could have a material adverse effect on Plenti's business, financial condition, operating and financial performance, availability and cost of funding and/or growth and the value of the Shares.

5.2.10 Plenti's credit assessment processes may not operate effectively

Plenti's credit assessment processes (including the RAPID Credit Engine) may fail from time to time to accurately identify borrower repayment capacity or other credit issues. The level of bad debt experienced by Plenti (and its resulting impact on loan volume, fees and profitability) is dependent on its ability to effectively run and optimise its credit systems and processes to make accurate decisions in connection with the borrower approval process. Plenti's ability to attract lenders to the Plenti Lending Platforms may be dependent on Plenti's ability to accurately evaluate a borrower's credit profile and likelihood of default. Increasing levels of borrower default may impact the growth of the Plenti Lending Platforms' investors or result in loss of existing lenders. In addition, ineffective credit assessment processes could result in Plenti breaching the terms of the Warehouse Funding Documents, which could result in a loss of funding to the Warehouse Facility (refer to Section 5.2.4 for further information).

Plenti has invested in developing and refining robust credit assessment processes, in particular through building its RAPID Credit Engine. Plenti utilises credit decisioning and scoring models that evaluate a number of factors. Refer to Section 3.7.2 for further information. There is, however, a risk that the RAPID Credit Engine and/or the judgement of Plenti's employees does not always provide an accurate evaluation of credit risk. In particular, external credit data provided by third parties to Plenti may not be accurate or continue to be available (refer to Section 5.2.9 for further information). In addition, Plenti's employees may fail from time to time to effectively operate the RAPID Credit Engine or there may be human error, a software bug or a technological failure (for example, in data gathering or algorithms) that impacts the results of credit assessments.

Plenti's assessment of a borrower reflects Plenti's view of creditworthiness at a particular point in time. Plenti does not evaluate a borrower's creditworthiness on an ongoing basis, although it may do so periodically. Investment in Plenti products offered to market participants may be impacted should the creditworthiness of that borrower change over time, reducing the borrower's capacity to repay their loan. In addition, as Plenti introduces new products or expands into new markets, there is a risk that it may not be able to adapt its credit assessment processes to effectively assess credit risk.

If Plenti's credit assessment processes do not operate effectively this could have a material adverse impact on Plenti's operating and financial performance and its ability to meet future growth objectives, which could impact the value of the Shares.

5.2.11 Plenti may experience technology failure or its technology may become obsolete

The success of Plenti's business may rely on the technology it has developed in respect of its offering under the Plenti Lending Platforms and its RAPID Credit Engine technology to assess credit risk. If there is any decrease in the effectiveness or functionality of the information technology systems which support this technology (or if these systems are not able to be further developed and become obsolete in comparison to its competitors), then this could have a significant impact on Plenti's ability to continue to deliver its services and generate revenues.

There is a risk that the Plenti Lending Platforms may experience downtime or interruption due to system failures, service outages, corruption of information technology network or information systems as a result of computer viruses, software bugs or cyberattacks, as well as natural disasters, fire, power outages or other events outside the control of Plenti. This could impact the availability of the Plenti Lending Platforms and result in reduced loan volumes and reduced growth of new investors on the Plenti Lending Platforms. Any systemic failure could have reputational damage, and/or damage to its ability to make informed credit decisions and assess the credit performance of its loan book, its ability to service customers in a timely manner, and its ability to retain existing customers and attract new customers. Any of these events could have a materially adverse impact on Plenti's business, operating and financial performance, and/or growth.

Plenti's technology platform or product offering may also become obsolete or outdated through the investment of its peers in superior technology and/or product offerings, increased access to data through the introduction of positive credit reporting reforms or general market developments. This could necessitate Plenti undertaking substantial investment in updating or improving its current technology platform and product offering, which could require Plenti to incur significant costs and have a material adverse impact on Plenti's business, operating and financial performance, and/or growth.

5.2.12 Failure to comply with, or loss of, government contracts and CEFC funding support programs

Plenti has entered into contracts with the South Australian Government and the New South Wales Government, in conjunction with CEFC in relation to State renewable energy programs. There is a risk that Plenti may fail to comply with the terms of these contracts, which could result in Plenti being partially or fully replaced in its role in relation to these programs. In addition, the programs could be removed due to change in government policy. This could have a material adverse effect on Plenti's future revenues and growth, which would impact its operating and financial performance, and the value of the Shares.

a. South Australian Home Battery Scheme

In September 2018, Plenti was appointed by the South Australian Government as the administrator of the Home Battery Scheme. The Home Battery Scheme provides subsidies to eligible homeowners to purchase and install energy storage systems. Under the SA Subsidy Agreement, Plenti agrees to facilitate the provision of finance to participants in the Home Battery Scheme through the South Australia Renewable Energy Lending Market established on the Plenti Lending Platform. Under the CEFC Side Letter, CEFC has agreed to invest $20 million via the Plenti Lending Platform, with a potential further investment of up to $80 million at the sole discretion of CEFC.

CEFC may cease or withdraw its participation in the Plenti Lending Platform in its absolute discretion at any time pursuant to the terms of the CEFC Side Letter. CEFC confirmed in December 2019 that it has internal approvals, which expire in December 2020, to invest a further $40 million in the Plenti Lending Platform (separate to its investment in the South Australia Renewable Energy Lending Market). There is, however, no binding commitment to provide such funding.

The South Australian Government may reduce the subsidy concessions available under the Home Battery Scheme. This may occur, for example, if there is a change in government or policy, or if there is insufficient public funding or political support to continue this initiative.

b. NSW Empowering Homes Program pilot

In February 2020, the Company entered into the EH Services Deed with the NSW Government to facilitate interest-free loans to the participants of the Empowering Homes Program pilot through the Plenti Lending Platform. Under the EH Services Deed, the NSW Government may terminate the arrangements without cause. In addition, if there is a change in senior management of Plenti, the NSW Government has the right to step in and take control of the program.

There has been recent media publicity claiming favouritism and improper treatment by CEFC towards Plenti in relation to its award of contracts for the Home Battery Scheme and the Empowering Homes Program (see below). As at the Prospectus Date, there has been an ongoing Government review into the contract award process. In July 2020, an audit report was completed and remains subject to review by the Government and announcement of its findings. There is a risk that the Government releases adverse findings or that media or political pressure could influence policymaker decisions with respect to current or future funding programs.

If Plenti was partially or fully replaced in its role in relation to the Home Battery Scheme or the Empowering Homes Program, or the programs were terminated, Plenti may experience a reduction in future renewable energy loan volumes, which is a material part of its business. This could have a material adverse effect on the revenue, growth and profitability of Plenti's business and the value of the Shares.

5.2.13 Plenti may not successfully execute one or all of its growth strategies

Plenti plans to achieve growth by executing its strategies as outlined in Section 3.10. This includes retaining and growing its customer base, further market penetration, increasing total addressable market through the launch and scaling of new loan products and markets and the establishment of new funding sources to increase funding availability to write loans.

There is no guarantee that all or any of Plenti's growth strategies will be successfully implemented, deliver the expected returns or ultimately be profitable. There is also a risk that the growth strategies may be subjected to unexpected delays and additional implementation costs. For example, Plenti's ability to access further funding on favourable terms is critical to its plan to increase its market penetration and, as mentioned in Section 5.2.5, no assurance can be made that Plenti will be able to access such funding on favourable terms. As a result, Plenti may fail to increase its loan volumes and revenues, which could occur as a result of a variety of reasons, including economic downturn, deterioration in the Plenti brand or customers moving to competitors.

Plenti's ability to launch new products and their success may also be impacted by the regulated nature of the industry, as the regulatory treatment of products may be uncertain and may be challenged if, for instance, a regulator takes a different view to Plenti in relation to the regulation of a product and/or the appropriateness of a product for consumers. There is also a risk that any new Plenti products will impact the revenues of its existing products to a greater extent than expected.

Plenti may also fail to adopt and execute growth strategies that will enable it to successfully maintain or improve its product offering and match any change in customer preferences. Failure to do so could result in customers choosing Plenti's competitors for their requirements, which could have a materially adverse impact on Plenti's business, operating and financial performance, and/or growth. Any change to Plenti's ability to achieve any or all of its growth strategies, or the market's perception of Plenti's ability to deliver growth to Shareholders, is likely to have a significant impact on the price of the Shares.

5.2.14 Plenti's marketing and/or distribution channels may not operate effectively or may increase in cost

In relation to loans that Plenti sources directly, Plenti predominantly relies on direct marketing to reach consumers. Plenti considers this approach helps contain customer acquisition costs and delivers favourable loan unit economics, given there are other marketing channels that may be more expensive that could be used instead. There is a risk that Plenti's direct advertising and direct marketing channels may become more expensive as a result of an increase in the competition for, or the costs of, online and social media advertisements and bidding for search engine key words. Plenti's direct advertising and direct marketing channels may also become less effective if, for instance, mass-marketing becomes less effective or there are changes to the algorithms or terms of services for search engines (like Google), which may cause Plenti to be ranked lower or excluded from search results. As a result, Plenti may have to turn to more expensive forms of advertising and marketing in order to effectively communicate with and attract consumers.

Plenti is reliant on the effective operation of its distribution partners (including finance brokers, aggregators and other referral partners) to support the growth of loan receivables in the Warehouse Facility. The success of Plenti's business and the growth of its loan book depends on its ability to retain key distribution relationships at an appropriate cost and increase and retain the number of high-performing distribution partners working with Plenti. Many of Plenti's distribution partners are not exclusive and may also offer loan products from Plenti's competitors. There is a risk that Plenti may not be able to retain key distribution partners or need to increase referral fees in order to retain relationships. An increase in new entrants and competitors in the market may increase the cost of Plenti's existing distribution channels and reduce its profitability.

If the costs of direct marketing or advertising or distribution channels increase, Plenti may have to rely on more expensive channels and may be unable to continue to grow at the expected rate or profitably which would have a material adverse effect on Plenti's business, financial condition, operating and financial performance, and/or growth.

5.2.15 Emergence of additional alternative loan products or competitors in the market

Plenti operates in the financial technology and consumer loan sectors in Australia, which is highly competitive and includes a broad range of participants with diverse business models and loan product offerings. Participants in the sector may seek to imitate Plenti's strategies and/or may attempt to take market share from Plenti or may develop better products or have more effective consumer engagement which reduces Plenti's competitiveness. However, Plenti's customers have a range of credit alternatives (both bank and non-bank) in the Australian market and the emergence of alternative products or new competitors could affect Plenti's ability to attract or retain customers and impact the growth of Plenti's business.

Traditional lenders operate in the sector and continue to benefit from economies of scale, access to cheaper funding and established brands and broad distribution networks. Traditional lenders already enjoy a significant share of the consumer credit sector; however, they may decide to develop a product or invest in marketing in an attempt to more directly target existing or potential customers of Plenti. The level of current and future competition in the market and changes in competitive behaviour may result in a decrease in revenue (including due to lower loan volumes and lower fees in order to remain competitive), and an increase in expenditure (including due to increased marketing expenditure). These factors may have a material adverse effect on Plenti's business, financial condition, operating and financial performance, and/or growth.

5.2.16 Loss of Co-Founders and other Senior Management

The success of Plenti's business and its ability to execute its growth strategies relies on its ability to attract and retain experienced and high performing key management personnel and employees. The Senior Management team outlined in Section 6.2 are highly experienced in both Plenti's business and the financial services industry in Australia, the United Kingdom and in New Zealand. The Senior Management team include the Co-Founders of the business – Daniel Foggo (Chief Executive Officer), Glenn Riddell (Chief Operating Officer) and Benjamin Milsom (Chief Commercial Officer). The Co-Founders have between them over 46 years' experience in the industry. Any loss of these individuals, or a delay in finding a suitable replacement, may have an impact on Plenti's growth and future financial performance.

Plenti operates in a specialised industry and the operation of its business is reliant on the hiring of employees with specialist skills (including information technology, compliance and credit risk assessment). Failure to attract and retain certain key employees may have a material adverse effect on Plenti's business and increase the cost of hiring suitably experienced replacements. This may have an impact on Plenti's growth and future financial performance.

5.2.17 Exposure to operational and conduct risk, including fraud

Plenti is exposed to operational risk and conduct risk arising from a number of factors, including human error, processing and communication errors and employees not carrying out their duties responsibly. For example, there is a risk that its employees provide a customer with misleading communications including amongst other things in relation to the cost of their loan or their loan repayment options which could result in a customer dispute or a formal claim. Failure of Plenti's controls and procedures to manage operational risk could result in reputational damage and potential litigation for Plenti.

Plenti is exposed to the risks imposed by fraudulent conduct, including the risks associated with customers undertaking identity theft, providing fraudulent information or misrepresenting their ability to repay their loans. Plenti is also exposed to the risk of employee fraud being committed against Plenti or its customers. There can be no assurance that the measures taken by Plenti will detect and prevent the incidence of fraud. Fraudulent activity may result in damage to Plenti's reputation or standing with funding providers, significant losses due to non-repayment of loan obligations, or impact Plenti's ability to attract customers.

If fraud or operational and conduct risks eventuate, they could have a material adverse impact on Plenti's business, financial condition, operating performance and/or growth, and the value of the Shares.

5.2.18 Protection of technology and intellectual property

Plenti has developed its own technology platform – the Venus technology platform. In addition, the RAPID Credit Engine provides an automated credit assessment engine within the Venus technology platform. This technology is critical to all aspects of its business (including assessing credit risk and determining risk-based pricing) and, accordingly, to the successful operation and growth of Plenti's business.

The commercial value of Plenti's intellectual property in the technology platform is dependent in part on operational procedures to maintain confidentiality and legal protections provided by a combination of copyright, trade secrecy laws, confidentiality obligations on employees and third parties and other intellectual property rights. However, there is a risk that Plenti's intellectual property may be compromised in a number of ways, including through unauthorised use or copying of Plenti's software, data, specialised technology or platforms. In addition, there is a risk that the validity, ownership or authorised use of intellectual property relevant to Plenti's business may be successfully challenged by third parties.

Any such breaches (including by way of employee fraud) or the introduction of competing technologies could erode Plenti's competitive position, which could have an immediate material adverse impact on Plenti's business, operating and financial performance, and/or growth. In addition, competitors may be able to work around any of the intellectual property rights used by Plenti, or independently develop competing products or services that are not protected by Plenti's intellectual property rights.

5.2.19 Plenti may suffer brand and/or reputation damage

Plenti's brand and reputation are very important to attracting, retaining and increasing its customer base, managing its relationship with stakeholders and implementing Plenti's business strategy. Plenti's brand and reputation are also very important to Plenti maintaining its existing funding arrangements, obtaining new funding, and also retaining and attracting a skilled and engaged workforce. Plenti has previously licenced the 'RateSetter' brand name from RMML and, as such, the goodwill of Plenti's brand has been partially reliant on RMML's actions or events impacting RMML's business from a reputation standpoint.

Plenti has recently undertaken in August 2020 a rebranding launch under which it has changed its name from 'RateSetter' to 'Plenti'. The rebranding of Plenti from the 'RateSetter' brand name is intended to mitigate the brand and/or reputation risks relating to Plenti's association with RMML. However, there is also a risk that the rebranding from the 'RateSetter' brand name may be ultimately unsuccessful and negatively impact the existing brand awareness. This could result in a loss of customer goodwill and a reduction in new investors and borrowers on the Plenti Lending Platforms.

Plenti manages risks relating to a number of issues and events, including risks relating to legal and regulatory requirements, responsible lending and sales practices, potential conflicts of interest, privacy laws and ethical issues, among other considerations, which may cause harm to Plenti's brand, image or reputation through negative publicity, heightened regulatory focus and customer experience. Actions or failures by other market participants could also negatively impact the reputation of the industry and Plenti.

There is a risk that unforeseen issues or events may adversely impact Plenti's reputation. The strength of Plenti's reputation is an important part of retaining and growing its customer base and, accordingly, an event that has a negative impact on Plenti's brand could have a material adverse impact on the demand for Plenti's products. This may adversely impact Plenti's business, financial condition, operating performance and/or growth, and the value of the Shares.

5.2.20 Litigation, claims and disputes

Plenti may be subject to litigation and other claims and disputes in the course of its business, including prosecution from regulators, investor claims, employment disputes, contractual disputes, indemnity claims, occupational health and safety claims, or criminal or civil proceedings in the course of its business. Given the highly regulated industry in which it operates (and the increasing prevalence of enforcement and legal action), Plenti may have increased exposure to claims under the current regulatory environment and the high rates of shareholder activism and class action cases in Australia.

There is a risk that any such litigation, claims and disputes could materially and adversely affect Plenti's business and reputation, financial condition and operating performance, including due to the cost of settling such claims.

5.3 General risks

5.3.1 Interest rates

The interest rates achieved by investors in Plenti products may fluctuate over time. A fall in interest rates may result from a broad range of factors, ranging from an economy-wide shift in interest rates as a result of monetary policy to respond to economic downturn (through changes to the official cash rate set by the Reserve Bank of Australia) or as a result of an increased supply of investor funds in a specific lending market. An increase in interest rates may make loan products offered by Plenti less attractive to borrowers if borrowers can obtain lower interest rates elsewhere. However, this may also increase the volume of loans offered by lenders through the Plenti Lending Platform if interest rates are more competitive in comparison to those charged on bank loan products. Plenti partially manages the risk relating to the fluctuation of interest rates by setting in place a maximum rate at any given time at which investors are able to create lending orders in each lending market on the Plenti Lending Platform. Plenti adjusts this maximum rate in accordance with an assessment of Plenti's credit performance and changes across the wider economic landscape including shifts in the official cash rate set by the Reserve Bank of Australia.

Interest rates charged under the Warehouse Funding Documents are floating but interest rates charged under loans provided by the Warehouse Facility are fixed rates. An increase in interest rates charged by its funders may, therefore, reduce the margin and profitability in loans placed in the Warehouse Facility; however Plenti's funding arrangements under the Warehouse Facility are predominantly hedged against fluctuations in interest rates.

An increase in interest rates may increase the cost of funding available to Plenti to fund new warehouse facilities, which is a key variable cost of the business. Where Plenti facilitates variable rate loans (for example, in relation to some loans funded by the Plenti Lending Platform), Plenti retains flexibility under its loan contracts with customers to pass on the impact of an increase in interest rates to them (subject to any applicable laws, including a court's ability to annul any interest rate it considers unconscionable). In practice, however, Plenti may not be able to do so in respect of some or all of its variable rate loans, including because an increase in the pricing of Plenti's products may reduce demand for them or cause existing borrowers to refinance their loan with other lenders because Plenti's offering may be less competitive than other products available to its customers. Accordingly, an increase in the rates offered by investors (which may be caused by an increase in the cash rate) may have a material adverse effect on Plenti's business, financial condition and operating and financial performance.

5.3.2 Economic and financial market conditions may deteriorate, including as a result of the COVID-19 pandemic

Once the Company becomes a listed company, it will become subject to general market conditions and risks inherent to all entities whose securities are publicly listed on a securities exchange. General economic conditions (both domestically and internationally), long-term inflation rates, exchange rate movements, interest rate movements and movements in the general market for ASX and internationally listed securities may adversely affect the market price of Shares and the ability of Plenti to pay dividends. None of Plenti, the Directors or any other person guarantees the market performance of the Shares or the payment of dividends.

COVID-19 pandemic

The COVID-19 pandemic has had an unprecedented impact on financial markets in Australia and worldwide. The impact of the COVID-19 pandemic has led to increased unemployment levels, deteriorating household income and worsening financial performance of businesses throughout Australia and worldwide.

The full impact of the COVID-19 pandemic is inherently uncertain and there is a risk that the economic and financial markets and business conditions could further weaken. This could result in weaker demand from market participants on the Plenti Lending Platforms and/or borrower default on existing loans. There is a risk that worsening economic conditions driven by COVID-19 could impact on the demand for Plenti's products and participation on the Plenti Lending Platforms. This could impact Plenti's future financial performance and the price or value of the Shares. Information on Plenti's operational response to the COVID-19 pandemic is set out in Section 3.8. Plenti has robust credit assessment processes and has increased risk provisioning to strengthen its ability to absorb the potential impact of COVID-19 on the economic environment.

5.3.3 Price of Shares may fluctuate

The price at which Shares are quoted on the ASX may increase or decrease due to a number of factors. These factors may cause the Shares to trade at prices below the Offer Price. There is no assurance that the price of the Shares will increase following quotation on the ASX, even if the Company's earnings increase. Some of the factors which may affect the price of the Shares include:

- The number of potential buyers or sellers of Shares on the ASX at any given time;
- Fluctuations in the domestic and international market for listed stocks;
- Changes in fiscal, monetary or regulatory policies, legislation or regulation;
- Inclusion in or removal from market indices;
- The nature of the markets in which Plenti operates;
- Variations in sector performance, which can lead to investors exiting one sector to prefer another;
- Initiatives by other sector participants which may lead to investors switching from one stock to another; and
- General operational and business risks.

5.3.4 Shareholders may suffer dilution

In the future, the Company may elect to issue new Shares, including pursuant to management incentive arrangements, or engage in institutional fundraisings including to fund capital requirements or acquisitions that Plenti may decide to make. While Plenti will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue within a 12-month period (other than where exceptions apply), some or all Shareholders may be diluted as a result of such issues of Shares and fundraisings.

5.3.5 Trading in Shares may not be liquid

There is currently no public market through which the Shares may be sold. There can be no guarantee that an active market in the Shares will develop or that the price of Shares will increase. There may be relatively few potential buyers or sellers of the Shares on the ASX at any time. This may increase the volatility of the market price of Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less or more than the price that Shareholders paid.

The Existing Shareholders will hold approximately 80.4% of the Shares following Completion, which may impact on liquidity. Escrowed Shareholders have entered into voluntary escrow arrangements in relation to the Shares they hold immediately following Completion. A summary of the escrow arrangements is set out in Section 7.8. This could affect the prevailing market price at which Shareholders are able to sell their Shares at certain points in time. For example, Shares may be illiquid during the escrow period but may be extremely liquid when those shares come out of escrow.

5.3.6 Potential sell-down by Existing Shareholders

Escrowed Shareholders will be able to sell Escrowed Shares once they are released from the voluntary escrow arrangements described in Section 7.8. There will be no restrictions under the voluntary escrow arrangements upon sale of Escrowed Shares once the relevant Escrow Period ends. The escrow arrangements include partial release dates after which Escrowed Shareholders may sell some of their Escrowed Shares. All Escrowed Shares will no longer be subject to disposal restrictions under escrow arrangements following the release of the Company's FY2022 results to ASX. Refer to Section 7.8 for further information.

Existing Shareholders may not be long-term holders of Shares. A significant sale of Shares by some or all Existing Shareholders, or the perception that such sale may occur at the end of an Escrow Period, could adversely impact the price of Shares. Conversely, the absence of any significant sell-down of Escrowed Shares may cause or contribute to a diminution in the liquidity of the market for the Shares.

5.3.7 Adverse taxation changes may occur

Plenti may be exposed to changes in taxation legislation or interpretation in Australia and any jurisdiction in which it may conduct business in the future. Any change to the current rates of taxes imposed on Plenti in those jurisdictions is likely to affect returns to Shareholders. In addition, an interpretation of taxation laws by the relevant tax authority that is contrary to Plenti's view of those laws may increase the amount of tax to be paid or cause changes in the carrying value of tax assets in the Company's financial statements. In addition, any change in tax rules and tax arrangements could have an adverse effect on the level of dividend franking and Shareholder returns.

Plenti has made claims under the research and development tax incentive provided by the Australian Government (**R&D Incentive**). The R&D Incentive is claimed by way of self-assessment by Plenti based on a review by management.

R&D is a complex area and there is a risk that the ATO or Innovation and Science Australia could form a different view to Plenti. In the event that Plenti's claims are selected for audit and Plenti is unable to provide appropriate documentation or adequately substantiate its claims, it is possible that it could be required to refund amounts previously received together with penalties depending on the outcome of the audit. The years which remain open to audit as at the Prospectus Date are financial years ended 31 March 2017, 31 March 2018, 31 March 2019 and 31 March 2020. The value of R&D incentives received by Plenti in each of those financial years is $792,700, $869,448, $965,692 and $1,540,215 respectively.

Plenti is expected to receive approximately $1.7 million from the Federal Government under the JobKeeper Scheme. Plenti's eligibility to participate in the JobKeeper Scheme was based on its reported GST turnover in April 2020 being projected to be, and in fact being more than 30% below the average for the three months from January to March 2020.

It is possible that the ATO could take an alternative view on the interpretation of eligibility requirements under the JobKeeper Scheme. For example, the ATO may review or challenge any supporting GST calculations undertaken to support Plenti's eligibility. If this were to occur, Plenti may no longer qualify to participate in the JobKeeper Scheme or may be required to repay any amounts received under the JobKeeper Scheme.

5.3.8 Australian Accounting Standards may change

Changes to the Australian Accounting Standards (**AAS**) are determined by the Australian Accounting Standards Board (**AASB**) and are not within the control of Plenti and its Directors. The AASB may, from time to time, introduce new or refined AAS, which may affect the future measurement and recognition of key income statement and statement of financial position items. There is also a risk that interpretation of existing AAS, including those relating to the measurement and recognition of key income statement or statement of financial position items, may differ. Any changes to AAS or to the interpretation of those standards may have an adverse effect on the reported financial performance and position of Plenti.

5.3.9 Expected future events may not occur

Certain statements in this Prospectus constitute forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements of Plenti to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Forward looking statements are identified by words such as 'expect', 'anticipate', 'likely', 'intend', 'should', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target' and other similar words that involve risks and uncertainties. The Forecast Financial Information contains examples of forward looking statements.

Given these uncertainties, prospective investors should not place undue reliance on such forward looking statements, which speak only as of the Prospectus Date. In addition, under no circumstances should forward looking statements be regarded as a representation or warranty by the Company, Directors, management or any other person referred to in this Prospectus, that a particular outcome or future event is guaranteed. Plenti has no intention of updating or revising forward looking statements, or publishing prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information, contained in this Prospectus, except where required by law.

5.3.10 Force majeure events may occur

Events may occur within or outside Australia that could impact upon global, Australian, or other local economies relevant to Plenti's financial performance, the operations of Plenti and the price of the Shares. These events include, but are not limited to, acts of terrorism, outbreaks of disease and pandemics (such as COVID-19), international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, or other man-made or natural events or occurrences that can have an adverse effect on the demand for Plenti's products and services, its ability to conduct business and Plenti's credit performance. Plenti has only a limited ability to insure against some of these risks.

Refer to Sections 5.2.1 and 5.3.2 for further information on the COVID-19 pandemic and its impact on the economy and financial markets in Australia and globally.

Section 6

Key individuals, interests and benefits

6.1 Board of Directors

The Directors bring to the Board relevant experience and skills, including industry and business knowledge, financial management and corporate governance experience.

Director	Experience
 Mary Ploughman ***Independent Non-Executive Chairman*** BEc	Mary was appointed independent Non-Executive Chairman in July 2020. Mary has also served as a director of Sydney Motorway Corporation, and as Deputy Chair of the Australian Securitisation forum. Mary is a former joint CEO of Resimac Group Ltd. Before joining Resimac, Mary worked at PricewaterhouseCoopers and Macquarie Bank.
 Mr Daniel Foggo ***Chief Executive Officer and Executive Director*** BCom, MBus (Distinction)	Daniel was appointed as a Director in November 2012 and as Chief Executive Officer (**CEO**) in October 2014. Daniel co-founded Plenti under its previous name "RateSetter". Prior to Plenti, he worked in investment banking at Barclays in Sydney and at Rothschild in London. Daniel has been recognised for his achievements in the FinTech industry, having been named the FinTech Leader of the Year at the inaugural Australian FinTech Awards in 2016 and named FinTech Entrepreneur of the Year at the Australian FinTech Business Awards in 2017. He was a co-founding director of PartPay, a buy-now-pay-later business, which was acquired by Zip Co Limited in 2019.
 Mr Peter Behrens ***Non-Executive Director*** MA (with Honours)	Peter was appointed as a Non-Executive Director in November 2012. Peter co-founded Retail Money Market Limited (**RMML**) with Rhydian Lewis in the United Kingdom in 2009. Peter leads the commercial team at RMML as the Chief Commercial Officer. Peter has also served as a director of RMML since 2009. Peter previously worked as a solicitor at Ashurst and Director at Royal Bank of Scotland in the United Kingdom.
 Mr Martin Dalgleish ***Independent Non-Executive Director*** B.Bus, MBA	Martin was appointed as a Non-Executive Director in May 2014. Martin currently serves as an Independent Non-Executive Director of KPMG Australia, Partner at Asia Principal Capital Pty Limited, Investment Partner at Morpheus Ventures, and Chairman of each of ActivePipe Group Pty Ltd, Hometime Group Pty Ltd and Realtair Pty Ltd. Martin has over 25 years' experience in technology, consumer, telecoms and media with leading brands including Publishing and Broadcasting Limited, Singtel Optus Pty Limited, Dixons Retail Plc, The Rank Organisation Plc, PepsiCo Australia Holdings Pty Ltd and IBM Australia Limited. Martin has previously served as a Non-Executive Director or Alternate Director at PBL Media, Ticketek, Hoyts, FOXTEL, Fox Sports Australia, SEEK, Carsales, iSelect, Betfair Australia, Sky News, NineMSN and Mediaworks (NZ).

6.2 Key executives

The management team has extensive experience in the consumer lending industry.

Senior Management	Experience
Daniel Foggo ***Chief Executive Officer and Executive Director*** BCom, MBus (Distinction)	See Section 6.1.
 Miles Drury ***Chief Financial Officer*** BCom, LLB (First Class Hons)	Miles joined Plenti and was appointed to his current position as Chief Financial Officer (**CFO**) in March 2020. Prior to joining Plenti, Miles served as a senior executive with Caltex Australia from 2015 to 2019, initially as General Manager – Strategy and then as Chief Financial Officer of Caltex's Retail business. Prior to Caltex, Miles worked in investment banking at UBS for 14 years.
 Glenn Riddell ***Chief Operating Officer*** BCom, MCom (First Class Hons)	Glenn joined Plenti as a co-founder and Chief Operating Officer (**COO**) in April 2014. Glenn has broad experience in building and advising disruptive finance platforms. He has been involved in the retail lending industry since 2007. Prior to joining Plenti, Glenn was a principal at Boston Partners providing advisory services in digital strategy, marketing and online product development.
 Ben Milsom ***Chief Commercial Officer*** LLB (Hons), BEng (First Class Hons)	Ben joined Plenti as a co-founder in May 2014 and in April 2018 was appointed to his current position as Chief Commercial Officer responsible for key commercial relationships and Group legal and compliance. Ben has diverse experience in financial services and online strategy, well practiced in high-growth digital ventures. Prior to joining Plenti, Ben was a principal at Boston Partners providing advisory services in digital strategy, marketing and online product development. Ben is admitted as a Barrister and Solicitor of the High Court of New Zealand.
 Simon Cordell ***Chief Risk Officer*** BSc	Simon joined Plenti and was appointed to his current position as Chief Risk Officer in April 2016. Prior to joining Plenti, Simon was Head of Consumer Risk and then Head of Small Business Risk at American Express Australia, responsible for the full credit life cycle from origination through to collections.

Senior Management	Experience
 Mark Woolnough ***Chief Sales Officer***	Mark joined Plenti in May 2018 and is responsible for the sales team and performance of the Company's direct and third-party borrower channels, as well as managing relationships with key broker and aggregator partners. Prior to joining Plenti, Mark had an 18-year career at ING, helping to develop and grow the bank's domestic presence with primary responsibility for the distribution of mortgage and wealth products across both direct and third-party channels. Mark has over 20 years of experience in retail banking sales and distribution at a senior management level.

6.3 Interests and benefits

This Section 6.3 sets out the nature and extent of the interests and fees of certain persons involved in the Offer. Other than as set out below or elsewhere in this Prospectus, no:

- Director or proposed Director;
- Person named in this Prospectus who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- Promoter of Plenti; or
- Underwriter to the Offer or financial services licensee named in the Prospectus as a financial services licensee involved in the Offer,

holds at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- The formation or promotion of Plenti;
- Property acquired or proposed to be acquired by Plenti in connection with its formation or promotion, or in connection with the Offer; or
- The Offer,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such persons for services in connection with the formation or promotion of Plenti or the Offer or to any Director or proposed Director to induce them to become, or qualify as, a Director.

6.3.1 Interests of advisers

Plenti has engaged the following professional advisers:

- Highbury Partnership Pty Limited has acted as financial adviser to Plenti in relation to the Offer. Plenti has paid, or agreed to pay, the Financial Adviser a fee of $1,500,000 (excluding disbursements and GST) for its services;
- Bell Potter and Wilsons have acted as the joint lead managers to the Offer. Plenti has paid, or agreed to pay, the JLMs the fees described in Section 9.6 for these services;
- Clifford Chance has acted as Australian legal adviser to the Company in relation to the Offer. Plenti has paid, or agreed to pay, approximately $500,000 (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to Clifford Chance in accordance with its normal time-based charges;
- Grant Thornton Corporate Finance Pty Ltd has acted as Investigating Accountant and has prepared the Independent Limited Assurance Report and has performed work in relation to due diligence enquiries. Plenti has paid, or agreed to pay, up to $192,500 (excluding disbursements and GST) for the above services;
- Grant Thornton Australia Ltd has acted as tax due diligence adviser in relation to the Offer. Plenti has paid, or agreed to pay, up to $54,000 (excluding disbursements and GST) for the above services; and
- Ernst & Young (EY) has provided discrete and limited advice to the Company in respect of certain tax structuring and employee incentives matters in relation to the Offer. Plenti has paid, or agreed to pay, approximately $30,000 (excluding disbursements and GST) for these services up to the Prospectus Date. Further amounts may be paid to EY under time-based charges. EY has not provided advice in relation to any tax-related content included in the Prospectus. EY takes no responsibility for such comments.

Other than as otherwise stated, these amounts, and other expenses of the Offer, will be paid by the Company out of funds raised under the Offer or available cash. Further information on the use of proceeds and payment of expenses of the Offer is set out in Section 7.1.2.

6.3.2 Directors' and Senior Management interests and remuneration

Under the Constitution, the Board decides the total amount paid to each Director as remuneration for their services as a Director to the Company. However, under the ASX Listing Rules, the total amount of fees paid to all Directors for their services (excluding, for these purposes, the salary of any Executive Director) must not exceed in aggregate in any financial year the amount fixed by the Company in general meeting.

This amount has been fixed by the Company at $800,000 (excluding any superannuation payments) per annum. Any change to that aggregate annual sum needs to be approved by Shareholders. The aggregate sum includes any special and additional remuneration for special exertions and additional services performed by a Director as determined appropriate by the Board. The ASX Listing Rules require that the remuneration of Directors must not include a commission on, or a percentage of, operating revenue.

Annual Directors' fees to be paid by the Company are $170,000 (excluding superannuation) to the Chairman, Mary Ploughman, and $85,000 (excluding superannuation) to each of Peter Behrens and Martin Dalgleish. Daniel Foggo does not currently receive any Director fees (refer to the section below for details of Mr Foggo's remuneration). It is not proposed that members of the Audit and Risk Committee or Nomination and Remuneration Committee will receive any additional fees.

Senior Management remuneration

Chief Executive Officer

Daniel Foggo

Plenti has entered into an employment agreement with Daniel Foggo to govern his employment with Plenti as its Chief Executive Officer.

Daniel Foggo is entitled to receive total fixed remuneration of $350,000 per annum plus superannuation. Daniel is also eligible to earn a short term incentive of up to 70% of salary during each financial year (subject to the achievement of performance hurdles), and, subject to any required approvals, is eligible to participate in the Existing Incentive Plan on terms determined by the Board. Daniel holds 210,000 Options under the Company's Existing Incentive Plan. Daniel will also receive 210,843 Rights under Plenti's New Incentive Plan which will be issued and conditional upon Completion of the Offer (as described in Section 6.3.3).

Daniel's employment agreement may be terminated by Plenti or Daniel giving the other six months' notice in writing of such termination. If either party gives notice of termination, Plenti may make a payment in lieu of notice. In the event notice of termination is given by either party, Plenti may direct Daniel to take enforced leave (**Gardening Leave**) during any notice period of termination, during which time his remuneration will not be reduced or withheld.

Plenti may terminate Daniel's employment immediately for gross misconduct and in other specified circumstances.

Upon the termination of Daniel's employment, he will be subject to a maximum post-employment restraint of trade period of 12 months. The enforceability of the restraint clause is subject to standard legal requirements.

Daniel is entitled to five weeks' annual leave per annum plus other leave in accordance with applicable legislation.

Details of Daniel's escrow arrangements are set out in Section 7.8.

Chief Financial Officer

Miles Drury

Plenti has entered into an employment agreement with Miles Drury to govern his employment with Plenti as its Chief Financial Officer.

Miles Drury is entitled to receive total fixed remuneration of $350,000 per annum plus superannuation. Miles is also eligible to earn a short term incentive of up to 70% of salary during each financial year (subject to the achievement of performance hurdles), and, subject to any required approvals, is eligible to participate in the Existing Incentive Plan on terms determined by the Board. Miles has been granted 450,000 Options under the Company's Existing Incentive Plan with an exercise price of $1.3833 per Share (or otherwise as agreed). Miles will also receive 210,843 Rights under the New Incentive Plan conditional upon Completion of the Offer, which are proposed to be issued following Listing.

Miles' employment agreement may be terminated by Plenti or Miles giving the other four months' notice in writing of such termination. If either party gives notice of termination, Plenti may make a payment in lieu of notice. In the event notice of termination is given by either party, Plenti may direct Miles to take Gardening Leave during any notice period of termination, during which time his remuneration will not be reduced or withheld.

Plenti may terminate Miles' employment immediately for gross misconduct and in other specified circumstances.

Upon the termination of Miles' employment, he will be subject to a maximum post-employment restraint of trade period of 12 months. The enforceability of the restraint clause is subject to all usual legal requirements.

Miles is entitled to leave in accordance with applicable legislation.

Details of Miles' escrow arrangements are set out in Section 7.8.

Chief Operating Officer

Glenn Riddell

Plenti has entered into an employment agreement with Glenn Riddell to govern his employment with Plenti as its Chief Operating Officer.

Glenn Riddell is entitled to receive total fixed remuneration of $250,000 per annum plus superannuation. Glenn is also eligible to earn a short term incentive of up to 70% of salary during each financial year (subject to the achievement of performance hurdles), and subject to any required approvals, is eligible to participate in the Existing Incentive Plan on terms determined by the Board. Glenn will receive 150,602 Rights under the New Incentive Plan conditional upon Completion of the Offer, which are proposed to be issued following Listing.

Glenn's employment agreement may be terminated by Plenti or Glenn giving the other six months' notice in writing of such termination. If either party gives notice of termination, Plenti may make a payment in lieu of notice. In the event notice of termination is given by either party, Plenti may direct Glenn to take Gardening Leave during any notice period of termination, during which time his remuneration will not be reduced or withheld.

Plenti may terminate Glenn's employment immediately for gross misconduct and in other specified circumstances.

Upon the termination of Glenn's employment, he will be subject to a maximum post-employment restraint of trade period of 12 months. The enforceability of the restraint clause is subject to all usual legal requirements.

Details of Glenn's escrow arrangements are set out in Section 7.8.

Chief Commercial Officer

Ben Milsom

Plenti has entered into an employment agreement with Ben Milsom to govern his employment with Plenti as its Chief Commercial Officer.

Ben Milsom is entitled to receive total fixed remuneration of $250,000 per annum plus superannuation. Ben is also eligible to earn a short term incentive of up to 70% of salary during each financial year (subject to the achievement of performance hurdles) and subject to any required approvals, is eligible to participate in the Existing Incentive Plan on terms determined by the Board. Ben will also receive 150,602 Rights under the New Incentive Plan conditional upon Completion of the Offer, which are proposed to be issued following Listing.

Ben's employment agreement may be terminated by Plenti or Ben giving the other six months' notice in writing of such termination. If either party gives notice of termination, Plenti may make a payment in lieu of notice. In the event notice of termination is given by either party, Plenti may direct Ben to take Gardening Leave during any notice period of termination, during which time his remuneration will not be reduced or withheld.

Plenti may terminate Ben's employment immediately for gross misconduct and other specified circumstances.

Upon the termination of Ben's employment, he will be subject to a maximum post-employment restraint of trade period of 12 months. The enforceability of the restraint clause is subject to all usual legal requirements.

Details of Ben's escrow arrangements are set out in Section 7.8.

Other Senior Management

Plenti's other members of Senior Management are employed under individual employment agreements. These establish:

- Variable notice and termination provisions:
  - Of up to two months; or
  - By Plenti without notice in the event of gross misconduct and other specified circumstances;
- Restraint of trade provisions that apply for a maximum period of 24 months after termination of employment. The enforceability of the restraint clause is subject to all usual legal requirements;
- One member of Senior Management is eligible to earn a discretionary bonus as determined by the Chief Executive Officer from time to time;
- Two members of Senior Management are entitled to a grant of options over shares in Plenti on terms specified in their employment agreement. These options have been granted; and
- Leave entitlements in accordance with applicable legislation.

In addition:

- Other members of Senior Management are eligible to participate in the New Incentive Plan. Refer to Section 6.3.3 for further details about the New Incentive Plan; and
- Other Senior Management (excluding Daniel Foggo) will together receive Rights on or around Completion of the Offer under the terms of the New Incentive Plan.

Details of the escrow arrangements applicable to Senior Management are set out in Section 7.8.

Deeds of access, indemnity and insurance for Directors

The Company has entered into a deed of access, indemnity and insurance with each Director which contains the Director's right of access to certain books and records of the Company for the period from the date of the deed until seven years after the Director ceases to hold office. This seven-year period can be extended where certain proceedings or investigations commence before the seven-year period expires and remain on foot. Pursuant to the Constitution, the Company must indemnify all officers including the Directors and Secretary of the Company, past and present, against all liabilities that arise from their position as an officer of the Company to the extent permitted by law.

Under the deed of access, insurance and indemnity, the Company indemnifies each Director against any liability that may arise from their position as an officer of the Company, to the extent permitted by law. The deed provides that the Company must meet the full amount of any such liabilities, including reasonable legal costs and expenses. The Company may arrange and maintain Directors' and Officers' insurance for its Directors to the extent permitted by law.

Pursuant to the deed of access, indemnity and insurance the Company must, to the extent permitted by law, maintain such insurance for the period from the date of the deed until seven years after the Director ceases to hold office. This seven-year period can be extended where certain proceedings or investigations commence before the seven-year period expires.

Other information about Directors' interests and benefits

Directors will be reimbursed for properly documented and incurred travelling and other expenses in connection with and returning from Board or Committee meetings and general meetings. Non-Executive Directors may be paid such additional remuneration as the Directors consider to be appropriate where a Director performs extra services which are in addition to the ordinary duties of a director of Plenti.

There are no retirement benefit schemes for Directors, other than statutory superannuation contributions. Chapter 2E of the Corporations Act prohibits a company from giving a financial benefit to a related party (including any Director) without the prior approval of its members by ordinary resolution.

Other interests of Directors and Senior Management are set out in Section 6.3.

Directors' interests in Shares and other securities

Directors are not required under the Constitution to hold any shares. However, the interests in Shares and other securities of all Directors on Completion of the Offer are expected to be as follows:

	As at Prospectus Date			At Completion of the Offer		
Directors	**Shares**	**Convertible Notes**	**Existing Options**	**Shares[1]**	**Existing Options**	**New Rights**
Mary Ploughman (Independent Chairperson)	Nil	Nil	450,000	Nil	450,000	Nil
Martin Dalgleish (Independent Non-Executive Director)[2]	777,750 (0.6%)	50,000	150,000	815,991	150,000	Nil
Peter Behrens (Non-Executive Director)[3]	Nil	Nil	150,000	1,337,124	150,000	Nil
Daniel Foggo (Chief Executive Officer)[4]	35,640,060 (27.8%)	2,100,000	210,000	37,246,185	210,000	210,843

The Company is aware that Martin Dalgleish (Director), Miles Drury (Chief Financial Officer) and Simon Cordell (Chief Risk Officer) are expected to acquire 165,663 New Shares under the Offer. The number of New Shares which are expected to be acquired under the Offer by those individuals (directly or indirectly through their holding vehicles) is: (a) Mr Dalgleish – 30,120 New Shares; (b) Mr Drury – 90,361 New Shares; and (c) Mr Cordell – 45,181 New Shares.

1 Assumes no Director applies for additional Shares under the Offer and that all Convertible Notes are converted into Shares on or prior to the Completion of the Offer. Refer to Section 6.3 for further information.

2 This includes interests held by Martin Dalgleish in his own name and indirect interests held through superannuation fund interests and parties related to Martin Dalgleish. The Company is aware that Martin Dalgleish intends to acquire approximately 30,120 New Shares under the Offer, directly or indirectly through a holding vehicle.

3 As at the Prospectus Date, Peter Behrens will have a relevant interest in 1,337,124 Shares as a beneficiary under the RMML Nominee Agreement in respect of 1,337,124 Shares held by the RMML Nominee. On Completion of the Offer, Mr Behrens will be the registered holder of the 1,337,124 Shares. Refer to Section 9.5 for further information.

4 This includes interests held by Daniel Foggo in his own name and interests in Shares held by Marjorie Jean Foggo and Veritas (2012) Limited as trustees for the Westbourne Trust of which Daniel Foggo is a discretionary beneficiary.

Plenti has in place a revolving credit facility of $3 million in place with the Westbourne Trust, which is a family trust of which Daniel Foggo (Chief Executive Officer) is a discretionary beneficiary. The facility has been entered into by Plenti on arm's length terms for an unsecured business loan and carries an annual interest rate of 10.0%. The credit facility is non-amortising and has a maturity date of October 2021. The facility remains undrawn as at the Prospectus Date.

In addition, as at the Prospectus Date, Daniel Foggo and the Westbourne Trust (of which Daniel Foggo is a discretionary beneficiary) have approximately $2.99 million (in aggregate) invested into the Plenti Lending Platforms.

Final Directors' security holdings will be notified to the ASX on Listing. Directors may hold their interests in securities shown above directly, or indirectly through holdings by companies or trusts.

See Section 7.8 for details of the Shares that will be subject to escrow arrangements.

6.3.3 Employee and executive incentive arrangements

Upon settlement of the Offer, Plenti will operate the following two incentive arrangements to assist with the attraction, retention and motivation of employees and management of Plenti:

- Existing Incentive Plan – initially adopted by Plenti in 2016 and the most recent version adopted by the Company on 21 August 2020; and
- New Incentive Plan – to be adopted by the Company conditional upon and with effect from the settlement of the Offer.

Existing Incentive Plan

The Existing Incentive Plan is designed to align the interests of eligible employees or Directors with the interests of the Company's Shareholders and to provide greater incentive for them to focus on the Company's longer-term goals. The key features of the Existing Incentive Plan are as follows:

Topic	Summary
Eligibility	Eligible employees or Directors engaged or employed by Plenti Group, as determined by the Board.
Award	All awards granted under the Existing Incentive Plan will be Options. Each Option granted under the Existing Incentive Plan will entitle the relevant participant to a right to subscribe for one Share or, in certain circumstances, a cash payment, subject to satisfaction of vesting conditions, and adjustments under the rules and payment of the applicable exercise price.
Maximum number of Shares proposed to be issued	The maximum aggregate number of Options proposed to be issued under the Existing Incentive Plan is 12,799,844, of which approximately 589,850 are available for issuance.
Vesting	Options will only vest and be exercisable if the applicable vesting conditions (as determined by the Board and specified in the relevant invitation letter) have been satisfied. Prior to the Prospectus Date, the Board has resolved that all unvested Options will vest early in connection with the Offer.
Acquisition price	No payment is required for a grant of an Option under the Existing Incentive Plan.
Exercise	The Board has the discretion to determine the conditions (if any) that must be met before the Options may be exercised following vesting. These exercise conditions may be reduced or waived in whole or in part at any time by the Board and notified to the relevant participants of the Existing Incentive Plan. Participants may elect to exercise their vested Options during the applicable exercise period in multiples of 100 (unless the participant exercises all Options able to be exercised at that time) by lodging with Plenti's company secretary, or such other person nominated by the Board for that purpose, an exercise notice. The exercise notice must be accompanied by, among others, the applicable exercise price (as determined by the Board and specified in the relevant invitation letters) for the number of Options specified in the exercise notice.
Cash settlement	In certain circumstances, the Board may, at its sole discretion, determine to pay to the participant (instead of allocating some or all of the Shares) a cash amount equal to the value of the Shares which would otherwise have been allocated to the participant less the exercise price or any other amount payable upon exercise of the Options. The value of the Shares will be as determined by the Board except in certain limited circumstances.
Restrictions on dealing	Participants must not assign, transfer, sell, grant a security interest over or otherwise deal with an Option.

Topic	Summary
Cessation of employment	If a participant ceases to be an employee of Plenti Group, all of the participant's unvested Options will be forfeited on and from the date of cessation (or such longer period determined by the Board). If a participant ceases to be an employee of Plenti Group prior to the last exercise date (as specified in the relevant invitation letter) due to certain special circumstances prescribed in the Existing Incentive Plan (such as retirement, redundancy and permanent disablement of the relevant participant) (**Special Circumstances**): • The Board may at its discretion waive some or all of the vesting conditions and determine the number of unvested Options that may vest; and • The participant may exercise some or all of their vested Options within 90 days from the date of cessation (or such longer period determined by the Board).
Change of control and other circumstances which may trigger early vesting	If any one of the following circumstances occur prior to the last exercise date, the Board may, by notice to participants, waive some or all of the vesting conditions and determine the number of unvested Options that may vest, and the participant may exercise some or all of their vested Options within five business days from the date of such notice: • The admission of the Company to the official list of the ASX; • The sale or transfer of all the Shares in the Company; • The sale of the whole or substantially the whole of the assets of Plenti; • The compulsory or voluntary winding up of Plenti Group; and • Any other circumstances determined by the Board from time to time. In respect of the Offer, the Board has resolved to increase the exercise period for all Options from five business days after the Company's admission for listing on the ASX to a last exercise date on 31 May 2022.
Malus events	Subject to the law, if a participant breaches any of their obligations under the Existing Incentive Plan, that participant's employing entity may set off the value of any benefit derived or held by the participant and any loss incurred by the relevant employing entity as a result of such breach, against any amounts payable by the employing entity to the participant (whether such amounts are payable on termination of employment or otherwise).
Expiry	An Option will lapse on the earlier of the date: • Specified in the relevant invitation letter (either the last exercise date or, if applicable, the last date for the satisfaction of a vesting condition in relation to that Option); • That is 90 days from the date of cessation of the relevant participant's employment with Plenti Group due to the Special Circumstances; • That is five business days from the date of the written notice by the Board in respect of the prescribed events which may trigger early vesting as set out above (or such longer period determined by the Board); • The Board determines that the relevant participant has, in the Board's opinion, been dismissed for cause; or • The Board determines that a breach or occurrence of any condition or event contained in the relevant invitation letter requires the lapse of the Option.
Capital structure adjustments	The Existing Incentive Plan includes provisions addressing adjustments or otherwise on new issue of Shares, bonus issues, rights issues and capital restructures undertaken by the Company in future.

Proposed Issue of Shares under the Existing Incentive Plan

Each of the Options issued to the Directors of the Company will be vested at the time of Listing and those Directors will be entitled to exercise Options and receive Shares in accordance with the following table upon delivering an exercise notice to the Company:

Director	Number of Options held as at the Prospectus Date	Exercise Price payable upon exercise of the Options at Listing	Number of Shares that may be issued upon exercise of the Options after Listing[5]	Number of securities previously issued under the Existing Incentive Plan and average acquisition price (if any)
Mary Ploughman	450,000 Options	$1.3833	450,000 Shares	Nil
Martin Dalgleish	150,000 Options	$1.3833	150,000 Shares	Nil
Peter Behrens	150,000 Options	$1.3833	150,000 Shares	Nil
Daniel Foggo	210,000 Options	$0.8250 (150,000 Options) and $1.3833 (60,000 Options)	210,000 Shares	Nil

Refer to Section 6.3.2 for the current total remuneration package payable to each Director.

New Incentive Plan

On and conditional upon settlement of the Offer, Plenti will implement the New Incentive Plan. The key features of the New Incentive Plan are as follows:

Topic	Summary
Eligibility	Eligible employees or Directors engaged by Plenti Group, as determined by the Board.
Award	The New Incentive Plan provides flexibility for the Board to grant the following types of award: • An entitlement to acquire a Share (**Right**) or, in certain circumstances, a cash payment, on the terms and conditions determined by the Board; or • An Option or, in certain circumstances, a cash payment, subject to satisfaction of the applicable vesting conditions and exercisable on the terms and conditions determined by the Board, (together, the **Award**). The Board has the discretion to determine the number or value of Awards to be granted or how that number or value will be determined. The Board also has the discretion to determine whether vested Awards must be exercised to receive Shares (or, in certain circumstances, a cash payment).
Maximum number of Shares proposed to be issued	The maximum aggregate number of Options and Rights proposed to be issued under the New Incentive Plan is 8,441,609, of which approximately 8,230,766 are available for issuance.
Vesting	The Board has the discretion to determine whether one or more service or performance-based conditions (as specified in the relevant grant letter) must be met before Awards will vest. In exercising this discretion, the Board will, to the extent relevant to the Award, determine whether any dealing restrictions apply after vesting of the Awards. The Board also has the discretion to waive a vesting condition or to ensure that a participant is not advantaged or disadvantaged by matters outside of management's control that affect the relevant conditions.
Acquisition price	No payment is required for a grant of an Award unless otherwise stated in the relevant grant letter.

5 Subject to any adjustments in accordance with the rules of the Existing Incentive Plan.

Topic	Summary
Exercise	With respect to those Awards which must be exercised following vesting, the Board has the discretion to determine the manner in which such Awards should be exercised and the applicable exercise price. Subject to the Board's discretion, each vested and, if applicable, exercised Award entitles the relevant participant to receive such number of Shares as set out in the relevant grant letter. All Shares issued under the New Incentive Plan will rank equally in all respect with other Shares for the time being on issue by the Company (except as regards to any rights attaching to such other Shares by reference to a record date prior to the date of their allocation or transfer). Shares allocated under the New Incentive Plan will be subject to the Company's Securities Trading Policy and, if relevant, the applicable dealing restrictions. A vested Award that requires an exercise price (greater than nil) to be paid in order to be exercised, may be satisfied, at the discretion of the Board, by an allocation to the relevant participant of such number of Shares as determined in the manner prescribed in the New Incentive Plan.
Cash settlement	The Board may, at its sole discretion, determine to pay to the participant (instead of allocating the Shares) a cash amount equal to the value of the Shares which would otherwise have been allocated to the participant less the exercise price or any other amount payable upon vesting (or, if applicable, upon exercise) of the Awards. The value of the Shares will be as determined by the Board.
Restrictions on dealing	Unless the Board determines otherwise, an Award is only transferable with the written consent of the Board. A participant must not enter into any arrangement under which the participant may alter the economic benefit to be derived from any Awards that remain subject to the New Incentive Plan, irrespective of future changes in the market price of Shares. The Board may at any time determine that further disposal restrictions will apply to a Share allocated under the New Incentive Plan until a time determined by the Board.
Cessation of employment	If a participant cease to be an employee of Plenti Group prior to the Awards vesting, the participant's unvested Awards will not lapse on cessation. Instead, the relevant vesting conditions will be deemed to have been satisfied and those unvested Awards will vest in accordance with the principles set out in the New Incentive Plan. However, if a participant ceases to be an employee of Plenti Group prior to the Awards vesting for a cause, those Awards will lapse immediately. Notwithstanding the above, the Board retains full discretion to determine the treatment of vested or unvested Awards or the number of unvested Awards that will vest or lapse upon a participant ceasing to be an employee of Plenti Group.
Change of control and other circumstances which may trigger early vesting	If any one of the events prescribed by the New Incentive Plan (for example, a proposed takeover bid made for, or a scheme of arrangement or winding up of, the Company, or any other transaction which may result in a person becoming entitled to exercise control over the Company) occurs, the Board may determine in its absolute discretion the treatment of the participants' Awards and the timing of such treatment. Where the Board does not exercise this discretion, upon the event of a change of control, any vesting conditions will be deemed to have been satisfied and all of the participants' unvested Awards will vest. Under the New Incentive Plan, a change of control will occur if as a result of any event or transaction, a person or entity becomes entitled to: • More than 50% of the Shares; or • All or substantially all of the business and assets of Plenti Group, in each case, except in certain limited circumstances prescribed in the New Incentive Plan. If a company (**Acquiring Entity**) obtains control of Plenti, a participant may be provided with awards or securities in the Acquiring Entity (or its related bodies corporate) in substitution for the Awards, on substantially the same terms and conditions as the Awards, but with appropriate adjustments as to the number and type of awards or securities.
Malus and clawback	Where, in the opinion of the Board, a participant has obtained (or may obtain) an unfair benefit or has sustained (or may sustain) a loss as a result of an act of the participant or any other person which generally constitutes a malus event (e.g., fraud or gross misconduct, bringing Plenti Group into disrepute, a breach of the participant's obligations to Plenti Group or any action which is likely to result in a detrimental impact on the Company performance following the end of the relevant period set out in the grant letter), then the Board may exercise its discretion to ensure that no unfair benefit is obtained by the participant (or, if applicable, to ensure that the effect of any unfair loss suffered by the participant is mitigated).

Topic	Summary
Expiry	Subject to the Board's discretion, an Award will lapse on the earlier of the date: • Specified in the relevant grant letter; or if no date is specified, 15 years after the Award was granted to the participant; • On which any condition imposed under the New Incentive Plan is not satisfied; or • On which a circumstance or event, described in the New Incentive Plan that has the effect of lapsing an Award, occurs.
Capital structure adjustments	The New Incentive Plan includes provisions addressing adjustments or otherwise on bonus issues, rights issues and capital restructures undertaken by the Company in future.

Proposed Issue of Awards under the New Incentive Plan

The Company proposes to issue Awards to the following Directors and Senior Management under the New Incentive Plan:

Director/Senior Management	Number of Awards to be issued prior to Listing	Number of Awards to be issued after Listing	Exercise Price payable upon exercise of the Awards	Number of Shares to be issued upon vesting or exercise of the Awards	Number of securities previously issued under the New Incentive Plan and average acquisition price (if any)
Daniel Foggo	210,843 Rights	Nil	$1.66	210,843 Shares	Nil
Miles Drury	Nil	210,843 Rights	$1.66	210,843 Shares	Nil
Glenn Riddell	Nil	150,602 Rights	$1.66	150,602 Shares	Nil
Ben Milsom	Nil	150,602 Rights	$1.66	150,602 Shares	Nil

Refer to Section 6.3.2 for the current total remuneration package payable to each Director and Senior Management listed above.

6.4 Corporate governance

6.4.1 Introduction

This Section 6.4 explains how the Board will oversee the management of Plenti's business. The Board is responsible for the overall corporate governance of Plenti. The Board monitors the operational and financial position and performance of Plenti and oversees its business strategy including approving the strategic goals of Plenti and considering and approving an annual business plan, including a budget. The Board is committed to maximising performance, generating financial returns and greater value for Shareholders, and sustaining the growth and success of Plenti.

In conducting Plenti's business with these objectives, the Board seeks to ensure that Plenti is properly managed to protect and enhance Shareholder interests; and that Plenti, and its Directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing Plenti including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for Plenti's business and which are designed to promote the responsible management and conduct of Plenti.

The main policies and practices adopted by the Company, which will take effect from Listing, are summarised below. In addition, many governance elements are contained in the Constitution. The Code of Conduct outlines how Plenti expects Directors, officers and personnel to behave and conduct business in a range of circumstances. In particular, the Code of Conduct requires awareness of, and compliance with, laws and regulations relevant to Plenti's operations, including occupational health and safety, risk management, privacy and employment and diversity practices. Details of Plenti's key policies and practices and the charters for the Board and each of its committees are available at www.plenti.com.au.

The Company is seeking to list its Shares on the ASX. The ASX Corporate Governance Council has developed and released its Corporate Governance Principles and Recommendations for Australian listed entities (**ASX Recommendations**) in order to promote investor confidence and to assist companies in meeting stakeholder expectations. The ASX Recommendations are not prescriptive, but guidelines. However, under the ASX Listing Rules, the Company will be required to provide a statement in its annual report disclosing the extent to which it has followed the recommendations in the reporting period. Where the Company does not follow a recommendation, it must identify that recommendation and give reasons for not following it. The Company must also explain what (if any) alternative governance practices it has adopted in lieu of the recommendation.

Except as set out below, the Board currently does not anticipate that it will depart from the recommendations of the ASX Recommendations. However, it may do so in the future if it considers that such a departure would be reasonable or appropriate.

6.4.2 Board of Directors

As at the Prospectus Date, the Board of Directors comprises two independent Non-Executive Directors (including the Chairman), one Non-Executive Director and the Chief Executive Officer.

The Board comprises:

- Mary Ploughman – Independent Non-Executive Chairman;
- Martin Dalgleish – Independent Non-Executive Director;
- Peter Behrens – Non-Executive Director; and
- Daniel Foggo – Chief Executive Officer.

Detailed biographies of the Board members are provided in Section 6.1.

Each Director has confirmed to the Company that he or she anticipates being available to perform his or her duties as a Non-Executive Director or Executive Director without constraint from other commitments.

The Board considers an Independent Director to be a Non-Executive Director who is not a member of the Company's management and who is free of any business or other relationship that could materially interfere with or reasonably be perceived to materially interfere with the independent exercise of their judgement. The Board will consider the materiality of any given relationship on a case-by-case basis and has adopted guidelines to assist in this regard. The Board will review the independence of each Director in light of interests disclosed to the Board from time to time.

The Board Charter sets out guidelines of materiality for the purpose of determining independence of Directors in accordance with the ASX Recommendations and has adopted a definition of independence that is based on that set out in the ASX Recommendations.

The Board considers qualitative principles of materiality for the purpose of determining 'independence' on a case-by-case basis. The Board will consider whether there are any factors or considerations which may mean that the Director's interest, business or relationship could, or could be reasonably perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

On Completion of the Offer, the Board will be comprised of four Directors, of whom two Directors are considered by the Board to be Independent Non-Executive Directors (Mary Ploughman and Martin Dalgleish).

The Board believes that each of the independent Non-Executive Directors brings objective and independent judgement to the Board's deliberations, and that each of the Non-Executive Directors makes invaluable contributions to Plenti through their deep understanding of Plenti's business. Consequently, having considered the Company's immediate requirements as it transitions to an ASX-listed company, the Board believes that the composition of the Board is an appropriate size and reflects an appropriate range of skills, expertise and experience for the Company upon listing.

Peter Behrens is a Non-Executive Director but is not considered by the Board to be independent given his relationship with a substantial former shareholder of Plenti, Retail Money Market Limited. Peter is a Director and Chief Commercial Officer of Retail Money Market Limited. Daniel Foggo is the Chief Executive Officer of the Company.

The composition of the Board may change over time, depending on the skills and expertise required to manage Plenti.

6.4.3 Board Charter

The Board Charter adopted by the Board sets out the responsibilities of the Board in detail. It envisages that the Board should comprise Directors with a range of skills, experience, expertise and diversity which are relevant to the Company's businesses and the Board's responsibilities. The Board Charter allows the Board to delegate powers and responsibilities to committees established by the Board. The Board is accountable to Shareholders in discharging its duties.

6.4.4 Board committees

The Board may from time to time establish appropriate committees to assist in the discharge of its responsibilities. The Board has established an Audit and Risk Committee and a Nomination and Remuneration Committee.

Other committees may be established by the Board as and when required.

Under the Board Charter, the Board will, with the assistance and advice of the Nomination and Remuneration Committee, and Audit and Risk Committee, review the performance and effectiveness of the Company's corporate governance policies and procedures at least once per year.

Audit and Risk Committee

The role of the Audit and Risk Committee is to assist the Board in fulfilling its responsibilities for corporate governance and overseeing the Company's internal control structure and risk management systems. The Audit and Risk Committee also confirms the quality and reliability of the financial information prepared by the Company; works with the external auditor on behalf of the Board; and reviews non-audit services provided by the external auditor, to confirm they are consistent with maintaining external audit independence.

The Audit and Risk Committee provides advice to the Board and reports on the status and management of the risks to the Company. The purpose of the Audit and Risk Committee's risk management process is to assist the Board in relation to risk management policies, procedures and systems and ensure that risks are identified, assessed and appropriately managed.

The Charter of the Audit and Risk Committee provides that the committee should comprise at least three Directors all of whom are Non-Executive Directors and a majority of whom are independent of management at all times while the Company is listed in the ASX-300. A member of the Audit and Risk Committee, who is an independent Director and who does not chair the Board, shall be appointed the chair of the committee.

The Audit and Risk Committee will meet at least two times annually as required by the Audit and Risk Committee Charter. The chair of the Audit and Risk Committee will routinely invite the chief executive officer, chief financial officer, internal audit manager (if any) and the partner in charge of the external audit to be present at meetings of the committee and seek advice from external advisors. Other senior managers may also be asked to attend when the Audit and Risk Committee is reviewing specific agenda items. The Audit and Risk Committee will regularly report to the Board about committee activities, issues and related recommendations.

The committee comprises Martin Dalgleish (chair), Mary Ploughman and Peter Behrens.

Nomination and Remuneration Committee

The role of the Nomination and Remuneration Committee is to review and make recommendations to the Board with respect to the Company's human resources policies and obligations, to make recommendations to the Board on remuneration packages and policies related to the Directors and senior management and to ensure that the remuneration policies and practices are consistent with the Company's strategic goals.

The Nomination and Remuneration Committee is also responsible for reviewing and making recommendations in relation to the composition and performance of the Board and senior executives, ensuring that proper succession plans for Directors and senior executives are in place for consideration by the Board (including for the recruitment and appointment of Directors and senior management). Independent advice will be sought where appropriate.

The Nomination and Remuneration Committee will meet at least once annually as required by the Nomination and Remuneration Committee Charter. Following each meeting, the Nomination and Remuneration Committee will report to the Board on any matter that should be brought to the Board's attention and on any recommendation of the Nomination and Remuneration Committee that requires Board approval.

The committee comprises Mary Ploughman (chair), Peter Behrens and Martin Dalgleish.

6.4.5 Diversity policy

The workforce of the Company is made up of individuals with diverse skills, backgrounds, perspectives and experiences and this diversity is recognised, valued and respected. The Company acknowledges the positive outcomes that can be achieved through a diverse workforce and recognises and utilises the contribution of diverse skills and talent from its workforce. For the purposes of this policy, 'diversity' encompasses (without limitation) diversity of gender, age, ethnicity, marital or family status, cultural background, religion, sexual orientation, gender identity, disability, mental impairment, perspective, experience, personality or location.

6.4.6 Continuous disclosure policy

Once listed, the Company will be required to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. The Company will be required to disclose to the ASX any information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Company's securities.

The Board aims to ensure that Shareholders and stakeholders are informed of all major developments affecting the Company's state of affairs. As such, the Company has adopted a Continuous Disclosure Policy and Securityholder Communication Policy, which together establish procedures to ensure that Directors and senior management are aware of, and fulfil their obligations in relation to, providing timely, full and accurate disclosure of material information to the Company's stakeholders and comply with the Company's disclosure obligations under the Corporations Act and the ASX Listing Rules. The Continuous Disclosure Policy also sets out procedures for communicating with Shareholders, the media and the market.

The Board's aim is to ensure that Shareholders are provided with sufficient information to assess the performance of the Company and that they are informed of all major developments affecting the state of affairs of the Company relevant to Shareholders in accordance with all applicable laws. Information will be communicated to Shareholders through the lodgement of information with the ASX required by the Company's continuous disclosure obligations and publishing information on the Company's website. The Securityholder Communication Policy is designed to promote effective communication with Shareholders and other Plenti stakeholders and to encourage effective participation of relevant parties at general meetings. The Securityholder Communication Policy supplements the Disclosure Policy.

The Company is committed to observing its disclosure obligations under the ASX Listing Rules and the Corporations Act. Information will be communicated to Shareholders through the lodgement of all relevant financial and other information with the ASX and continuous disclosure announcements will be made available on the Company's website at www.plenti.com.au.

6.4.7 Securities Trading Policy

The Company has adopted a Securities Trading Policy which will apply to the Company key management personnel, employees or contractors of the Company who work in the head office or otherwise work closely with key management personnel, members of the leadership committee, the finance team and other persons nominated by the Board from time to time (**Relevant Persons**).

The Securities Trading Policy is intended to explain the types of conduct in relation to dealings in securities that are prohibited under the Corporations Act and to establish procedures in relation to dealings in securities including Shares by Relevant Persons.

The Securities Trading Policy defines certain 'closed periods' during which trading in Shares by Relevant Persons is prohibited. Those closed periods are currently defined as any of the following periods:

- The period commencing from the end of 30 September until the end of the trading day on which the Company's half-year financial results are released to the ASX;
- The period commencing from the end of 31 March until the end of the trading day on which the Company's annual results are released to the ASX;
- The period commencing four weeks prior to the Company's Annual General Meeting and ending at the end of the day on which the Company's Annual General Meeting is held; and
- Any other period that the Board designates as a 'closed period' for the purposes of this policy.

In all instances, buying or selling Shares is not permitted at any time by any person who possesses price-sensitive information, in a manner contrary to the Corporations Act.

6.4.8 Code of Conduct

The Board recognises the need to observe the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a Code of Conduct, which sets out the way the Company conducts business. The Company will carry on business honestly and fairly, acting only in ways that reflect well on the Company in strict compliance with all laws and regulations.

The policy document outlines Company employees' obligations of compliance with the Code of Conduct, and explains how the Code of Conduct interacts with the Company's other corporate governance policies.

Responsibilities include protection of the Company's business, protecting confidential information and avoiding conflicts of interest.

6.4.9 Whistleblower policy

The Company has adopted a whistleblower policy, which encourages the reporting of suspected unethical, illegal, fraudulent, corrupt or dishonest conduct and that those who promptly report may do so with confidence and without fear of intimidation, ramifications or adverse consequences, complementing its Code of Conduct. Examples of reportable conduct under the whistleblower policy includes (but is not limited to):

- Dishonest, corrupt, fraudulent or unlawful conduct or practices, including bribery;
- Financial irregularities;
- Unfair, dishonest or unethical dealings with a customer or third party; and
- Unethical or serious improper conduct including breaches of any legal or regulatory obligations.

The whistleblower policy ensures protection over whistleblowers by allowing for anonymous reports to be made, protecting confidentiality of the whistleblowers and not tolerating any detriment caused or threatened to be caused against any person who has made or who is believed to have made a report regarding the reportable conduct.

6.4.10 Anti-bribery and corruption policy

The Company has adopted an anti-bribery and corruption policy to demonstrate its commitment to conducting its business and operations with integrity and in a manner that applies the highest ethical standards, complementing the Company's Code of Conduct. All employees, officers, Directors and agents acting for, or representing, the Company, in all their dealings including (but not limited to) interactions with customers, retailers, local authorities, government bodies, public officials, subcontractors or service providers, must not either directly or indirectly:

- Offer, promise, give, solicit or accept any bribe or facilitation payments;
- Falsify any books, record or accounts relating to the Company;
- Offer to provide gifts, hospitality or any other benefit to public officials without prior approval of the compliance team of the Company;
- Make any political or charitable donations on behalf of the Company which are or could be perceived to be a bribe or contrary to the anti-bribery and corruption policy;
- Engage with or deal with third parties or agents acting for or representing the Company such as giving secret commissions; and/or
- Cause, authorise or wilfully ignore any conduct that is believed or suspected to be contrary to this anti-bribery and corruption policy or anti-corruption laws.

6.4.11 Relationship with existing private investors

The Existing Shareholders will retain an aggregate approximately 80.4% interest in the Company on Completion of the Offer. This will include the substantial shareholders outlined in Section 7.1.5, who will remain investors in the Company following Completion of the Offer until such time as they sell their Shares.

The Escrowed Shareholders have entered into voluntary escrow arrangements. Any decision made by them to sell down their interest in the Company following the expiry of the voluntary escrow arrangements will be a decision made having regard to a range of factors. These include the market environment at the time and the interests of the Escrowed Shareholders. See Section 7.8 for a summary of the terms of the voluntary escrow arrangements.

Risks associated with the Existing Shareholders' continued interest in the Company are set out in Section 5.3.5.

Section 7

Details of the offer

7.1 The Offer

This Prospectus relates to an initial public offering of 33,132,530 New Shares in the Company at an Offer Price of $1.66 per Share.

The Offer is expected to raise $55 million for the Company and following the Completion of the Offer there will be a total of 168,832,183 Shares on issue. The Shares offered under this Prospectus will represent approximately 19.6% of the Shares on issue on Completion of the Offer.

The Offer is made on the terms, and is subject to the conditions, set out in this Prospectus.

7.1.1 Structure of the Offer

The Offer comprises:

- The Broker Firm Offer, which is open only to Australian and New Zealand resident retail clients of Brokers who have received a firm allocation of Shares from their Broker;
- The Institutional Offer, which consists of an invitation to bid to Institutional Investors in Australia and a number of other eligible jurisdictions;
- The Priority Offer, which is open only to persons nominated by Plenti located in Australia or New Zealand; and
- The Plenti Member Offer, which is open to Registered Investors on the Plenti Lending Platform, as at the date that the Plenti Member Offer opens.

No general public offer of Shares will be made under the Offer. The allocation of Shares between the Broker Firm Offer, the Institutional Offer, the Priority Offer and the Plenti Member Offer will be determined by the JLMs, with the agreement of Plenti and in consultation with the Financial Adviser, having regard to the allocation policy outlined in Sections 7.3 to 7.6.

The Offer has been fully underwritten by the JLMs. A summary of the Underwriting Agreement, including the events which would entitle the JLMs to terminate the Underwriting Agreement, is set out in Section 9.6.

7.1.2 Purpose of the Offer and use of proceeds

The Offer is expected to raise approximately $55 million for the Company. The purpose of the Offer is to:

- Provide Plenti with capital to fund growth in the Warehouse Facility and future growth in its loan book;
- Provide Plenti with the benefits of an increased profile that comes with the Company being a publicly listed company;
- Provide Plenti with a liquid market for the Shares and an opportunity for other persons to invest in the Company;
- Provide certain Existing Shareholders the ability to release part of their investment in the Company (subject to the escrow arrangements outlined in Section 7.8);
- Help accelerate growth of Plenti; and
- Pay the expenses of the Offer.

Table 17: Sources and uses of funds[1]

Sources	$million
Cash proceeds received for New Shares issued under the Offer	55.0
Total	**55.0**

Uses	$million	% of total
Warehouse funding of equity tranches	25.0	45.5%
Costs of the Offer	5.7	10.3%
Working capital[2]	24.3	44.2%
Total	**55.0**	**100.0%**

1 This table should be considered an indication of current intention as at the date of this Prospectus. Investors should note that, as with any projection, the allocation of funds set out in the above may change depending on a number of factors, including the growth rate of the business, the mix of loan products originated, the sources of funding utilised, and general economic conditions. In light of this, the Board reserves the right to alter the way the funds are applied.

2 The more significant areas of expenditure by Plenti Group in respect of the working capital funds are expected to be in marketing to attract new customers and grow loan originations, costs relating to the origination and servicing of new loan volumes (e.g. broker and aggregator fees, loan processing costs and credit assessment costs), investment in Plenti Group's sales function, expenditure to maintain and enhance the technology platform as well as other Plenti Group operating expenditures. It is expected that future expenditure will have a broadly similar profile to expenditure in FY2020, noting that Plenti Group believes there are opportunities to increase investment in the Company's technology platform and in sales and marketing to accelerate growth in the business.

7.1.3 Pro forma statement of financial position

Plenti's pro forma statement of financial position following Completion of the Offer, including details of the pro forma adjustments, is set out in Sections 4.14 and 4.15. The indebtedness of the Plenti Group, both before and following Completion of the Offer, is set out in Section 4.18.

Plenti will have sufficient working capital at the time of its admission to the official list of ASX to carry out its stated objectives and to meet operational requirements. See Section 4 for further information.

7.1.4 Control implications of the Offer

Following Completion of the Offer, the Directors do not expect any Shareholder will control (as defined by section 50AA of the Corporations Act) the Company.

7.1.5 Shareholding structure

The details of the ownership of Shares on Listing are set out below:

Table 18: Shareholding structure

Shareholder(s)	Shareholding as at the Prospectus Date (n/%)	Shareholding following Completion of the Offer (Shares)[4] (n)	Shareholding following Completion of the Offer (%)
Daniel Foggo[5]	35,640,060 (27.8%)	37,246,185	22.1%
RMML Nominee[6]	18,000,000 (14.1%)	Nil	Nil
Carsales Ltd	10,716,378 (8.4%)	10,716,378	6.3%
Five V Capital	9,002,046 (7.0%)	9,689,843	5.7%
Federation Asset Management	6,432,000 (5.0%)	7,388,027	4.4%
Carsales Finance Pty Limited	5,368,908 (4.2%)	5,368,908	3.2%
Glenn Riddell	4,200,000 (3.3%)	4,200,000	2.5%
Ben Milsom	4,143,150 (3.2%)	4,143,150	2.5%
Other Existing Shareholders[7]	34,495,902 (27.0%)	56,947,162	33.7%
New Shareholders	Nil	33,132,530	19.6%
Total	**127,998,444**	**168,832,183**	**100%**

Shares held by all Escrowed Shareholders post IPO will be subject to restrictions contained in voluntary escrow arrangements described in Section 7.8.

7.1.6 Potential effect of the fundraising on the future of Plenti

The Directors believe that on Completion of the Offer, Plenti will have sufficient funds available from the cash proceeds of the Offer and its operations to fulfil the purposes of the Offer and meet its stated business objectives.

4 Assumes no Existing Shareholder applies for additional Shares under the Offer and that all Convertible Notes are converted into Shares prior to the Completion of the Offer.

5 This includes Shares held by Daniel Foggo in his own name and interests in Shares held by Marjorie Jean Foggo and Veritas (2012) Limited as trustees for the Westbourne Trust of which Daniel Foggo is a discretionary beneficiary.

6 As at the Prospectus Date, RMML Nominee holds 18,000,000 Shares on trust for approximately 300 beneficiaries. Refer to Section 9.5 for further information. It is currently proposed that the RMML Nominee will distribute all of the Shares it holds to those beneficiaries on or prior to Completion of the Offer. A certain number of the beneficiaries will be subject to voluntary escrow arrangements as set out in Section 7.8.

7 In addition, the Company intends to offer approximately (in aggregate) $200,000 worth of additional Shares to its employees within three months of Completion of the Offer listing. This is expected to be undertaken by way of a one-off grant of Shares and not subject to any terms. Refer to Section 6.3 for further information.

7.2 Terms and conditions of the Offer

Table 19: Terms and conditions of the Offer

Topic	Summary
What is the type of security being offered?	Shares (being fully paid ordinary shares in the Company).
What are the rights and liabilities attached to the security being offered?	A description of the Shares, including the rights and liabilities attaching to these, is set out in Section 7.12 below.
What is the consideration payable for each security being offered?	The Offer Price is $1.66 per Share.
What is the Offer Period?	The key dates, including details of the Offer Period, are set out in pages 8 and 9. No Shares will be issued on the basis of this Prospectus later than the Expiry Date of 13 months after the Prospectus Date.
What are the cash proceeds to be raised?	$55 million will be raised by the Company if the Offer proceeds.
What is the minimum and maximum application size under the Broker Firm Offer?	The minimum Application under the Broker Firm Offer is as determined by the Applicant's Broker. Plenti, the JLMs and the Financial Adviser reserve the right to reject any Application or to allocate a lesser number of Shares than that applied for, in their absolute discretion. There is no maximum value of Shares that may be applied for under the Broker Firm Offer.
What is the minimum and maximum application size under the Priority Offer?	Applications under the Priority Offer must be for a minimum of $2,000 worth of Shares and in multiples of $500 worth of Shares thereafter. Plenti, the JLMs and the Financial Adviser reserve the right to reject any Application or to allocate a lesser number of Shares than that applied for, in their absolute discretion.
What is the minimum and maximum application size under the Plenti Member Offer?	Applications under the Plenti Member Offer must be for a minimum of $2,000 worth of Shares and in multiples of $500 worth of Shares thereafter. Plenti, the JLMs and the Financial Adviser reserve the right to reject any Application or to allocate a lesser number of Shares than that applied for, in their absolute discretion.
What is the allocation policy?	The allocation of Shares between the Broker Firm Offer, the Institutional Offer, the Priority Offer and the Plenti Member Offer was determined by the JLMs with the agreement of Plenti and in consultation with the Financial Adviser, having regard to the allocation policy outlined in Sections 7.3 to 7.6. With respect to the Broker Firm Offer, it will be a matter for the Brokers to determine how they allocate Shares among their eligible retail clients, and they (and not Plenti, the JLMs or the Financial Adviser) will be responsible for ensuring that eligible retail clients who have received an allocation from them receive the relevant Shares. The allocation of Shares under the Institutional Offer will be determined by the JLMs with the agreement of Plenti and in consultation with the Financial Adviser. With respect to the Priority Offer, Plenti, the JLMs and the Financial Adviser have absolute discretion regarding the allocation of the Shares to Applicants. The Broker Firm Offer and Priority Offer are not open to investors in the United States. For further information on the: • Broker Firm Offer, see Section 7.3; • Institutional Offer, see Section 7.4; • Priority Offer, see Section 7.5; and • Plenti Member Offer, see Section 7.6.

Topic	Summary
Will the securities be listed?	The Company will apply within seven days of the Prospectus Date for Listing of the Shares on the ASX under the code 'PLT'. Completion of the Offer is conditional on the ASX approving the application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.
When are the securities expected to commence trading?	It is expected that trading of the Shares on the ASX on a normal settlement basis will commence on or about Wednesday, 23 September 2020. If Settlement has not occurred within 14 days (or such longer period as the ASX allows) after the day Shares are first quoted on the ASX, the Offer and confirmations of allocations will be cancelled and of no further effect and all Application Monies will be refunded (without interest). It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial statement of holding do so at their own risk. Plenti, the JLMs and the Financial Adviser disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their initial statement of holding, whether on the basis of a confirmation of allocation provided by any of them, by the Plenti Offer Information Line, by a Broker or otherwise.
Is the Offer underwritten?	Yes. The Joint Lead Managers have fully underwritten the Offer. Details are provided in Section 7.7.
Are there any escrow arrangements?	Yes. Details are provided in Section 7.8.
Are there any taxation considerations?	Refer to Section 9.9.
Are there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Offer. See Section 6.3.1 for details of various fees payable by Plenti to the JLMs and by the JLMs to certain Brokers.
What should you do with any enquiries?	Please call the Plenti Offer Information Line on 1300 676 517 (toll free within Australia) or +61 1300 676 517 (outside Australia) from 9.00am until 5.30pm (Sydney time) Monday to Friday. If you are unclear in relation to any matter or are uncertain as to whether Plenti is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.

7.3 Broker Firm Offer

7.3.1 Who can apply in the Broker Firm Offer

The Broker Firm Offer is open to persons who have received a firm allocation from their Broker and who have a registered address in Australia or New Zealand and are not located in the United States. Investors who are offered a firm allocation by a Broker will be treated as an Applicant under the Broker Firm Offer in respect of that allocation.

Investors should contact their Broker to determine whether they may be allocated Shares under the Broker Firm Offer.

The Broker Firm Offer is not open to persons in the United States.

7.3.2 How to apply for Shares under the Broker Firm Offer

Applications for Shares may only be made on an Application Form attached to or accompanying this Prospectus or any replacement prospectus. If you are an Investor applying under the Broker Firm Offer, you should complete and lodge your Application Form with the Broker from whom you received your firm allocation of Shares. Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the reverse of the Application Form.

By making an Application, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

Applicants under the Broker Firm Offer should contact their Broker about the minimum and maximum Application size. Plenti, the JLMs and the Financial Adviser reserve the right to aggregate any Applications that they believe may be multiple Applications from the same person. Plenti may determine a person to be eligible to participate in the Broker Firm Offer, and may amend or waive the Broker Firm Offer application procedures or requirements, in its discretion in compliance with applicable laws.

Applicants under the Broker Firm Offer must lodge their Application Form and Application Monies with the relevant Broker in accordance with the relevant Broker's directions in order to receive their firm allocation of Shares. Applicants under the Broker Firm Offer must not send their Application Forms to the Share Registry.

The Broker Firm Offer opens at 9.00am (Sydney time) on Monday, 7 September 2020 and is expected to close at 5.00pm (Sydney time) on Monday, 14 September 2020. Plenti, the JLMs and the Financial Adviser reserve the right to extend the Offer or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant fewer Shares than the amount bid for. Applicants are therefore encouraged to submit their Applications as early as possible. Please contact your Broker for instructions.

7.3.3 Payment methods

Applicants under the Broker Firm Offer must pay their Application Monies in accordance with instructions from their Broker.

7.3.4 Application acceptances and Application Monies

An Application in the Broker Firm Offer is an offer by the Applicant to subscribe for Shares for all or any of the Application Amount specified in the Application Form at the Offer Price on the terms and conditions set out in this Prospectus including any supplementary or replacement prospectus and the Application Form. To the extent permitted by law, an Application by an Applicant under the Offer is irrevocable. Acceptance of an Application will give rise to a binding contract.

Plenti reserves the right to decline any Application and all Applications in whole or in part, without giving any reason. Applicants under the Broker Firm Offer whose Applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for, will receive a refund of all or part of their Application Monies, as applicable. Interest will not be paid on any monies refunded.

Successful Applicants in the Broker Firm Offer will be allotted Shares at the Offer Price and will receive the number of Shares equal to the value of their Application accepted by Plenti divided by the Offer Price (rounded down to the nearest whole Share).

7.3.5 Allocation policy under the Broker Firm Offer

The allocation of firm stock to Brokers will be determined by the JLMs, with the agreement of Plenti and in consultation with the Financial Adviser. Shares which are allocated to Brokers for allocation to their Australian or New Zealand resident retail clients will be issued or transferred to the Applicants who have received a valid allocation of Shares from those Brokers. It will be a matter for the Brokers to determine how they allocate Shares among their eligible retail clients, and they (and not Plenti, the JLMs or the Financial Adviser) will be responsible for ensuring that eligible retail clients who have received an allocation from them receive the relevant Shares.

7.3.6 Announcement of final allocation policy in the Broker Firm Offer

Applicants in the Broker Firm Offer will be able to call the Plenti Offer Information Line on 1300 676 517 (toll free within Australia) or +61 1300 676 517 (outside Australia) from 9.00am until 5.30pm (Sydney time) Monday to Friday from 17 September 2020 to confirm allocations. Applicants under the Broker Firm Offer will also be able to confirm their firm allocation through the Broker from whom they received their allocation.

However, if you sell Shares before receiving a holding statement, you do so at your own risk, even if you confirmed your firm allocation through a Broker.

7.4 Institutional Offer

7.4.1 Invitations to bid

The Institutional Offer consisted of an invitation to certain Institutional Investors in Australia and a number of other eligible jurisdictions to apply for Shares under this Prospectus. The JLMs have separately advised Institutional Investors of the Application procedures for the Institutional Offer. Offers and acceptances of the Institutional Offer are made under this Prospectus and are at the Offer Price.

7.4.2 Allocation policy under the Institutional Offer

The allocation of Shares under the Institutional Offer was determined by the JLMs with the agreement of Plenti and in consultation with the Financial Adviser. The JLMs, with the agreement of Plenti and in consultation with the Financial Adviser, have absolute discretion regarding the basis of allocation of Shares among Institutional Investors.

Participants in the Institutional Offer have been advised of their allocation of Shares, if any, by the JLMs. The allocation policy was influenced by the following factors:

- Number of Shares bid for by particular Applicants;
- The likelihood that particular Applicants will be long-term Shareholders;
- Plenti's desire for an informed and active trading market following Listing;

- The size and type of funds under management of particular Applicants;
- The investment style of particular Applicants;
- The timeliness of the bid by particular Applicants;
- Plenti's desire to establish a wider spread of institutional Shareholders;
- The anticipated level of demand under the Broker Firm Offer, Institutional Offer, Priority Offer and Plenti Member Offer; and
- Any other factors that Plenti, the JLMs and the Financial Adviser consider appropriate.

7.5 Priority Offer

The Priority Offer is open to Investors nominated by Plenti. If you are a Priority Offer Applicant, you will receive a personalised invitation to apply for Shares in the priority offer (**Priority Offer**).

You may apply for an amount up to the amount indicated on your personalised invitation. Any amount applied for in excess of this may be refunded in full (without interest) or accepted in full.

Priority Offer Applicants may apply for Shares online and must comply with the instructions on the website, www.plenti.com.au/IPO.

Applications under the Priority Offer for an amount less than the amount indicated on your personalised invitation must be for a minimum of $2,000 worth of Shares and in multiples of $500 worth of Shares thereafter. The Priority Offer is capped at $2.5 million.

Priority Offer Applicants are guaranteed an allocation of Shares in the amount specified on their personalised invitation or such a lesser amount validly applied for.

Plenti otherwise has absolute discretion regarding the allocation of Shares to Applicants in the Priority Offer and may reject an Application, or allocate fewer Shares than the amount applied for, in its absolute discretion.

Payment may be made via BPAY®, or electronic funds transfer to a bank account nominated by the Share Registry. Application Monies must be received by the Share Registry by 5.00pm (Sydney time) on Monday, 14 September 2020.

To make a payment via BPAY®, you will need to apply online at www.plenti.com.au/IPO and must comply with the instructions on the website. It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (Sydney time) on Monday, 14 September 2020. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment.

7.6 Plenti Member Offer

The Plenti Member Offer is open to Registered Investors who are investing on the Plenti Lending Platform, as at the date that the Plenti Member Offer opens and are residing in Australia or New Zealand. If you are a Registered Investor who has registered an interest in the Offer, you should receive a personalised invitation to apply for Shares in the Plenti Member Offer.

Plenti Member Offer Applicants must comply with the instructions in the personalised invitation letter and as detailed on the Offer website at www.plenti.com.au/IPO.

Applications under the Plenti Member Offer must be for a minimum of $2,000 worth of Shares and in multiples of $500 worth of Shares thereafter. The Plenti Member Offer is capped at $5 million. We may scale back the Plenti Member Offer applications at our absolute discretion.

The allocation of Shares under the Plenti Member Offer will be determined by the JLMs with the agreement of Plenti and in consultation of the Financial Adviser. The JLMs, with the agreement of Plenti and in consultation with the Financial Adviser, will exercise their discretion in considering the basis of allocation of Shares among the Plenti Member Offer Applicants, including, but not limited to, the value of funds on loan by a Plenti Member Offer Applicant on the Plenti Lending Platform in the 3 Year Income and 5 Year Income markets for the Plenti Lending Platform as at Monday, 7 September 2020.

Payment may be made via BPAY®, cheque or EFT (refer to the section below on page 138). Application monies must be received by the Share Registry by 5.00pm (Sydney time) on Monday, 14 September 2020.

To make a payment via BPAY®, Plenti Member Offer Applicants must apply online at www.plenti.com.au/IPO and must comply with the instructions provided in their personalised Plenti Member Offer invitation and on the Offer website. It is the Plenti Member Offer Applicant's responsibility to ensure that his or her BPAY® payment is received by the Share Registry by no later than 5.00pm (Sydney time) on Monday, 14 September 2020. The Plenti Member Offer Applicants should be aware that their financial institution may implement earlier cut-off times with regards to electronic payment, and they should therefore take this into consideration when making payment.

Making Applications under the Priority Offer or the Plenti Member Offer

Applications for Shares under the Offer can only be made using the relevant Application Form accompanying this Prospectus. The Application Form must be completed in accordance with the instructions set out on the form.

The Offer may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms as early as possible. However, the Company reserves the right to extend the Offer or accept late Applications. No brokerage, stamp duty or other costs are payable by Applicants. All Application Monies will be paid into a trust account.

An original, completed and lodged Application Form together with payment for the Application Monies (for applications under the Offer), constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an Application as valid and how to construe amend or complete the Application Form is final. If your cheque, BPAY® or EFT payment for the Application Money is different to the amount specified in your Application Form then the Company may accept your Application for the amount of Application Money provided.

It is the responsibility of Applicants outside Australia to obtain all necessary approvals for the allotment and issue of Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained and that the Applicant:

i. Agrees to be bound by the terms of the relevant Offer;
ii. Declares that all details and statements in the Application Form are complete and accurate;
iii. Declares that, if they are an individual, they are over 18 years of age and have full legal capacity and power to perform all its rights and obligations under the Application Form;
iv. Authorises the Company and its respective officers or agents, to do anything on their behalf necessary for the Shares to be issued to them, including to act on instructions of the Company's Share Registry upon using the contact details set out in the Application Form;
v. Acknowledges that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Shares are suitable for them given their investment objectives, financial situation or particular needs; and
vi. Acknowledges that the Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and New Zealand and accordingly, the Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws.

Payment methods are set out below:

Option 1: Submitting an Application Form with a cheque

Completed Application Forms and accompanying cheques must be received by the Share Registry before 5.00pm AEST on the Closing Date by either being delivered to or posted to the following address:

By Hand	By Post
PLENTI GROUP LIMITED	PLENTI GROUP LIMITED
C/- Automic Group	C/- Automic Group
Level 5 126 Phillip Street	GPO Box 5193
Sydney NSW 2000	Sydney NSW 2001

Cheques must be made payable to 'Plenti Group Limited' and should be crossed 'Not Negotiable'.

Option 2: Submitting an Application Form and paying with BPAY® or EFT

For online applications, investors can apply online with payment made electronically via BPAY® or EFT. Investors applying online will be directed to use an online Application Form and make payment by BPAY® or EFT. Applicants will be given a BPAY® biller code and a customer reference number (CRN) or the payment instructions unique to the online Application once the online Application Form has been completed. You can only make a payment via:

a. BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions; or
b. EFT if you are a holder of an account that supports EFT transactions to an Australian bank account.

Investors can apply online by following the instructions at www.plenti.com.au/IPO and completing a BPAY® or EFT payment. If payment is not made via BPAY® or EFT, the Application will be incomplete and will not be accepted. The online Application Form and BPAY® or EFT payment must be completed and received by no later than the Closing Date.

It is your responsibility to ensure that payments are received by 5.00pm (Sydney time) on the Closing Date. Your bank, credit union or building society may impose a limit on the amount which you can transact on BPAY® or EFT, and policies with respect to processing BPAY® or EFT transactions may vary between banks, credit unions or building societies.

The Company accepts no responsibility for any failure to receive Application Monies by BPAY® before the Closing Date arising as a result of, among other things, processing of payments by financial institutions.

7.7 Underwriting arrangements

The Offer is fully underwritten. The JLMs and the Company have entered into an Underwriting Agreement under which the JLMs have been appointed as joint lead managers, bookrunners and underwriters of the Offer. The JLMs agree, subject to certain conditions and termination events, to severally underwrite the Application for all Shares under the Offer in a 60:40 proportion (Bell Potter – 60%, Wilsons – 40%) proportion. The Underwriting Agreement sets out a number of circumstances under which the JLMs may terminate the agreement and the underwriting obligations. A summary of certain terms of the Underwriting Agreement, including the termination provisions, is provided in Section 9.6.

7.8 Voluntary escrow arrangements

Escrowed Shares held at Completion of the Offer by the Escrowed Shareholders will be subject to voluntary escrow arrangements as set out in this Section 7.8. The Escrowed Shares will comprise approximately 77.7% of the total Shares outstanding at Completion of the Offer. The Company's free float at the time of Listing will be not less than 20% for the purposes of Listing Rule 1.1 Condition 7.

The Escrowed Shareholders will fall into two main categories:

- Directors and Senior Management (including the Co-Founders) and RMML Nominee; and
- Other Existing Shareholders (other than RMML Nominee), which includes all Existing Shareholders who hold or will hold more than 180,000 Shares (legally or beneficially) as at the Completion of the Offer.

Each Escrowed Shareholder has entered into a voluntary escrow deed in respect of their Escrowed Shares, which prevents them from selling or otherwise dealing in their Escrowed Shares during the Escrow Period.[8]

Following Completion, Escrowed Shares held by the Escrowed Shareholders will be subject to escrow during the Escrow Period. This does not include any Shares that an Escrowed Shareholder acquires under the Offer, but includes all Shares issued to an Escrowed Shareholder upon conversion of its Convertible Notes into Shares or exercise of its Options into Shares on or prior to settlement of the Offer.

The Escrow Period will run from the date of Completion of the Offer until 4.15pm the Trading Day of release to ASX of the Company's results for FY2022 (financial year ending 31 March 2022), subject to the partial release dates and exceptions set out below.

Directors and Senior Management (including the Co-Founders)

The following partial release dates will apply to each Director and Senior Management (including the Co-Founders)[9] who hold Escrowed Shares:

- In respect of 30% of the Escrowed Shares held by that Escrowed Shareholder (rounded down to the nearest whole Escrowed Share), 4.15pm on the Trading Day on which the Company's half-yearly results for H1FY2022 (financial half year ending 30 September 2021) are released to the ASX; and
- In respect of all remaining Escrowed Shares held by that Escrowed Shareholder, 4.15pm on the Trading Day on which the Company's full-year results for FY2022 are released to the ASX.

Other Existing Shareholders

The following partial release dates will apply to each Other Existing Shareholder who holds Escrowed Shares:

- In respect of 20% of the Escrowed Shares held by that Escrowed Shareholder (rounded down to the nearest whole Escrowed Share), 4.15pm on any Trading Day after which the Company's results for H1FY2021 (financial half year ending 30 September 2020) are released to the ASX, conditional upon the Company's share price being at least 50% higher than the Offer Price calculated on a 10 Trading Day VWAP basis over any 10 consecutive Trading Day period following the release of the Company's results for H1FY2021 (financial half year ending 30 September 2020) (**VWAP Condition**);
- In respect of 20% of the Escrowed Shares held by that Escrowed Shareholder (rounded down to the nearest whole Escrowed Share), or 40% of the Restricted Shares (rounded down to the nearest whole Restricted Share) if the VWAP Condition is not met, 4.15pm on the Trading Day on which the Company's results for FY2021 (financial year ending 31 March 2021) are released to the ASX;
- In respect of 40% of the Escrowed Shares held by that Escrowed Shareholder (rounded down to the nearest whole Escrowed Share), 4.15pm on the Trading Day the Company's results for H1FY2022 (financial half year ending 30 September 2021) are released to the ASX; and
- In respect of all remaining Escrowed Shares held by that Escrowed Shareholder, 4.15pm on the Trading Day on which the Company's full-year results for FY2022 are released to the ASX.

8 The restriction on 'dealing' is broadly defined and includes, amongst other things, to sell, assign, transfer or otherwise dispose of, or agree or offer to sell, assign, transfer or otherwise dispose of, the Escrowed Shares or any legal, beneficial or economic interest in the Escrowed Shares or to create or agree or offer to create any security interest in the Shares but excludes any restriction on voting. Directors and Senior Management who hold existing Options as at Completion of the Offer will also be subject to the same voluntary escrow arrangements in respect of any Shares they acquire during the Escrow Period upon exercise of their Options.

9 This includes Escrowed Shares held by a nominee, family trusts, related entities and other associates.

Other exceptions

An Escrowed Shareholder may be released early from these escrow obligations to enable:

- The Escrowed Shareholder to accept an offer under a bona fide takeover bid in respect of the Escrowed Shares, provided that the holders of at least half of the Shares that are not subject to any voluntary escrow deed, and to which the offers under the takeover bid relate, have accepted an offer under the takeover bid (provided that if the takeover bid does not become unconditional, the Escrowed Shares are returned to escrow);
- The Escrowed Shares held by the Escrowed Shareholders to be transferred or cancelled as part of a scheme of arrangement relating to the Company under Part 5.1 of the Corporations Act;
- The Escrowed Shareholder to dispose of some or all of the Escrowed Shares to a transferee within the same wholly-owned corporate group where the transferee also enters into an escrow arrangement with the Company in respect of those securities or interests on the same terms for the Escrow Period and provided that from an economic perspective, there is no effective disposal by the Escrowed Shareholder arising from this dealing;
- The Escrowed Shareholder to participate in an equal access share buyback, equal access capital return or equal access capital reduction (in each case made in accordance with the Corporations Act); or
- The Escrowed Shares held by the Escrowed Shareholders to be dealt with in the case of death or incapacity of the Escrowed Shareholder.

During the Escrow Period, the Escrowed Shareholders may deal in any of their Escrowed Shares to the extent the dealing is required by applicable law (including an order of a court of competent jurisdiction) provided that:

- In the case of an off-market bid, if the offer is conditional, the Escrowed Shareholder agrees in writing that the holding lock will be applied for each Existing Share that is not bought by the bidder under the off-market takeover bid; or
- In the case of a merger by scheme of arrangement under the Corporations Act, the Escrowed Shareholder agrees in writing that the holding lock will be applied if the merger does not take effect.

7.9 Restrictions on distribution

7.9.1 Restrictions on distribution

No action has been taken to register or qualify this Prospectus, the Shares or the Offer or otherwise to permit a public offering of the Shares in any jurisdiction outside Australia and New Zealand. In particular, the Offer and sale of the Shares has not been, and will not be, registered under the U.S. Securities Act or the securities laws of any State or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. State securities laws.

This Prospectus does not constitute an offer or invitation to subscribe for Shares in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue under this Prospectus.

This Prospectus may not be released or distributed in the United States or elsewhere outside Australia or New Zealand and may only be distributed to persons to whom the Institutional Offer may lawfully be made in accordance with the laws of any applicable jurisdiction.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any State of the United States and the Shares may not be offered or sold, directly or indirectly, in the United States.

Each Applicant in the Broker Firm Offer, the Priority Offer and the Plenti Member Offer, and each person in Australia to whom the Institutional Offer is made under this Prospectus, will be taken to have represented, warranted and agreed as follows:

- It understands that the Offer and sale of the Shares has not been, and will not be, registered under the U.S. Securities Act or the securities laws of any State or other jurisdiction of the United States and may not be offered, sold or resold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws;
- It is not in the United States;
- It has not sent and will not send the Prospectus or any other material relating to the Offer to any person in the United States; and
- It will not offer or sell the Shares in the United States or in any other jurisdiction outside Australia or New Zealand except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with all applicable laws in the jurisdiction in which Shares are offered and sold.

Any offer, sale or resale of the Shares in the United States by a dealer (whether or not participating in the Offer) may violate the registration requirements of the U.S. Securities Act if made prior to 40 days after the date on which the Offer Price is determined and the Shares are allocated under the Offer or if such Shares were purchased by a dealer under the Offer.

7.9.2 International offer restrictions

This document does not constitute an offer of New Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the 'SFO'). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to 'professional investors' (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (**SFA**), or as otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an 'institutional investor' (as defined in the SFA) or (iii) an 'accredited investor' (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to 'qualified investors' (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (FPO), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together 'relevant persons'). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

7.10 Discretion regarding the Offer

Plenti may withdraw the Offer at any time before the issue of New Shares to Successful Applicants under the Broker Firm Offer, Institutional Offer, Priority Offer and Plenti Member Offer. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest).

Plenti, in consultation with the JLMs and the Financial Adviser, reserves the right to extend the Offer or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant fewer Shares than the amount applied or bid for.

7.11 ASX listing, registers and holding statements

7.11.1 Application to the ASX for Listing

The Company will apply to the ASX within seven days of the Prospectus Date for admission of the Company to the official list of the ASX and quotation of the Shares on the ASX. The Company's ASX code is expected to be 'PLT'.

The ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that the ASX may admit the Company to the official list is not to be taken as an indication of the merits of the Company or the Shares offered for subscription.

If within three months after such application is made (or any longer period permitted by law) permission is not granted for the official quotation of the Shares on the ASX, the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.

The Company will be required to comply with the ASX Listing Rules, subject to any waivers obtained by Plenti from time to time.

7.11.2 CHESS and issuer sponsored holdings

The Company will apply to participate in the ASX's Clearing House Electronic Subregister System (**CHESS**) and will comply with the ASX Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in an electronic form.

When the Shares become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two subregisters, being an electronic CHESS subregister or an issuer sponsored subregister.

For all Successful Applicants, the Shares of a Shareholder who is a participant in CHESS or a Shareholder sponsored by a participant in CHESS will be registered on the CHESS subregister. All other Shares will be registered on the issuer sponsored subregister.

Following Completion of the Offer, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated to them. This statement will also provide details of a Shareholder's Holder Identification Number for CHESS holders or, where applicable, the Securityholder Reference Number of issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their Shareholding. Certificates will not be issued.

Shareholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring broker in the case of a holding on the CHESS subregister or through the Share Registry in the case of a holding on the issuer sponsored subregister. Plenti and the Share Registry may charge a fee for these additional issuer sponsored statements.

7.12 Constitution and rights attaching to the Shares

Introduction

The rights and liabilities attaching to ownership of Shares arise from a combination of the Constitution, statute, the ASX Listing Rules and general law. A summary of the significant rights attaching to the Shares and a description of other material provisions of the Constitution are set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders. The summary assumes that the Company is admitted to the official list of the ASX.

Voting at a general meeting

At a general meeting of the Company, every shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each share held and a fraction of a vote for each partly paid share held by the member and in respect of which the member is entitled to vote.

Meetings of members

Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and the ASX Listing Rules.

Dividends

The Board may from time to time resolve to pay dividends to Shareholders and fix the amount of the dividend, the time for determining entitlements to the dividend and the timing and method of payment. No dividends are expected to be paid in the near term following the Company's listing on the ASX.

Transfer of Shares

Subject to the Constitution, Shares may be transferred by a proper transfer effected in accordance with the ASX Settlement Operating Rules, by a written instrument of transfer which complies with the Constitution or by any other method permitted by the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules.

The Board may refuse to register a transfer of Shares where permitted to do so under the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules. The Board must refuse to register a transfer of Shares when required by the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules.

Issue of further shares

Subject to the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules and any rights and restrictions attached to a class of shares, the Company may issue, or grant options in respect of, further shares on such terms and conditions as the Directors resolve.

Winding up

If the Company is wound up, then subject to any rights or restrictions attached to a class of shares, any surplus must be divided among the Company's members in the proportions which the amount paid and payable (including amounts credited) on the shares of a member is of the total amount paid and payable (including amounts credited) on the shares of all members of the Company.

Unmarketable parcels

Subject to the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules, the Company may sell the Shares of a Shareholder who holds less than a marketable parcel of Shares.

Proportional takeover provisions

The Constitution contains provisions for shareholder approval to be required in relation to any proportional takeover bid.

These provisions will cease to apply unless renewed by special resolution of the Shareholders in general meeting by the third anniversary of the date of the Constitution's adoption.

Variation of class rights

At present, the Company's only class of shares on issue is ordinary shares. Subject to the Corporations Act and the terms of issue of a class of shares, the rights attaching to any class of shares may be varied or cancelled:

- With the consent in writing of the holders of three-quarters of the issued shares included in that class; or
- By a special resolution passed at a separate meeting of the holders of those shares.

Dividend reinvestment plan

The Constitution authorises the Directors, on any terms and at their discretion, to establish a dividend reinvestment plan (under which any member may elect that the dividends payable by the Company be reinvested by a subscription for securities in the Company).

Directors – appointment and removal

Under the Constitution, the minimum number of Directors that may comprise the Board is three and the maximum is fixed by the Directors but may not be more than 10. Directors are elected at annual general meetings of the Company. Retirement will occur on a rotational basis so that any Director who has held office for three or more years or three or more annual general meetings (excluding any Managing Director) faces re-election. The Directors may also appoint a Director to fill a casual vacancy on the Board or in addition to the existing Directors, who will then hold office until the next annual general meeting of the Company.

Directors – voting

Questions arising at a meeting of the Board will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. In the case of a tied vote, the Chairman has a second or casting vote, unless there are only two Directors present or qualified to vote, in which case the proposed resolution is taken as having been lost.

Directors – remuneration

See Section 6.3 for a description of the remuneration arrangements for Directors.

Indemnities

The Company, to the extent permitted by law, indemnifies officers including the Directors and secretary of the Company, against any liability incurred by that person as an officer of the Company, and legal costs incurred by that person in defending an action for a liability of that person. The Company, to the extent permitted by law, may make a payment (whether by way of advance or otherwise) to a Director in respect of legal costs incurred by that person in defending an action for a liability of that person.

The Company, to the extent permitted by law and subject to exceptions, may pay, or agree to pay, a premium for a contract insuring a Director against any liability incurred by that person as an officer the Company and legal costs incurred by that person in defending an action for a liability of that person.

The Company has entered into deeds of access, indemnity and insurance with each Director. These are summarised in Section 6.3.2.

Amendment

The Constitution can only be amended by special resolution passed by at least three-quarters of the votes cast by shareholders present (in person or by proxy) and entitled to vote on the resolution at a general meeting of the Company. The Company must give at least 28 days' written notice of a general meeting of the Company.

Section 8

Investigating accountant's report

Grant Thornton
An instinct for growth™

The Board of Directors
Plenti Group Limited
Suite 501
Level 5, 14 Martin Place
Sydney NSW 2000

Grant Thornton Corporate Finance Pty Ltd
Level 17
383 Kent Street
Sydney NSW 2000
Locked Bag Q800
Queen Victoria Building NSW 1230

T +61 2 8297 2400

21 August 2020

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT AND FINANCIAL SERVICES GUIDE

Introduction

This report has been prepared at the request of the directors of Plenti Group Limited and its controlled entities ("Plenti" or "the Group") for inclusion in the prospectus to be dated on or about 21 August 2020 (the "Prospectus") in respect of the initial public offering of fully paid ordinary shares in the Group ("the Offer") and admission to the Australian Securities Exchange.

Grant Thornton Corporate Finance Pty Ltd ("Grant Thornton Corporate Finance") holds an Australian Financial Services Licence (AFS Licence Number 247140). This report is both an Independent Limited Assurance Report, the scope of which is set out below, and a Financial Services Guide, as attached at **Appendix A**.

Expressions defined in the Prospectus have the same meaning in this report, unless otherwise specified.

Scope

Grant Thornton Corporate Finance has been engaged by the Directors to perform a limited assurance engagement in relation to the following statutory historical, pro forma historical and forecast financial information of the Group included in Section 4 of the Prospectus:

Statutory Consolidated Historical Financial Information

- The consolidated historical statement of profit and loss and other comprehensive income for the year ended 31 March 2018 ("FY2018"), year ended 31 March 2019 ("FY2019"), and year ended 31 March 2020 ("FY2020") which are included in Appendix B of the Prospectus; and
- The consolidated historical statement of financial position as at 31 March 2020 which is included in Section 4.14 of the Prospectus;

(together the "Statutory Consolidated Historical Financial Information").

ABN-59 003 265 987 ACN-003 265 987 AFSL-247140

Grant Thornton Corporate Finance Pty Ltd ABN 59 003 265 987 ACN 003 265 987 (holder of Australian Financial Services Licence No. 247140), a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127556 389. 'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.

www.grantthornton.com.au

Pro Forma Consolidated Historical Financial Information

- The pro forma consolidated historical statement of profit or loss and other comprehensive income for FY2018, FY2019, 6 months ended 30 September 2019 ("H1FY2020"), 12 months ended 30 September 2019 ("12MSep19") and FY2020 which are included in Section 4.7 of the Prospectus together with a reconciliation to the Statutory Consolidate Financial Information which is included in Section 4.9 of the Prospectus;
- The pro forma consolidated historical statement of cash flows for FY2018, FY2019, H1FY2020, 12MSep19 and FY2020 together with a reconciliation to the Statutory Consolidate Financial Information which is included in Section 4.13 of the Prospectus; and
- The pro forma consolidated historical statement of financial position as at 31 March 2020 and the pro forma adjustments applied as at that date which is included in Section 4.14 of the Prospectus.

(together the "Pro Forma Consolidated Historical Financial Information").

The Statutory Consolidated Historical Financial Information and Pro Forma Consolidated Historical Financial Information is presented in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001 (Cth).

The Statutory Consolidated Historical Financial Information and Pro Forma Consolidated Historical Financial Information has been prepared for inclusion in the Prospectus and have been derived from the unaudited financial statements of Plenti Group Limited and the audited consolidated financial statements of Plenti Pty Limited (formerly Ratesetter Australia Pty Ltd) for FY2018, FY2019 and FY2020 (refer to Section 9.3 of the Prospectus for a description of the Restructure). The financial statements of Plenty Pty Ltd for FY2018, FY2019 and FY2020 were prepared for the purpose of the Prospectus and were audited by Grant Thornton Audit Pty Ltd in accordance with Australian Auditing Standards. The audit opinions issued to the Directors of the Group in respect of FY2018 and FY2019 were unqualified. The audit opinion issued to the Directors for FY2020 was unqualified but included an emphasis of matter in relation to going concern as well as an emphasis of matter on the impact of COVID-19 on the Group's financial performance and position.

As described in Section 4.2 of the Prospectus the stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards and the Group's adopted accounting policies.

The Pro Forma Consolidated Historical Financial Information has been derived from the Statutory Consolidated Historical Financial Information after adjusting for the effects of the pro forma adjustments described in Section 4.9 of the Prospectus (the "Pro Forma Adjustments").The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards and the Group's adopted accounting policies applied to the Pro Forma Adjustments as if those events or transactions had occurred as at the date of the Statutory Consolidated Historical Financial Information. Due to its nature, the Pro Forma Consolidated Historical Financial Information does not represent the Group's actual or prospective financial position, financial performance or cash flows.

Statutory Consolidated Forecast Financial Information

- the Statutory consolidated forecast statement of profit and loss and other comprehensive income for the six month period ending 30 September 2020 ("H1FY2021")which is included in Section 4.7 of the Prospectus;
- the statutory consolidated forecast statement of cash flows for H1FY2021 which is included in Section 4.13 of the Prospectus;

(together the "Statutory Consolidated Forecast Financial Information").

#3877157v1

© 2020 Grant Thornton Corporate Finance Pty Ltd.

Pro Forma Consolidated Forecast Financial Information

- The pro forma consolidated statement of profit and loss and other comprehensive income for the H1FY21 and 12 months ending 30 September 2020 ("12MSep20") which is included in Section 4.7 of the Prospectus;
- the pro forma forecast consolidated statement of cash flows for H1FY21 and 12MSep20 which is included in Section 4.13 of the Prospectus;

(together the "Pro forma Consolidated Forecast Financial Information").

(the Statutory Consolidated Forecast Financial Information and the Pro forma Consolidated Forecast Financial Information together form the "Forecast Financial Information")

The Directors' best estimate assumptions underlying the Forecast Financial Information are described in Sections 4.10 and 4.11 of the Prospectus. The stated basis of preparation used in the preparation of the Forecast Financial Information is the recognition and measurement principles contained in Australian Accounting Standards and the Group's adopted accounting policies.

The Forecast Financial Information has been prepared by management and adopted by the Directors in order to provide prospective investors with a guide to the potential financial performance of the Group for H1FY21 and 12MSep20. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to events and transactions that have not yet occurred and may not occur. Actual results are likely to be different from the Forecast Financial Information since anticipated events or transactions frequently do not occur as expected and the variations may be material.

The Directors' best estimate assumptions on which the Forecast Financial Information is based relate to future events and/or transactions that management expect to occur and actions that management expect to take, and are also subject to uncertainties and contingencies, which are often outside the control of the Group. Evidence may be available to support the assumptions on which the Forecast Financial Information is based, however such evidence is generally future orientated and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the Directors' best estimate assumptions. We do not express any opinion on the achievability of the results. The limited assurance conclusion expressed in this report has been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties relating to an investment in the Group, which are detailed in Section 5 of the Prospectus, and the inherent uncertainty relating to the prospective financial information. Accordingly prospective investors should have regard to the investment risks and sensitivities set out in Section 4.12 of the Prospectus. The sensitivity analysis set out in Section 4.12 of the Prospectus demonstrates the impacts on the Forecast Financial Information of changes in key assumptions. The Forecast Financial Information is therefore only indicative of the financial performance which may be achievable. We express no opinion as to whether the Forecast Financial Information will be achieved.

Directors' Responsibility

The Directors are responsible for:

- the preparation and presentation of the Statutory Historical Financial Information and Pro Forma Historical Financial Information including the selection and determination of the pro forma adjustments made to the Statutory Historical Financial Information and included in the Pro Forma Historical Financial Information;
- the preparation of the Forecast Financial Information, including the best estimate assumptions underlying the Forecast Financial Information and the selection and determination of the pro forma adjustments made to the Statutory Forecast Financial Information and included in the Pro Forma Forecast Financial Information; and
- the information contained within the Prospectus.

#3877157v1

© 2020 Grant Thornton Corporate Finance Pty Ltd.

This responsibility includes for the operation of such internal controls as the Directors determine are necessary to enable the preparation of the Statutory Historical Financial Information, Pro Forma Historical Financial Information and Forecast Financial Information that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Statutory Consolidated Historical Financial Information, Pro Forma Consolidated Historical Financial Information, Statutory Consolidated Forecast Financial Information and Pro Forma Consolidated Forecast Financial information, based on the procedures performed and evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450: "*Assurance Engagements involving Corporate Fundraisings and/ or Prospective Financial Information".*

A limited assurance engagement consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly we will not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report of the Group used as a source of the financial information.

We have performed the following procedures as we, in our professional judgement, considered reasonable in the circumstances.

Statutory Consolidated Historical Financial Information and Pro Forma Consolidated Historical Financial Information

- consideration of work papers, accounting records and other documents, including those dealing with the extraction of the Statutory Consolidated Historical Financial Information from the audited financial statements of the Group covering the year ended 31 March 2018, year ended 31 March 2019 and year ended 31 March 2020;
- consideration of the appropriateness of the pro forma adjustments described in Section 4.9 and 4.15 of the Prospectus;
- enquiry of the Directors, management and others in relation to the Statutory Consolidated Historical Financial Information and Pro Forma Consolidated Historical Financial Information;
- analytical procedures applied to the Statutory Consolidated Historical Financial Information and Pro Forma Consolidated Historical Financial Information;
- a review of the work papers, accounting records and other documents of the Group and its auditors; and
- a review of the consistency of the application of the stated basis of preparation and adopted accounting policies as described in the Prospectus used in the preparation of the Statutory Consolidated Historical Financial Information and Pro Forma Consolidated Historical Financial Information;

Forecast Financial Information

- enquiries, including discussions with management and Directors of the factors considered in determining the assumptions used in the preparation of the Forecast Financial Information;
- analytical and other review procedures we considered necessary including examination, on a test basis, of evidence supporting the assumptions, amounts and other disclosures in the Forecast Financial Information;
- review of the accounting policies adopted and used in the preparation of the Forecast Financial Information; and

#3877157v1

© 2020 Grant Thornton Corporate Finance Pty Ltd.

- consideration of the pro forma adjustments applied to the Statutory Forecast Financial Information in preparing the Pro Forma Forecast Financial Information.

Our limited assurance engagement has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdiction outside of Australia and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

We have assumed, and relied on representations from certain members of management of the Group, that all material information concerning the prospects and proposed operations of the Group has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

Conclusion

Statutory Consolidated Historical Financial Information and Pro Forma Consolidated Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Statutory Consolidated Historical Financial Information and Pro forma Consolidated Historical Financial Information is not presented fairly, in all material respects, in accordance with the stated basis of preparation and the pro forma adjustments as described in Section 4.9 and Section 4.15 of the Prospectus.

Statutory Consolidated Forecast Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that:

i. the Directors' best estimate assumptions used in the preparation of the Statutory Consolidated Forecast Financial Information do not provide reasonable grounds for the Statutory Consolidated Forecast Financial Information;

ii. in all material respects, the Statutory Consolidated Forecast Financial Information:

   a. is not prepared on the basis of the Directors' best estimate assumptions as described in Sections 4.11 and 4.12 of the Prospectus;

   b. is not presented fairly in accordance with the stated basis of preparation, being the accounting policies adopted and used by the Group and the recognition and measurement principles in conformity with Australian Accounting Standards; and

iii. the Statutory Consolidated Forecast Financial Information itself is unreasonable.

Pro Forma Consolidated Forecast Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that:

i. the Directors' best estimate assumptions used in the preparation of the Pro Forma Consolidated Forecast Financial Information do not provide reasonable grounds for the Pro Forma Consolidated Forecast Financial Information;

ii. in all material respects, the Pro Forma Consolidated Forecast Financial Information:

   a. is not prepared on the basis of the Directors' best estimate assumptions as described in Section 4.11 and 4.12 of the Prospectus;

#3877157v1

© 2020 Grant Thornton Corporate Finance Pty Ltd.

b. is not presented fairly in accordance with the stated basis of preparation, being the accounting policies adopted and used by the Group and the recognition and measurement principles in conformity with Australian Accounting Standards, applied to the Statutory Consolidated Forecast Financial Information and the Pro Forma Adjustments as if those adjustments had occurred prior to 30 September 2020; and

iii. the Pro Forma Consolidated Forecast Financial Information itself is unreasonable.

Restriction on Use

Without modifying our conclusion, we draw your attention to Section 4.1 of the Prospectus which describes the purpose of the Financial Information, being for inclusion in the Prospectus. As a result, this Independent Limited Assurance Report may not be suitable for another purpose.

Consent

Grant Thornton Corporate Finance consents to the inclusion of this Independent Limited Assurance Report in the Prospectus in the form and context in which it is included.

Liability

The liability of Grant Thornton Corporate Finance is limited to the inclusion of this report in the Prospectus. Grant Thornton Corporate Finance makes no representation regarding, and has no liability, for any other statements or other material in, or omissions from the Prospectus.

Independence or Disclosure of Interest

Grant Thornton Corporate Finance does not have any pecuniary interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Grant Thornton Corporate Finance will receive a professional fee for the preparation of this Independent Limited Assurance Report.

Yours faithfully,

GRANT THORNTON CORPORATE FINANCE PTY LTD

Neil Cooke

Partner

#3877157v1

© 2020 Grant Thornton Corporate Finance Pty Ltd.

Grant Thornton
An instinct for growth™

Grant Thornton Corporate Finance Pty Ltd
Level 17
383 Kent Street
Sydney NSW 2000
Locked Bag Q800
Queen Victoria Building NSW 1230

T +61 2 8297 2400

Appendix A (Financial Services Guide)

This Financial Services Guide is dated 21 August 2020.

1 About us

Grant Thornton Corporate Finance Pty Ltd (ABN 59 003 265 987, Australian Financial Services Licence no 247140) (Grant Thornton Corporate Finance) has been engaged by Plenti Group Limited and its controlled entities ("Plenti" or "the Group") to provide a report in the form of an Independent Limited Assurance Report (the "Report") for inclusion in a Prospectus dated on or about 21 August 2020 (the "Prospectus") relating to the offer of fully paid ordinary shares in the Group (the "Offer"). You have not engaged us directly but have been provided with a copy of the Report as a retail client because of your connection to the matters set out in the Report.

2 This Financial Services Guide

This Financial Services Guide (FSG) is designed to assist retail clients in their use of any general financial product advice contained in the Report. This FSG contains information about Grant Thornton Corporate Finance generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the Report, and how complaints against us will be dealt with.

3 Financial services we are licensed to provide

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities and superannuation products and deal in a financial product by applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of securities and superannuation products.

ABN-59 003 265 987 ACN-003 265 987 AFSL-247140

Grant Thornton Corporate Finance Pty Ltd ABN 59 003 265 987 ACN 003 265 987 a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127556 389 Holder of Australian Financial Services Licence No. 247140 'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.

www.grantthornton.com.au

4 General financial product advice

The Report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs. You should consider your own objectives, financial situation and needs when assessing the suitability of the Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal financial product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

5 Fees, commissions and other benefits we may receive

Grant Thornton Corporate Finance charges fees to produce reports, including the Report. These fees are negotiated and agreed with the entity which engages Grant Thornton Corporate Finance to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this Report, Grant Thornton Corporate Finance will receive from the Group a fee of $192,500 plus GST, which is based on commercial rates plus reimbursement of out-of-pocket expenses.

Partners, Directors, employees or associates of Grant Thornton Corporate Finance, or its related bodies corporate, may receive dividends, salary or wages from Grant Thornton Australia Ltd.

None of those persons or entities receive non-monetary benefits in respect of, or that is attributable to, the provision of the services described in this FSG.

6 Referrals

Grant Thornton Corporate Finance - including its Partners, Directors, employees, associates and related bodies corporate - does not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

7 Associations with issuers of financial products

Grant Thornton Corporate Finance and its Partners, Directors, employees or associates and related bodies corporate may from time to time have associations or relationships with the issuers of financial products. For example, Grant Thornton Australia Ltd may be the auditor of, or provide financial services to the issuer of a financial product and Grant Thornton Corporate Finance may provide financial services to the issuer of a financial product in the ordinary course of its business.

In the context of the Report, Grant Thornton Corporate Finance considers that there are no such associations or relationships which influence in any way the services described in this FSG.

8 Independence

Grant Thornton Corporate Finance is required to be independent of Plenti in order to provide this Report. The following information in relation to the independence of Grant Thornton Corporate Finance is stated below.

© 2020 Grant Thornton Corporate Finance Pty Ltd.

"Grant Thornton Corporate Finance and its related entities do not have at the date of this Report, and have not had within the previous two years, any shareholding in or other relationship with Plenti Group Limited (and associated entities) that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Offer.

Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the Offer, other than the preparation of this Report.

Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this Report. This fee is not contingent on the outcome of the Offer. Grant Thornton Corporate Finance's out of pocket expenses in relation to the preparation of the Report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this Report.

9 Complaints

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Australian Financial Complaints Authority (AFCA) (membership no. 11800). All complaints must be in writing and addressed to the Head of Corporate Finance at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to AFCA who can be contacted at:

Australian Financial Complaints Authority

GPO Box 3
Melbourne, VIC 3001
Telephone: 1800 931 678 (free call)

Email: info@afca.org.au

Grant Thornton Corporate Finance is only responsible for the Report and FSG. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

10 Compensation arrangements

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

11 Contact Details

Grant Thornton Corporate Finance can be contacted by sending a letter to the following address:

Head of Corporate Finance

Grant Thornton Corporate Finance Pty Ltd

Level 17, 383 Kent Street

Sydney, NSW, 2000

© 2020 Grant Thornton Corporate Finance Pty Ltd.

Section 9

Additional information

9.1 Registration

The Company was incorporated and registered in Sydney, Australia on 12 August 2020 as a public company.

9.2 Company tax status and financial year

The Company will be taxed in Australia as a public company. The financial year of the Company and the Plenti Group ends on 31 March annually.

9.3 Corporate structure and Restructure

The Company was incorporated as a public company to undertake the Offer. As part of a Restructure, the following steps were completed prior to the Prospectus Date, in connection with Plenti's preparation for the Offer:

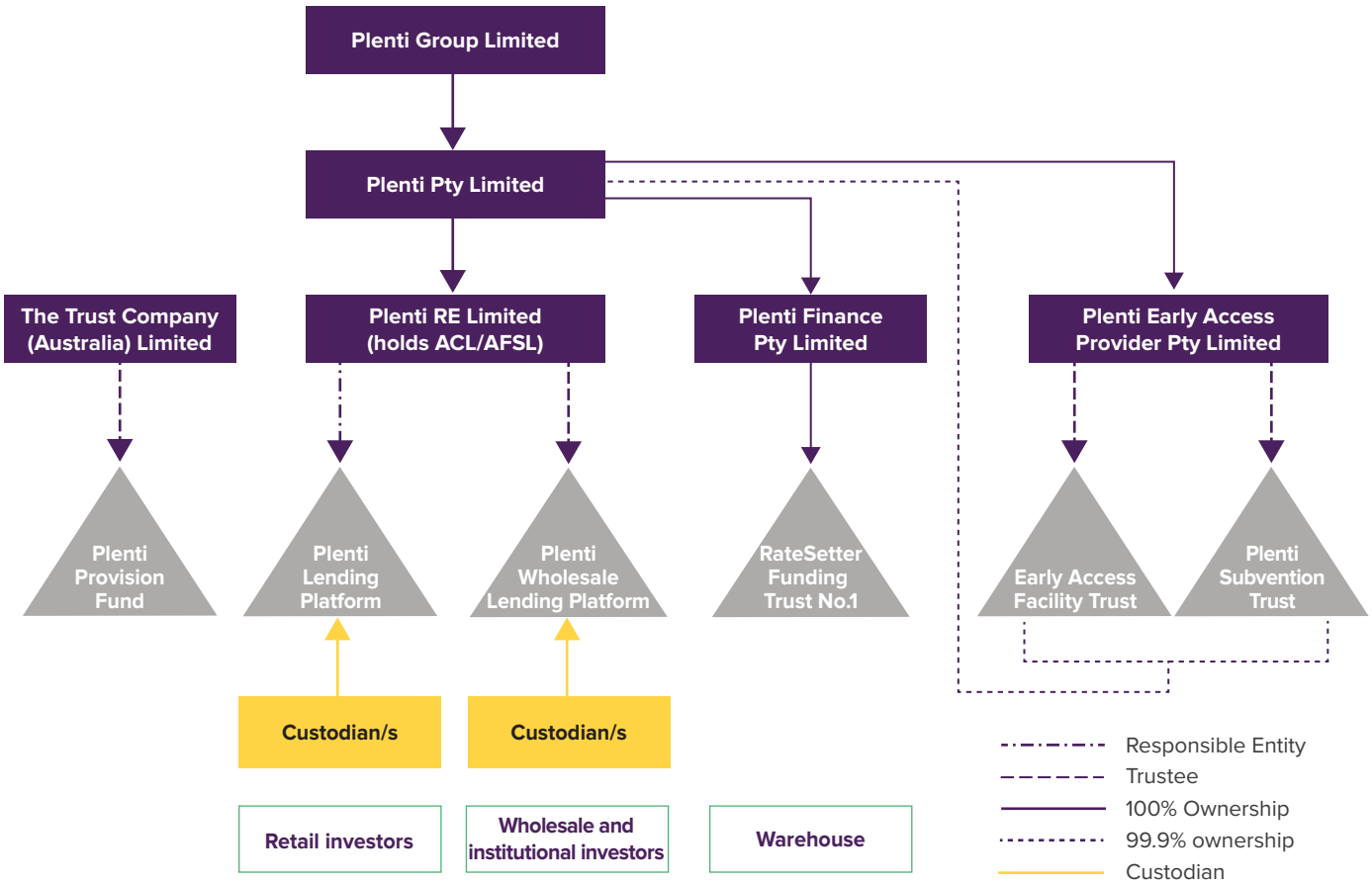
- The Company acquired all of the issued share capital in Plenti Pty Limited (**Plenti Shares**) from the existing shareholders of Plenti Pty Limited; and
- All existing shareholders of Plenti Pty Limited were issued Shares in the Company in exchange for the transfer of their Plenti Shares to the Company.

(together, the **Restructure**).

Following the Restructure, the Company is the parent company for the Plenti Group. Plenti Pty Limited and its subsidiaries undertake the operations of the Plenti Group. All of the Plenti entities set out in the diagram below were incorporated in Australia and are located in Sydney.

Please refer to the diagram below for an overview of the current group structure for the Plenti Group.

Figure 42: Corporate structure summary



9.4 Funding model

9.4.1 Asset-backed facilities

In 2019, Plenti established a master trust structure to facilitate the funding of automotive loans originated by Plenti Finance by private asset-backed warehouse facilities or public securitisation issuances.

In December 2019, Plenti entered into its first transaction under the master trust, RateSetter Funding Trust No.1 (**Trust No.1**). Trust No.1 is a revolving warehouse facility provided by two institutional lenders and various funds managed by a common investment manager.

Trust No.1 is a special purpose unit trust established for the purposes of funding the origination of new automotive loan receivables originated by Plenti Finance. The trustee of Trust No.1 is Perpetual Corporate Trust Limited (**Trustee**).

Trust No.1 issues debt instruments (in the form of Notes) to financiers, the proceeds of which are used to fund Trust No.1's acquisition of loan receivables from Plenti Finance. Collections from loan receivables are the primary source of repayments of the financiers' debt. Repayments from customers in respect of the loan receivables are passed through to Trust No.1's financiers in order to service interest and principal payments on the Notes.

The recourse of financiers to Trust No.1 is limited to the assets of Trust No.1 or under the contractual rights given to it under the transaction documents for Trust No.1 to discharge their debt.

The financiers provide a revolving facility, such that amounts repaid to the financiers are able to be redrawn up to the facility limit, subject to all terms and conditions of the warehouse transaction documents continuing to be met. Refer to the section below for an overview of the contractual framework applicable to Trust No.1.

9.4.2 Contractual framework

The warehouse transaction documents for Trust No.1 comprise a number of contracts including:

- **Master trust deed** – this document provides for the creation of separate trusts (being the special purpose funding vehicles that may be established for the purposes of the warehouse facilities and public securitisation issuances). Trust No.1 was established under this document. Plenti Finance is the sole beneficiary of each trust established under the master trust deed and this document provides the terms of the beneficiary's entitlements and, in particular, its entitlement to residual income. Plenti Finance's right, as beneficiary, to residual income provides a significant contribution to the net interest margin it derives from the loan assets funded through these arrangements.
- **Master management deed** – this document governs the terms and conditions under which Perpetual Nominees Limited is appointed to manage and direct the trustees of each trust in carrying on their day-to-day business. The manager receives fees in exchange for the provision of those services.
- **Master sale deed** – this document governs the terms and conditions under which Plenti Finance transfers loan assets into a trust.
- **Master servicing deed** – this document governs the terms and conditions under which Plenti Finance is appointed to service the assets of each trust by interfacing with customers (as applicable) and collecting payments under asset receivables. The servicer receives fees in exchange for the provision of those services.
- Documents setting out the terms of each specific trust, including Trust No.1, including:
  - Subscription and issue supplement documents entered into, or to be entered into, with financiers. These are the documents under which the financiers of the relevant trust agree to make funds available to that trust, and also set out the terms and conditions on which those funds are provided, how funds flowing through the relevant trust are to be applied and the eligible assets that the relevant trust may acquire from Plenti Finance;
  - Security documents relating to the security over the asset pool of the relevant trust available for the benefit of the relevant trust's creditors; and
  - If applicable, hedging agreements.

9.4.3 Key features

The key features of Trust No.1 as provided for under the contracts described above are set out below.

Table 20: Trust No.1 key features

Features	Description
Limit	$150,000,000[1]
Utilised	$61,504,878[2]
Undrawn[3]	$88,495,122[4]
Availability period termination	24 December 2020, which may be extended with the consent of the financiers
Structure	Tranched notes structure: • Class A Notes, the highest ranking notes, with a minimum agreed credit support level provided by the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Seller Notes and the Subordinated Notes; • Class B Notes, the second-highest ranking notes, with a minimum agreed credit support level provided by the Class C Notes, the Class D Notes, the Class E Notes, the Seller Notes and the Subordinated Notes; • Class C Notes, the third-highest ranking notes, with a minimum agreed credit support level provided by the Class D Notes, the Class E Notes, the Seller Notes and the Subordinated Notes; • Class D Notes, the fourth-highest ranking notes, with a minimum agreed credit support level provided by the Class E Notes, the Seller Notes and the Subordinated Notes; • Class E Notes, the fifth-highest ranking notes, with a minimum agreed credit support level provided by the Seller Notes and the Subordinated Notes; and • Seller Notes (comprised of Commission Notes and Contingent Notes) and Subordinated Notes subscribed to and held by Plenti Finance, which are subordinate to the Class A to Class E Notes.
Commitments	The commitment to subscribe for new notes issued by the Trustee has been established for each class of notes through a common subscription agreement entered into between the Trustee, the financiers and Plenti Finance. Drawing under the facilities is subject to certain conditions precedent including testing for eligibility criteria set for the loans being acquired by the Trustee. Banks have subscribed for the Class A Notes and the Class B Notes. Various funds managed by one investment manager have subscribed for the Class C Notes, the Class D Notes and the Class E Notes. Plenti Finance has subscribed to the Seller Notes and the Subordinated Notes and is not permitted to dispose of them without the consent of the financiers.

1 Plenti also provides subordinated funding to Trust No.1. The amount varies but at all times will be a minimum of 5% of the principal amount outstanding of the loans sold to Trust No.1.
2 As at 10 August 2020 (including subordinated notes).
3 Subject to certain conditions, the Trustee may draw down funds from the financiers in anticipation of purchasing loan receivables which have not yet been originated, provided that such funds are kept in an account of the Trustee subject to the transaction security.
4 As at 10 August 2020 (including subordinated notes).

Features	Description
Eligible loans	Eligibility criteria for the loans that can be acquired by the Trustee have been set with input from the financiers. These are only tested at the time when the loan originated by Plenti Finance is sold into Trust No.1. These eligibility criteria include, for example, the requirement that the loan is to finance a new or used vehicle, to an Australian resident, subject to a minimum and maximum loan amount, for a term that does not exceed the agreed maximum term, that the acquisition of the loan would not cause a breach of the Portfolio Parameters (as defined below) and that the loan was originated and has been serviced in accordance with applicable law and Plenti's internal policies and procedures. If it is subsequently determined that a loan did not comply with any of the eligibility criteria at the time it was sold to Trust No.1 or breached any of the warranties made in respect of it at the time of its sale to Trust No.1 (including, for example, that it constitutes the legal, valid, binding and enforceable obligations of the relevant customer), Plenti Finance (as seller of that loan) will be required to either repurchase that ineligible loan from the Trustee or advance cash to the Trustee in an amount equal to its outstanding amount by subscribing to further Subordinated Notes. Loans acquired by Trust No.1 are also subject to monthly compliance parameter tests (**Portfolio Parameters**). These include concentration limits relating to, for example, the location and credit quality of the customers. Failure to comply with the Portfolio Parameters may trigger a Stop Funding Event (see below).
Cost of funding	The Class A Notes, Class B Notes, Class C Notes, Class D Notes and Class E Notes are floating rate notes with the interest cost incorporating a combination of a base rate (1M BBSY) and the agreed margin then applying for each class of Notes agreed in the facility documents. In addition to the interest cost on the notes, Trust No.1 also incurs fees and charges that are paid to third-party service providers (such as the trustee, the security trustee and the trust manager) to establish and manage the affairs of the program.
Capital support	Plenti Finance is the sole subscriber to the Subordinated Notes and the Seller Notes issued by Trust No.1. Plenti Finance is required to maintain a minimum equity contribution via the Subordinated Notes and Contingent Notes equal to 5% of the total drawn notes within Trust No.1. The Subordinated Notes and Seller Notes act as the first loss capital to absorb any losses (that is, to the extent the customer does not repay the full amount owing under a loan receivable) and to provide credit support to Class A Notes, Class B Notes, Class C Notes, Class D Notes and Class E Notes.
Security and limited recourse	Trust No.1 is a limited recourse vehicle. Collections from loan receivables are the primary source of repayments of the financiers' debt. That is, payments and repayments from customers in respect of the loan receivables are passed through to the financiers to service required interest and principal payments on the Notes. The recourse of financiers to Trust No.1 is limited to the assets of Trust No.1, which are primarily its interest in the loan receivables it has purchased and collections thereon, the cash in its bank accounts and its rights against its contractual counterparties (for example, its right to require Plenti Finance to repurchase loans or subscribe for further Subordinated Notes in certain circumstances). Trust No.1 has created security over all of its assets in favour of the security trustee, who holds the security on trust for Trust No.1's secured creditors.
Income from Trust No.1	Plenti Finance owns all units in Trust No.1, entitling it to 100% of the net income distribution of Trust No.1, equal to the trust income less cost of funds and trust expenses (including losses on loan receivables). Plenti Finance is entitled to the total net income distribution assuming no breach of covenants or amortisation or default triggers.

Features	Description
Stop Funding Events	Stop Funding Events include (amongst others): • Breaches of the monthly portfolio parameter tests; • Arrears and charge-offs on the securitised loans exceeding certain agreed levels; • Insufficient levels of subordination supporting the senior and mezzanine notes; • Breaches of representations, warranties and undertakings by the Trustee or Plenti Finance or Plenti RE; • Adverse audit findings in relation to Plenti Finance or Plenti RE; • The Class A noteholder's internal risk weighting of the Class A Notes falling below an agreed threshold; • Certain key personnel leaving Plenti; • The weighted average interest rate on the securitised loans falling below an agreed threshold; and • Plenti's net asset position falling below a certain amount. If a Stop Funding Event is subsisting, the financiers may refuse any requests for further funding and the Trustee must not acquire any additional receivables. With the passing of time, if unremedied, a Stop Funding Event will lead to an Amortisation Event.
Amortisation Events	Amortisation Events include (amongst others): • The expiry of the availability period, • A Stop Funding Event remaining subsisting for a certain period of time; • The insolvency of Plenti Finance or the trust manager; • Certain breaches of representations and undertakings; and • A change of control of Plenti Finance. Following the occurrence of an Amortisation Event, no further funding will be available from the financiers, the Trustee must not acquire any further receivables, the financiers acquire certain audit and inspection rights in relation to Plenti and all cash available to the Trustee after paying Trust No.1's expenses and interest on the Class A to Class E Notes will be utilised to repay the financiers in sequential order.
Events of Default	Events of Default are common for secured debt facilities and include (amongst others): • Non-payment in respect of the senior Notes; • Breach of obligations by the Trustee; • Breach of representations or warranties by the Trustee; • Insolvency of Trust No.1; and • An Amortisation Event having been subsisting for a substantial period of time. The occurrence of an Event of Default would permit the financiers to accelerate their debt and instruct the security trustee to commence enforcement of the security granted in its favour in order to realise the loan receivables and other assets of Trust No.1 to recover the financiers' outstanding debt.

9.5 Arrangements with RMML

9.5.1 RMML Licence Agreement

RMML and Plenti are parties to the RMML Licence Agreement under which RMML grants a licence to Plenti to use the 'RateSetter' brand name and certain intellectual property rights relating to RMML's technology platform. In respect of FY2020, the total licence fee payable by Plenti to RMML under the RMML Licence Agreement was $64,749.

RMML operates a peer-to-peer investment platform in the United Kingdom under the 'RateSetter' brand name. RMML previously held a substantial shareholding of 14.06% in Plenti prior to its transfer to the RMML Nominee on 19 August 2020 (refer to Section 9.5.2 for further information).

The RMML Licence Agreement was entered into by Plenti to support its original launch in Australia. Plenti has since developed its own proprietary technology and associated intellectual property to support its Lending Platforms and credit assessment processes (refer to Section 3.5 for further information). Following its rebranding to 'Plenti', Plenti no longer uses the 'RateSetter' brand name.[5]

Plenti delivered a termination notice to RMML on 12 August 2020 in accordance with the terms of the RMML Licence Agreement. It is expected that the RMML Licence Agreement will, therefore, terminate in November 2020. The termination of the RMML Licence Agreement will not adversely impact Plenti's operations or continued use of its current technologies and systems.

9.5.2 RMML transaction

On 3 August 2020, Metro Bank PLC announced that it had agreed to acquire the entire issued share capital of RMML, subject to the fulfilment of conditions set out in the sale agreement (**RMML Sale**).

As part of the RMML Sale, RMML has transferred all 18,000,000 Shares it held in the Company to RMML Nominee prior to completion of the RMML Sale. RMML Nominee is a newly-established company registered in England and Wales. It is controlled by Peter Behrens and Rhydian Lewis, who are co-founders of RMML. RMML has entered into a nominee agreement with RMML Nominee (**Nominee Agreement**) pursuant to which RMML now holds the 18,000,000 Shares in the Company (following the Restructure) on trust for approximately 300 beneficiaries (being former shareholders of RMML) (**RMML Shareholders**).

Each of the RMML Shareholders who beneficially owns (via the Nominee Agreement) more than 180,000 Shares (**Escrowed RMML Shareholder**) will be subject to voluntary escrow arrangements (refer to Section 7.8 for further information). Under these escrow arrangements, each Escrowed RMML Shareholder and the RMML Nominee agree not to dispose of their respective Escrowed Shares for the applicable escrow period.

On or immediately prior to the Completion of the Offer, it is proposed that:

- All 18,000,000 Shares held by the RMML Nominee will be distributed to the RMML Shareholders; and
- The trust created under the Nominee Agreement will be dissolved and the Nominee Agreement will terminate.

9.6 Underwriting Agreement

The Offer is being managed by the JLMs and fully underwritten on a 60/40 proportion (Bell Potter – 60%, Wilsons – 40%) pursuant to the Underwriting Agreement.

The Company and the JLMs signed the Underwriting Agreement on 21 August 2020. Pursuant to the Underwriting Agreement, the Company has appointed the JLMs to arrange and manage the Offer and to act as underwriters for the Offer. The following is a summary of the principal provisions of the Underwriting Agreement.

For the purpose of this Section 9.6:

Group means the Company and each of its subsidiaries;

Material Adverse Change means a material adverse change or effect, or any development involving a prospective material adverse change or effect (in each case, whether occurring before, on or after the date of the Underwriting Agreement) in or affecting:

a. the general affairs, business, operations, assets, liabilities, financial position or performance, profits, losses, prospects, earnings position, shareholder's equity, or results of operations of the Group or otherwise (taken as a whole) from that disclosed in the pathfinder prospectus or this Prospectus; or

b. the success, marketing or settlement of the Offer resulting from a material adverse change in the Group's circumstances;

and includes, without limitation, the following in relation to the Group:

5 As at the Prospectus Date, the name changes for the managed investment schemes comprising the Plenti Lending Platform and the Plenti Wholesale Lending Platform have been lodged with ASIC and effected via a deed of variation, respectively, but have not yet formally taken effect. The names of these managed investment schemes will include the words 'RateSetter' until such name change takes effect.

- a drop in new loan originations to $24 million or less in either of the August 2020 or September 2020 calendar months;
- an increase in hardship claims to 4% or more of the total loans outstanding on the Plenti Lending Platforms and warehouse facility (as described in this Prospectus) (**Loan Portfolio**) which remain outstanding in either of the August 2020 or September 2020 calendar months;
- an increase in expected credit loss provision as a percentage of the total Loan Portfolio by 0.75% or more from the position as at 31 July 2020;
- a change which has:
  - reduced (or is reasonably likely to reduce) the total revenue or has increased (or is reasonably likely to increase) the total expenses of the Group for any 12 month period by more than 10% when compared to forecast total revenue or total expenses of the Group (as applicable) for the 12 months ending 30 September 2020, unless the expense is reasonably likely to result in a corresponding increase in future revenue; or
  - a change which has reduced or is reasonably likely to reduce the net assets of the Group by more than $10 million when compared with the position of the Group as at 31 July 2020,

  where such change is not offset by a corresponding reduction in liabilities or increase in assets and excluded any movements in cash on the Plenti Lending Platform or Plenti Wholesale Lending Platform of the Group; and

Offer Documents means the following documents issued or published by, or on behalf of, the Company in respect of the Offer:

- the pathfinder prospectus and any document that supplements or replaces the pathfinder prospectus (including any addendum to the pathfinder prospectus);
- this Prospectus, any Application Form and any other supplementary prospectus;
- any cover email sent by or on behalf of the Company to eligible Institutional Investors in outside of Australia in connection with the Institutional Offer or bookbuild; and
- any investor presentation, marketing roadshow presentation and/or public announcements used by the Company in connection with the Offer used or made after the lodgement of this Prospectus.

9.6.1 Fees and expenses

The Company has agreed to pay the JLMs a fee equal to 3.2% of the total proceeds of the Offer comprising a selling and underwriting fee of 1.6% and a management fee of 1.6%.The selling, underwriting and management fees will become payable by the Company on the date of Settlement of the Offer and will be paid to the JLMs in equal proportions. In addition, the Company has agreed to pay Bell Potter only an IPO preparation fee of 0.8% of the total proceeds of the Offer.

Any fees payable to co-managers, co-lead managers and Brokers appointed in relation to the Offer are payable by the JLMs on behalf of the Company out of the underwriting and management fees payable to them under the Underwriting Agreement. In addition to the fees described above, the Company has agreed to reimburse the JLMs for certain other agreed costs and expenses, including legal costs, incurred by the JLMs in relation to the Offer.

9.6.2 Termination events

Each JLM may, by notice given to the Company and other JLM, and without cost or liability, terminate the Underwriting Agreement if certain events occur at any time on or before 10.00am on the settlement date of the Offer, including the following:

a. (**disclosures in Offer Documents**) a statement in the Offer Documents is misleading or deceptive (including by omission) or likely to mislead or deceive, or there is an omission from the Offer Documents of material required by sections 710, 711, 715A or 716 of the Corporations Act;

b. (**new circumstances**) there occurs a new circumstance that arises after this Prospectus is lodged, that would have been required to be included in this Prospectus if it had arisen before lodgement (as applicable) that is materially adverse from the point of view of an investor;

c. (**supplementary prospectus**) the Company:
   - issues or, in the reasonable opinion of the JLMs is required to issue, a supplementary prospectus because of the operation of section 719(1) of the Corporations Act; or
   - lodges a supplementary prospectus with ASIC in a form and substance that has not been approved by the JLMs in circumstances required by the Underwriting Agreement;

d. (**market fall**) at any time the S&P/ASX 200 falls to a level that is 87.5% or less of the level of the S&P/ASX 200 as at the close of trading on the Business Day immediately preceding the date of this Agreement and is at or below that level at the close of trading:
   - for 2 consecutive Business Days during any time after the date of this Agreement; or
   - on the Business Day immediately prior to the date of Settlement;

e. (**restriction agreements**) restriction agreements representing more than 1% of the Company's issued share capital following Completion of the Offer:
   - are withdrawn, terminated, rescinded, breached or failed to be complied with; or
   - are varied, altered or amended, in a manner which alters either the length of the restriction on disposing of the relevant Shares or the number of Shares to which the restriction agreements apply;

f. (**listing and quotation**) approval is refused or not granted, or approval is granted subject to conditions other than customary conditions, to:
   - the Company's admission to the official list of ASX on or before the listing approval date; or
   - the quotation of the Shares on ASX or for the Shares to be traded through CHESS on or before the date on which the Shares are to be first quoted on ASX,

   or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld;

g. (**notifications**) any of the following notifications are made in respect of the Offer:
   - ASIC issues an order (including an interim order) under section 739, 1324B or 1325 of the Corporations Act in relation to the Offer or the Offer Documents or gives notice of an intention to prosecute the Company or any of its directors and any such intention, application or notice becomes public or is not withdrawn within 3 business days or if it is made within 3 business days of the date of Settlement it has not been withdrawn by the day before the date of Settlement;
   - ASIC holds a hearing under section 739(2) of the Corporations Act;
   - an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Offer or an Offer Document or ASIC commences any investigation or hearing under Part 3 of the *Australian Securities and Investments Commission Act 2001* (Cth) in relation to the Offer or an Offer Document, and any such application inquiry or hearing is not withdrawn within 3 business days or if it is made within 3 business days of the date of Settlement it has not been withdrawn by the day before the date of Settlement;
   - any person who has previously consented to the inclusion of its name in this Prospectus (other than the JLMs) withdraws that consent; or
   - any person gives a notice under section 730 of the Corporations Act in relation to this Prospectus (other than the JLMs, co-lead manager or co-manager);

h. (**withdrawal**) the Company withdraws this Prospectus or the Offer or any circumstance arises after lodgement of this Prospectus with ASIC that results in the Company either repaying any money received from applicants under the Offer or offering applicants under the Offer an opportunity to withdraw their application for Shares and be repaid their application monies;

i. (**Timetable**) an event specified in the timetable up to and including the date of Settlement is delayed by more than 2 business days (other than any delay caused solely by the JLMs or any delay agreed between the Company and the JLMs or a delay as a result of an extension of the exposure period by ASIC);

j. (**unable to issue Offer Shares**) the Company is prevented from allotting and issuing the Shares by applicable laws, an order of a court of competent jurisdiction or a governmental authority, within the time required by the ASX Listing Rules;

k. (**change to Company**) the Company:
   - alters the issued capital of the Company or a member of the Group (other than as disclosed in this Prospectus); or
   - disposes or attempts to dispose of a substantial part of the business or property of the Group,

   without the prior written consent of the JLMs (not to be unreasonably withheld or delayed);

l. (**insolvency events**) any member of the Group becomes insolvent, or there is an act or omission which is likely to result in a member of the Group becoming insolvent;

m. (**regulatory approvals**) if a regulatory body withdraws, revokes or amends any regulatory approvals required for the Company to undertake the Offer, or the Company is otherwise unable to perform its obligations under the Underwriting Agreement;

n. (**change in management**) a change in the Chief Executive Officer, Chief Financial Officer, the Chief Commercial Officer or Chief Operating Officer of the Company occurs, or there is a change in the board of directors of the Company;

o. (**adverse change**) an event occurs which is, or is likely to give rise to a Material Adverse Change.

In addition, if one of the following events occurs and a JLM believes on reasonable and bona fide grounds that the event:

- has, or is likely to have, a materially adverse effect on the:
  - success or outcome of the Offer;
  - ability of the JLM to settle the Offer;
  - subsequent market for the Shares; or
  - condition, trading or financial position, performance, profits and losses, results, business or operations of the Company which gives rise to a Material Adverse Change; or
- will, or is likely to, give rise to a liability of the JLM under, or a contravention by the JLM of, any applicable law,

then the JLM may at any time on or before 10.00am on the date of settlement of the Offer, terminate the Underwriting Agreement, without cost or liability, by notice to the Company:

a. (**constitution**) the Company varies any term of its constitution without the prior written consent of the JLMs;

b. (**compliance with law**) any of the Offer Documents or any aspect of the Offer does not comply with the Corporations Act, the ASX Listing Rules, or any other applicable law or regulation;

c. (**disclosures in public information**) a statement in public information is or becomes misleading or deceptive or is likely to mislead or deceive;

d. (**disclosures in the due diligence report**) the due diligence report is, or becomes, false, misleading or deceptive, including by way of omission;

e. (**information supplied**) any information supplied including any information supplied prior to the date of this agreement) by or on behalf of a member of the Group to the JLMs in respect of the Offer or the Group is, or is found to be, misleading or deceptive, or is likely to mislead or deceive (including by omission);

f. (**forecasts**) there are not, or there ceases to be, reasonable grounds for any statement or estimate in the Offer Documents which relate to a future matter or any statement or estimate in the Offer Documents which relate to a future matter is, in the reasonable opinion of the JLMs, unlikely to be met in the projected timeframe;

g. (**certificate**) the Company does not provide a closing certificate as and when required by the Underwriting Agreement or a statement in any closing certificate is false, misleading, inaccurate or untrue or incorrect;

h. (**hostilities**) in respect of any one or more of Australia, New Zealand, the United States, Canada, the United Kingdom, Singapore or Japan:
   - hostilities not presently existing commence;
   - a major escalation in existing hostilities occurs (whether war is declared or not); or
   - a declaration is made of a national emergency or war not including any continuation or re-emergence of a national emergency that has been previously declared in the previous 24 months; or
   - a major terrorist act is perpetrated;

i. (**material contracts**) if any of the obligations of the relevant parties under any of the material contracts are not capable of being performed in accordance with their terms (in the reasonable opinion of the JLMs) or if all or any part of any of the material contracts:
   - is terminated, withdrawn, rescinded, avoided or repudiated;
   - is altered, amended or varied without the consent of the JLMs (acting reasonably);
   - is breached;
   - ceases to have effect, otherwise than in accordance with its terms; or
   - is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights) or capable of being terminated, withdrawn, rescinded, avoided or withdrawn or of limited force and affect, or its performance is or becomes illegal;

j. (**change of law**) there is introduced, or there is a public announcement of a proposal to introduce, a new law or regulation or government policy in Australia (excluding a policy of the Reserve Bank of Australia) or New Zealand (other than a law or policy which has been announced before the date of the Underwriting Agreement);

k. (**breach of laws**) there is a contravention by the Company or any other entity in the Group of the Corporations Act, the Competition and *Consumer Act 2010* (Cth), the *Australian Securities and Investments Commission Act 2001* (Cth), its constitution, or the ASX Listing Rules;

l. (**representations and warranties**) a representation or warranty contained in this agreement on the part of the Company is breached, becomes not true or correct or is not performed;

m. (**breach**) the Company defaults on 1 or more of its material undertakings or material obligations under the Underwriting Agreement;

n. (**legal proceedings**) any of the following occurs:
   - a director of the Company is charged with an indictable offence;
   - any director of the Company is disqualified from managing a corporation under Part 2D.6 of the Corporations Act;
   - the commencement of legal proceedings against the Company or any of its directors in their capacity as a director; or
   - any regulatory body commences any actual Inquiry (not including any potential or threatened Inquiry) against any member of the Group or the Company.

o. (**disruption in financial markets**) any of the following occurs:
   - a general moratorium on commercial banking activities in Australia, the United Kingdom, the United States, or Singapore is declared by the relevant central banking authority in those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries;
   - trading in all securities quoted or listed on ASX, London Stock Exchange, New York Stock Exchange or Hong Kong Stock Exchange is suspended for at least 2 days on which that exchange is open for trading;
   - any adverse change or disruption to the existing financial markets, political or economic conditions of, or currency exchange rates or controls in Australia, the United Kingdom, the United States or Singapore;
   - a change or development (which was not publicly known prior to the date of this agreement) involving a likely prospective adverse change in taxation laws affecting the Company or the Offer occurs.

p. (**fraud**) the Company or any of its directors or officers (as those terms are defined in the Corporations Act) engage, or have been alleged by a governmental authority to have engaged since the date of the Underwriting Agreement, in any fraudulent conduct or activity whether or not in connection with the Offer;

q. (**encumbrance**) other than as disclosed in this Prospectus, the Company creates or agrees to create an encumbrance over the whole or a substantial part of its business or property; or

r. (**COVID-19**) a change relating to the position of the Company has occurred as a direct or indirect result of the coronavirus disease COVID-19 or any regulatory response to the same, which excludes any known events, circumstances or measures existing as at the date of this agreement (including State border closures, national emergency declarations or lock-down orders).

9.6.3 Representations, warranties and undertakings

The Underwriting Agreement contains certain standard representations, warranties and undertakings provided by the Company to the JLMs. The representations and warranties given by the Company include, but are not limited to, matters such as status, power, authorisations, conduct, disclosure, compliance with applicable laws and ASX Listing Rules, documents issued or published by or on behalf of the Company in respect of the Offer and the due diligence process, litigation, the closing certificate, material contracts, solvency, title, intangible property, privacy, insurance, internal controls, tax, ownership of assets, financial information, OH&S, anti-bribery and corruption, software, disaster recovery and integration.

The Company provides undertakings under the Underwriting Agreement which include, but are not limited to, notifications of breach of any representation, warranty or undertaking given by them under the Underwriting Agreement, or the occurrence of a termination event, or the non-satisfaction of any condition.

The Company undertakings also include that they will not, during the period following the date of the Underwriting Agreement until 120 days after the completion of the Offer, issue or agree to issue any shares, units, options or other securities of any Group member or securities that are convertible or exchangeable into equity without the consent of the JLMs. The Company must also carry on its business and procure that each Group member carries on its business in the ordinary course and not dispose of, or agree to dispose of, any material part of its business or its property or enter into any material equity or corporate debt financing transaction (except corporate debt disclosed in this Prospectus or in relation to the Warehouse Facility). The Company must also not, otherwise than as set out in this Prospectus, alter the capital structure of the Company amend the companies constitution, dispose of the Company's business or property in whole or substantial part.

The Company also provides certain standard undertakings relating to prescribe occurrences, posting on the Company's website, withdrawal, amendments, correspondence with ASIC or the ASX, notifications, senior executives, variations, encumbrances, restriction agreements and keeping the JLMs informed.

9.6.4 Indemnity

Subject to certain exclusions relating to, among other things, fraud, wilful misconduct or gross negligence by any indemnified party, the Company agrees to indemnify and hold harmless the JLMs and their respective indemnified parties (for example, their related bodies corporate and each of their respective directors, officers, employees and agents) against all losses directly or indirectly suffered or incurred by them in connection with the Offer, Offer Documents or otherwise in connection with the Underwriting Agreement.

9.7 Regulatory matters

9.7.1 ASIC exemptions, modifications and relief

The Company has sought and obtained the following exemptions and relief from the Corporations Act:

- A declaration from ASIC modifying section 609 of the Corporations Act so that the voluntary escrow arrangements described in Section 7.8 do not give rise to a relevant interest for the Company in respect of the Escrowed Shares and modifying Part 6C.1 of the Corporations Act so that the relevant interest in the Escrowed Shares will still be taken into account for the purpose of the substantial holder provisions; and
- An exemption from the pre-prospectus advertising and publicity rules in section 734 of the Corporations Act to permit communications with the Registered Investors on the Plenti Lending Platform in relation to the Plenti Member Offer prior to lodgement of the Prospectus.

9.7.2 ASX confirmations and waivers

The Company has sought and obtained in-principle advice from ASX that it would be likely to:

- Form the view that the mandatory escrow restrictions in clauses 1, 2, 3, 4, 6, 7, 8 and 9 of Appendix 9B of the Listing Rules do not apply to the Company as it has a track record of revenue acceptable to ASX.

In addition, ASX has confirmed the following:

- The Company may seek admission to the Official List of the ASX under the assets test in Listing Rule 1.3;
- Electronic consent to the application of a holding lock by the relevant holder would constitute an agreement to the application of the holding lock by the holder in writing for the purposes of Listing Rule 8.10.1(i);

- The terms of the Existing Incentive Plan and the New Incentive Plan are acceptable to ASX pursuant to Chapter 6 of the ASX Listing Rules;
- A waiver from Listing Rule 1.1 Condition 12 is not required in relation to the cash-settlement provision in the Existing Incentive Plan and the New Incentive Plan;
- The Company will be able to rely on Listing Rule 10.16(c) (as an exception to Listing Rule 10.14) in respect of the issue of any Shares within three years of Listing upon the conversion of Options and/or Rights that were issued under the Existing Incentive Plan and the New Incentive Plan prior to Listing, on the basis that all information required by Listing Rules 10.15.1 to 10.15.10 is included in this Prospectus in respect of the Existing Incentive Plan and the New Incentive Plan; and
- The Company will be able to rely on Listing Rule 7.2 exception 13 (as an exception to Listing Rule 7.1), for the issue of Options and/or Rights to employees under the Existing Incentive Plan and the New Incentive Plan for three years after Listing, on the basis that a summary of the terms of the plans and the maximum number of equity securities proposed to be issued under the plans are set out in this Prospectus;

in each case, subject to certain terms and conditions.

9.8 Legal proceedings

Plenti Group is, from time to time, party to various disputes and legal proceedings incidental to the conduct of its business. As at the Prospectus Date, there are no legal proceedings to which the Plenti Group is a party that it believes are likely to have a material adverse impact on its future financial results and the Company is not aware of any such legal proceedings that are pending or threatened.

9.9 Summary of tax issues for Australian and New Zealand tax resident investors

9.9.1 Taxation considerations

The comments in Section 9.9.2 provide a general outline of Australian tax issues for Australian tax resident Shareholders who acquire Shares under this Prospectus and that hold Shares on capital account for Australian income tax purposes. The categories of Shareholders considered in this summary are limited to individuals, companies (other than life insurance companies), trusts, partnerships and complying superannuation entities that hold their Shares on capital account.

This summary does not consider the consequences for foreign resident Shareholders, insurance companies, banks, Shareholders that hold their Shares on revenue account or carry on a business of trading in shares, or Shareholders who are exempt from Australian tax. This summary also does not cover the consequences for Shareholders who are subject to the Taxation of Financial Arrangements rules contained in Division 230 of the *Income Tax Assessment Act 1997* (Cth).

The comments in Section 9.9.3 provide a general outline of New Zealand tax issues for New Zealand tax resident Shareholders who acquire Shares under this Prospectus and that hold Shares in their own name on capital account for New Zealand income tax purposes, but do not include managed funds. Whether the Shares are ultimately held on capital account (as opposed to revenue account or as trading stock) may depend on the type of Shareholders involved and their specific circumstances.

This summary does not consider the consequences for non-New Zealand resident Shareholders, Shareholders that hold their Shares on revenue account or carry on a business of trading in shares or Shareholders who are exempt from New Zealand tax.

The summaries in Sections 9.9.2 and 9.9.3 are general in nature and are not exhaustive of all income tax consequences that could apply in all circumstances of any given Shareholder. The individual circumstances of each Shareholder may affect the taxation implications of the investment of the Shareholder.

It is recommended that all Shareholders consult their own independent tax advisers regarding the income tax (including capital gains tax), stamp duty and GST consequences of acquiring, owning and disposing of Shares, having regard to their specific circumstances.

The summaries in Sections 9.9.2 and 9.9.3 are based on the relevant Australian and New Zealand tax law in force, established interpretations of that law and understanding of the practice of the relevant tax authority at the time of issue of this Prospectus. The summaries do not take into account the tax law of countries other than Australia and New Zealand.

Tax laws are complex and subject to ongoing change. The tax consequences discussed in these summaries do not take into account or anticipate any changes in law (by legislation or judicial decision) or any changes in the administrative practice or interpretation by the relevant authorities. If there is a change, including a change having retrospective effect, the tax, stamp duty and GST consequences should be reconsidered by Shareholders in light of the changes. The precise implications of ownership or disposal of the Shares will depend upon each Shareholder's specific circumstances.

This summary in Section 9.9 does not constitute financial product advice as defined in the Corporations Act. This summary is confined to taxation issues and is only one of the matters which need to be considered by Shareholders before making a decision about their investments. Shareholders should consider taking advice from a licenced adviser, before making a decision about their investments.

9.9.2 Australian tax resident Shareholders

Australian tax resident individuals and complying superannuation entities

Where dividends on a Share are paid by the Company, those dividends will constitute assessable income of an Australian tax resident Shareholder. Australian tax resident Shareholders who are individuals or complying superannuation entities should include the dividend in their assessable income in the year the dividend is paid, together with any franking credit attached to that dividend.

The rate of tax payable by each Australian Shareholder that is an individual will depend on the individual circumstances of the Shareholder and his/her prevailing marginal rate of income tax.

Shareholders who are individuals or complying superannuation entities should be entitled to a tax offset equal to the franking credit attached to the dividend subject to being a 'qualified person'. The tax offset can be applied to reduce the tax payable on the Shareholder's taxable income. Where the tax offset exceeds the tax payable on the Shareholder's taxable income, such Shareholders should be entitled to a tax refund.

Where a dividend paid by the Company is unfranked, the Shareholder will generally be taxed at his or her prevailing marginal rate on the dividend received with no tax offset.

Corporate Shareholders

Corporate Shareholders are also required to include both the dividend and associated franking credit in their assessable income. A tax offset is then allowed up to the amount of the franking credit on the dividend.

An Australian tax resident corporate Shareholder should be entitled to a credit in its own franking account to the extent of the franking credit attached to the dividend received. Such corporate Shareholders can then pass on the benefit of the franking credits to their own shareholder(s) on the payment of franked dividends.

Excess franking credits received by a corporate Shareholder cannot give rise to a refund, but may in certain circumstances be converted into carry-forward tax losses.

Trusts and partnerships

Australian tax resident Shareholders who are trustees (other than trustees of complying superannuation entities) or partnerships should include the dividend and franking credit in determining the net income of the trust or partnership. A beneficiary, trustee or partner may be entitled to a tax offset equal to the beneficiary's or partner's share of the net income of the trust or partnership as the case may be.

Shares held 'at risk'

To be eligible for the benefit of franking credits and tax offset, a Shareholder must satisfy the 'holding period' rule and 'related payment' rule. This requires that a Shareholder hold the Shares 'at risk' for more than 45 days continuously (not including the date of acquisition and disposal).

Any day on which a Shareholder has a materially diminished risk of loss or opportunity for gain in respect of the Shares (for example, through transactions such as granting Options or warrants over Shares or entering into a contract to sell the Shares) will not be counted as a day on which the Shareholder held the Shares 'at risk'. In addition, a Shareholder must not be obliged to make a 'related payment' in respect of any dividend, unless they hold the Shares at risk for the required holding period around the dividend dates.

Where these rules are not satisfied, the Shareholder will not be able to include an amount for the franking credits in their assessable income and will not be entitled to a tax offset.

This holding period rule is subject to certain exceptions, including where the total franking offsets of an individual in a year of income do not exceed $5,000. Special rules apply to trusts and beneficiaries.

Shareholders should obtain their own professional tax advice to determine if these requirements, as they apply to them, have been satisfied.

Following legislative changes in 2013, special rules apply to deny tax offsets to certain "dividend-washing" arrangements. Amendments were made through the 45 day "holding period" rule to ensure that shareholders that seek to claim multiple franking credits in respect of a single economic interest are denied tax offsets. Shareholders should consider the impact of these rules together with the broader integrity provisions that apply to the claiming of tax offsets given their own personal circumstances.

Capital gains tax (CGT) implications for Australian tax resident Shareholders on a disposal of Shares

The disposal of a Share by a Shareholder will be a CGT event. A capital gain will arise where the 'capital proceeds' on disposal exceed the 'cost base' of the Share (broadly, the amount paid to acquire the Share plus any transaction costs incurred in relation to the acquisition or disposal of the Shares). In the case of an 'arm's length' on-market sale, the capital proceeds will generally be the cash proceeds received from the sale of the Shares.

A CGT discount may be applied against the net capital gain where the Shareholder is an individual, complying superannuation entity or trustee, and the Shares have been held for more than 12 months prior to the CGT event. Where the CGT discount applies, any capital gain arising to individuals and entities acting as Trustees (other than a trust that is a complying superannuation entity) may be reduced by one-half after offsetting current year or prior year capital losses. For a complying superannuation entity, any capital gain may be reduced by one-third, after offsetting current year or prior year capital losses.

Where the Shareholder is the trustee of a trust that has held the Shares for more than 12 months before disposal, the CGT discount may flow through to the beneficiaries of the trust if those beneficiaries are not companies. Shareholders that are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

A capital loss will be realised where the reduced cost base of the Share exceeds the capital proceeds from disposal. Capital losses may only be offset against capital gains realised by the Shareholder in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other assessable income.

Tax file numbers

Shareholders are not required to quote their tax file number (**TFN**), or where relevant Australian Business Number (**ABN**), to the Company. However, if a valid TFN, ABN or exemption details are not provided, Australian tax may be required to be deducted by the Company from distributions and/or unfranked dividends at the maximum marginal tax rate plus the Medicare levy. Australian tax should not be required to be deducted by the Company in respect of fully franked dividends.

GST

No GST should be payable by Shareholders in respect of the acquisition or disposal of their Shares, regardless of whether or not the Shareholder is registered for GST.

Shareholders may not be entitled to claim full input tax credits in respect of any GST included in the costs they have incurred in connection with their acquisition of the Shares. Separate GST advice should be sought by Shareholders in this respect relevant to their particular circumstances.

No GST should be payable by Shareholders on receiving dividends distributed by the Company.

Stamp duty

Shareholders should not be liable for stamp duty in respect of the acquisition of their Shares, unless they acquire, either alone or with an associated/related person, an interest of 90% or more in the Company. Under current stamp duty legislation, no stamp duty would ordinarily be payable by Shareholders on any subsequent transfer of their Shares whilst the Company remains listed. Shareholders should seek their own advice as to the impact of stamp duty in their own particular circumstances.

9.9.3 New Zealand tax resident Shareholders

New Zealand income tax treatment of dividends received by New Zealand tax resident Shareholders

New Zealand tax resident Shareholders that are individuals, trustees of a trust or portfolio corporate shareholders (those holding less than 10% shareholding interests in the Company) will generally be required to include in their assessable income the dividend actually received (before the deduction of any applicable withholding taxes), together with any New Zealand imputation credits and withholding taxes attached to that dividend. New Zealand tax resident Shareholders would then be subject to tax at their applicable tax rate on the gross dividend amount (which includes the imputation credit and any applicable withholding taxes amount).

New Zealand tax resident Shareholders should be entitled to a tax offset equal to the New Zealand imputation credits attached to the dividend. The tax offset can be applied to reduce the tax payable on the New Zealand tax resident Shareholder's taxable income. Where the offset exceeds the tax payable on the New Zealand tax resident Shareholder's taxable income, excess imputation credits can be carried forward by the Shareholder as tax credits for utilisation in future income years (in the form of tax credits for individuals or losses for companies and trustees other than a Maori trustee).

Non-portfolio New Zealand corporate Shareholders (holding 10% or greater shareholding interests in the Company) should not be subject to income tax on any dividends received from the Company.

Franking credits/withholding tax

Australian withholding tax will apply for any unfranked dividends (but not for fully franked dividends). Should the Company be required to deduct withholding tax on any dividend it pays, New Zealand tax legislation allows a foreign tax credit to be claimed by the Shareholder in respect of that amount of overseas tax paid. However, the amount of the credit for the foreign tax is restricted to the amount of the New Zealand tax payable calculated under certain rules.

Foreign tax credits are non-refundable credits and, if not utilised in the income year to which they relate, will be forfeited.

New Zealand tax resident Shareholders are not entitled to a New Zealand tax credit for any Australian franking credits attached to dividends; but likewise are not taxed on the amount of any franking credits attached to dividends.

New Zealand income tax treatment of Shareholding

New Zealand tax resident Shareholders may be taxed in respect of foreign Shareholdings, including their Shares, under either:

- Ordinary tax rules applying to share investments; or
- New Zealand's Foreign Investment Fund (**FIF**) regime.

The FIF regime should not apply to the Shares on the basis that the Company meets the exemption criteria that it is:

- Listed on the All Ordinaries in Australia, or another ASX approved index; and
- Required by Australian tax law to maintain a franking account.

If for any reason the Company does not meet its listing requirements in any income year, a New Zealand tax resident Shareholder may be subject to the FIF regime in respect of their holding of the Shares. In the event that the FIF regime applies, then Shareholders should obtain professional tax advice.

It is therefore anticipated that New Zealand's ordinary tax rules will apply in which case only dividends received may be taxable (see above) or gains on disposal of the Shares, in limited circumstances (see below).

Disposal of Shares

Amounts derived by New Zealand tax resident Shareholders from the sale or disposal of the Shares should not be included in assessable income if the Shares are held on capital account. For completeness, Shareholders will be subject to tax on gains realised on the sale or disposal of Shares where:

- The Shareholder is in the business of dealing in shares; or
- The Shares were purchased or acquired under this Prospectus for the purpose of resale; or
- The Shares were purchased or acquired under this Prospectus as part of a profit-making undertaking or scheme; or
- The Shares are otherwise held on revenue account.

New Zealand tax resident Shareholders should seek their own tax advice about whether the proceeds from sale will be taxable.

Goods and services tax

Under current New Zealand law, no New Zealand goods and services tax liability should arise on either the issue of the Shares or the transfer of the Existing Shares pursuant to the Offer or on the subsequent transfer of the Shares.

Stamp duty

As there is no stamp duty in New Zealand, neither the acquisition nor disposal of Shares will attract stamp duty in New Zealand.

9.10 Consents

Each of the parties referred to below (each a **Consenting Party**), to the maximum extent permitted by law, expressly disclaims all liabilities in respect of, makes no representations regarding and takes no responsibility for any statements in or omissions from this Prospectus, other than the reference to its name in the form and context in which it is named and a statement or report included in this Prospectus with its consent as specified below.

Written consents to the issue of this Prospectus have been given and, at the time of lodgement of this Prospectus with ASIC, had not been withdrawn by the following parties:

- Highbury Partnership Pty Limited has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as financial adviser to the Offer in the form and context in which it is named;
- each of Bell Potter and Wilsons has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as a JLM to the Offer in the form and context in which it is named;

- Clifford Chance has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Australian legal adviser (other than in relation to taxation matters) to Plenti in relation to the Offer in the form and context in which it is named;
- Grant Thornton Corporate Finance Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Investigating Accountant to Plenti in relation to the Financial Information in the form and context in which it is named and has given and not withdrawn its consent to the inclusion in this Prospectus of its Independent Limited Assurance Report in the form and context in which it is included;
- Grant Thornton Australia Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as tax adviser of Plenti;
- Grant Thornton Audit Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as auditor of Plenti in FY2018, FY2019 and FY2020;
- Ernst & Young has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as adviser to Plenti in respect of certain tax structuring and employee incentives matters in relation to the Offer; and
- Automic Pty Limited has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Share Registry in the form and context in which it is named. Automic Pty Limited has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registry to Plenti.

No entity or person referred to in this Section 9.10 has made any statement that is included in this Prospectus or any statement on which a statement made in this Prospectus is based, except as stated above. Each of the persons and entities referred to in this Section 9.10 has not authorised or caused the issue of this Prospectus and does not make any offer of Shares and expressly disclaims and takes no responsibility for any statements or omissions from this prospectus except as stated in this Section 9.10.

The Company has included statements in this Prospectus (as outlined in footnotes in relevant sections of this Prospectus), which have been made by or attributed to, or information or data from statements made by or attributed to, the following persons:

- Australian Bureau of Statistics (ABS);
- ASIC;
- Clean Energy Council;
- Australian Energy Council;
- Commonwealth of Australia and the Federal Government;
- New South Wales Government;
- South Australian Government;
- Queensland Government;
- Victorian Government and the Victorian Premier;
- Manheim;
- GoAutoMedia Pty Ltd; and
- Federal Chamber of Automotive Industries (FCAI).

The inclusion of such statements and information has not been consented to by those persons for the purpose of section 729 of the Corporations Act and they are included in this Prospectus on the basis of ASIC Corporations (Consents to Statements) Instrument 2016/72 relief from the Corporations Act for statements made or attributed to official persons or used from books, journals or comparable publications.

9.11 Governing law

This Prospectus and the contracts that arise from the acceptance of Applications and bids under this Prospectus are governed by the laws applicable in New South Wales, Australia and each Applicant and bidder under this Prospectus submits to the exclusive jurisdiction of the courts of New South Wales, Australia.

9.12 Statement of Directors

This Prospectus is authorised by each Director of the Company who consents to its lodgement with ASIC and its issue and has not withdrawn that consent.

Appendix A

Significant accounting policies

Significant accounting policies

Basis of preparation

The Financial Information included in this Prospectus has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. The Financial Information also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The Financial Information has been prepared under the historical cost convention, except for financial instruments which are measured at fair value.

Critical accounting estimates

The preparation of the Financial Information requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Plenti Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Information, are noted below under 'Critical accounting judgements, estimates and assumptions'.

Principles of consolidation

The Financial Information incorporate the assets and liabilities of all subsidiaries of Plenti Group Limited ('Company') as at 31 March 2020 and the results of all subsidiaries for the year then ended. Plenti Group Limited and its subsidiaries together are referred to in the Financial Information as the 'Plenti Group'.

Subsidiaries are all those entities over which the Plenti Group has control. The Plenti Group controls an entity when the Plenti Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Plenti Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Plenti Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Plenti Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Plenti Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Plenti Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit and loss.

Revenue recognition

The Plenti Group recognises revenue as follows:

Interest income

Interest income includes interest and loan origination fees. Interest income is recognised using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Plenti Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Plenti Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Other fee income

Other fee income which mainly consists of borrower arrears fees, administration fees and referral fees is recognised as income at a point in time as they are incurred.

Government rebates

Government rebates including any research and development tax incentives are recognised in profit and loss in the period in which the rebates are received.

Transaction costs

Transaction costs include commissions for brokers and broker aggregator groups directly attributable to the origination of loans. These costs are recognised in profit and loss using the effective interest method.

Funding costs

Interest paid and payable to retail and wholesale investors and funders, who fund the Plenti Group's business, are disclosed as funding costs.

Expense passed to unitholders

Expense passed to unitholders reflects the fact that some impairment expenses recognised by the Plenti Group are passed on to investors in the Plenti Wholesale Lending Platform via a reduction in unitholders' liabilities. This is recognised as a reduction in expenses (contra expense) in the statement of profit and loss. Expenses passed to unitholders are recognised at the point in time the impairment expenses are incurred by the Plenti Group.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amounts of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Plenti Group Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Term deposits

Term deposits are held with financial institutions with original maturities greater than three months.

Customer loans

Customer loans are initially recognised at fair value plus capitalised origination fees less capitalised transaction costs and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and recognised initially at fair value and subsequently at amortised cost. They are generally due for settlement within 30 days.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit and loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Plenti Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment of financial assets

The Plenti Group recognises a loss allowance for expected credit losses ('ECL') on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Plenti Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain. ECL on the Plenti Wholesale Lending Platform is offset by passing the losses to the wholesale investors. This is reflected in expense passed to unitholders in the statement of profit and loss.

The Plenti Group has applied the general approach to measuring ECL based on credit migration between three stages. ECL is modelled collectively for portfolios of similar exposure and is measured as the product of the probability of default ('PD'), the loss given default ('LGD') and the exposure at default ('EAD') and includes forward-looking and macroeconomic information. The calculation of ECL requires judgement and the choice of inputs, estimates and assumptions used involves uncertainty at the time that they are made. Outcomes within the next financial period that are different from management's assumptions and estimates could result in changes to the timing and amount of ECL to be recognised.

Stage 1	12 month ECL	No significantly increased credit risk	Financial instruments that have not had a significant increase in credit risk since initial recognition require, at initial recognition, a provision for ECL associated with the probability of default events occurring within the next 12 months ('12 month ECL').
Stage 2	Lifetime ECL	Significantly increased credit risk	In the event of a significant increase in credit risk since initial recognition, a provision is required for the Lifetime ECL representing probable losses over the life of the financial instrument ('Lifetime ECL'). This stage references exposures that are at least 30 days past due (equivalent to at least one missed payment cycle) but less than 90 days past due (less than three missed payment cycles).
Stage 3	Lifetime ECL	Objective evidence of impairment	Financial instruments that move into Stage 3 require a Lifetime ECL to be recognised. This stage references exposures that are at least 90 days past due.

To measure ECL, the Plenti Group applies a PD x EAD x LGD approach incorporating the time value of money. For Stage 1 assets a forward-looking approach on a 12-month horizon is applied. For Stage 2 assets a lifetime view on the credit is applied. The Lifetime ECL is the discounted sum of the portions of lifetime losses related to default events within each time window of 12 months until maturity. For Stage 3 assets the PD equals 100% and the LGD and EAD represent a lifetime view of the losses based on characteristics of defaulted loans.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in the statement of profit and loss.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	4 years
Fixtures and fittings	10 years
Office equipment	4 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Plenti Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit and loss.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Plenti Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Plenti Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit and loss as incurred.

Intangible assets

Intangible assets acquired are initially recognised at cost. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. Amortisation begins when the asset is available for use; that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The gains or losses recognised in profit and loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Expenditures on acquiring and developing eligible website development costs has been capitalised and amortised on a straight-line basis over the period of their expected benefit. The intangible assets are amortised over their useful lives of three years.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Plenti Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Convertible notes

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability within borrowing in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried on the amortised cost basis until extinguished on conversion or redemption. The corresponding interest on convertible notes is expensed to profit and loss.

Unitholders' liabilities

Unitholders' liabilities are funds invested by retail and wholesale investors into the Lending Platforms managed by the Plenti Group. Investors' interests are structured as units in the relevant managed investment scheme under which the platform operates. Unitholders' liabilities are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest rate method.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Plenti Group's incremental borrowing rate. Lease payments comprise fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option; and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit and loss if the carrying amount of the right-of-use asset is fully written down.

Provisions

Provisions are recognised when the Plenti Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Plenti Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liabilities for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, which are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Plenti Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit and loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit and loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Plenti Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Plenti Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled prior to vesting, an adjustment is made in that period to reverse all historically recognised expenses on the cancelled awards. If a new replacement award is substituted for the cancelled award, the cancelled and new award are treated as if they were a modification.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Cash flow hedges

Cash flow hedges are used to cover the Plenti Group's exposure to variability in cash flows that is attributable to particular risks associated with a recognised asset or liability or a firm commitment which could affect profit and loss. The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income through the cash flow hedges reserve in equity, whilst the ineffective portion is recognised in profit and loss. Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs.

Cash flow hedges are tested for effectiveness on a regular basis both retrospectively and prospectively to ensure that each hedge is highly effective and continues to be designated as a cash flow hedge. If the forecast transaction is no longer expected to occur, the amounts recognised in equity are transferred to profit and loss.

If the hedging instrument is sold, terminated, expires, exercised without replacement or rollover, or if the hedge becomes ineffective and is no longer a designated hedge, the amounts previously recognised in equity remain in equity until the forecast transaction occurs.

Embedded derivative

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not classified as fair value through profit and loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit and loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial instrument out of the fair value through profit and loss category.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Critical accounting judgements, estimates and assumptions

The preparation of the Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts in the Financial Information. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on various other factors, including expectations of future events management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Share-based payment transactions

The Plenti Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit and loss and equity.

Amortisation of deferred upfront fees

The expected life used for the amortisation of deferred upfront fees requires a degree of estimation and judgement. It is based on customer prepayment history analysis at the product level and industry prepayment trends where available. If historical product information is not sufficiently available or for simplicity, the contractual term is used. Where the expected life differs from the actual repayment life of the loan, such differences will impact the carrying value of the customer loans and the interest income that is recognised in the current and future periods.

Allowance for expected credit losses

The assessment of credit risk, and the estimation of ECL, requires a degree of estimation and judgement. It is based on historic portfolio performance as well as other information relevant to the assessment, including information about past events, current conditions and reasonable and supportable information about future events and economic conditions at the reporting date. The Plenti Group has established a process whereby forward-looking macroeconomic scenarios and probability weightings are developed for ECL calculation purposes.

Fair value measurement hierarchy

The Plenti Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The ongoing economic impacts from the COVID-19 pandemic have increased estimation uncertainty in the preparation of ECL calculations. The estimation uncertainty is associated with:

a. the extent and duration of the disruption to businesses arising from the actions by governments, businesses and consumers to contain the spread of the virus;
b. the extent and duration of the expected economic downturn. This includes the disruption to capital markets, deteriorating availability of credit, liquidity concerns, increasing unemployment, declines in consumer discretionary spending, reductions in production because of decreased demand, and other restructuring activities; and
c. the effectiveness of government and central bank measures that have been and will be put in place to support businesses and consumers through this disruption and economic downturn.

ECL estimates disclosed in the Financial Information are based on forecasts of economic conditions which reflect assumptions and expectations as at 31 March 2020. There is a considerable degree of judgement involved in preparing forecasts. The underlying assumptions are subject to uncertainties which are often outside the control of the entity. Accordingly, actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected, and the effect of those differences may significantly impact accounting estimates included in the Financial Information.

Income tax

The Plenti Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Plenti Group recognises liabilities for anticipated tax audit issues based on the Plenti Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Derivative financial instruments

Interest rate swap contracts, designated as cash flow hedges, are measured at fair value. Reliance is placed on future cash flows and judgement is made on a regular basis, through prospective and retrospective testing, including at the reporting date, that the hedges are still highly effective.

Interpretation 23 uncertainty over income tax

The Plenti Group has early adopted Interpretation 23 from 1 April 2018. The interpretation clarifies how to apply the recognition and measurement requirements of AASB 112 'Income Taxes' in circumstances where uncertain tax treatments exists. The interpretation requires: the Plenti Group to determine whether each uncertain tax treatment should be treated separately or together, based on which approach better predicts the resolution of the uncertainty; the Plenti Group to consider whether it is probable that a taxation authority will accept an uncertain tax treatment; and if the Plenti Group concludes that it is not probable that the taxation authority will accept an uncertain tax treatment, it shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates, measuring the tax uncertainty based on either the most likely amount or the expected value. In making the assessment it is assumed that a taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations.

The impact on the financial performance and position of the Plenti Group from the adoption of Interpretation 23 as of 31 March 2019 was $100,000.

Appendix B

Significant accounting policies tables

Table 21: Reconciliation of half year financial periods to 12MSep19 and 12MSep20

	Historical Period			Forecast Period
$'000	**H2FY2019 Pro forma**	**H1FY2020 Pro forma**	**H2FY2020 Pro forma**	**H1FY2021 Pro forma**
Interest revenue	15,409	18,271	21,568	23,515
Other income	93	152	1,520	1,992
Total revenue before transaction costs	**15,502**	**18,423**	**23,088**	**25,507**
Transaction costs	(587)	(768)	(814)	(946)
Net income	**14,915**	**17,655**	**22,274**	**24,561**
Funding costs	(8,166)	(9,603)	(11,084)	(12,103)
Expense passed to unitholders	255	147	533	(155)
Customer loan impairment expense	(4,518)	(4,417)	(6,299)	(3,478)
Sales and marketing expense	(4,583)	(4,624)	(5,488)	(3,841)
Product development expense	(2,074)	(2,266)	(2,387)	(2,518)
General and administration expense	(4,104)	(4,463)	(5,721)	(6,380)
Depreciation and amortisation expense	(301)	(332)	(372)	(384)
NLAT	**(8,576)**	**(7,903)**	**(8,544)**	**(4,298)**

Table 22: Statutory Historical Results

	Historical Period		
$'000	**FY2018 Statutory**	**FY2019 Statutory**	**FY2020 Statutory**
Interest revenue	15,159	27,800	39,840
Other income	990	1,052	1,671
Total revenue before transaction costs	**16,149**	**28,852**	**41,511**
Transaction costs	(346)	(992)	(1,582)
Net income	**15,803**	**27,860**	**39,929**
Funding costs	(7,489)	(14,417)	(20,984)
Expense passed to unitholders	26	387	680
Customer loan impairment expense	(4,048)	(7,714)	(10,716)
Sales and marketing expense	(4,442)	(8,289)	(10,112)
Product development expense	(1,885)	(3,859)	(4,653)
General and administration expense	(5,339)	(6,663)	(9,671)
Depreciation and amortisation expense	(268)	(569)	(705)
NLAT	**(7,642)**	**(13,264)**	**(16,232)**

Appendix C

Glossary

Appendix C **Glossary**

Term	Meaning
AASB	Australian Accounting Standards Board
AASB 9	AASB 9 Financial Instruments
ABN	Australian Business Number
ACL	Australian Credit Licence
ADI	an authorised deposit-taking institution authorised under the *Banking Act 1959* (Cth)
AFCA	Australian Financial Complaints Authority
AFSL	Australian Financial Services Licence
Amortisation Event	as defined in the Issue Supplement and includes the events summarised in the summary of the Warehouse Funding Documents in Section 9.4.1
API	Application Programming Interface
Applicant	a person who submits an Application
Application	an application to subscribe for Shares offered under this Prospectus
Application Amount or **Application Monies**	the amount accompanying an Application Form submitted by an Applicant
Application Form	the application form attached to or accompanying this Prospectus (including the electronic form provided by an online application facility)
APRA	Australian Prudential Regulation Authority
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited or the securities exchange that it operates, as the context requires
ASX Listing Rules	the listing rules of the ASX as amended from time to time
ASX Recommendations	the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations
ASX Settlement Operating Rules	the settlement operating rules of the ASX
ATO	Australian Taxation Office
Australian Accounting Standards	Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board
Australian Consumer Law	Schedule 2 of the *Competition and Consumer Act 2010* (Cth)
Australian Privacy Principles	the principles contained in Schedule 1 of the *Privacy Act 1988* (Cth)
Banking Royal Commission	Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry
Board or **Board of Directors**	the board of directors of the Company
Borrowers	people to whom Plenti provides loans
Broker	any ASX participating organisation selected by the JLMs, Financial Adviser and the Company to act as a Broker to the Offer
Broker Firm Offer	the offer of Shares under this Prospectus to Australian and New Zealand resident retail clients of Brokers who have received a firm allocation from their Broker
CAGR	compound annual growth rate
Carsales	carsales.com Ltd (ABN 91 074 444 018) and Carsales Finance Pty Ltd, collectively
CCR	Comprehensive Credit Reporting
CEFC	Clean Energy Finance Corporation

Term	Meaning
CEFC Side Letter	side letter agreement dated 18 October 2018 between Plenti, Plenti RE and CEFC with respect to a potential investment of up to $100 million in the South Australia Renewable Energy Lending Market to provide finance to participants in the Home Battery Scheme
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGT	capital gains tax
Chairman	Mary Ploughman as at the Prospectus Date
CHESS	Clearing House Electronic Subregister System, operated in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules
Chief Commercial Officer	Benjamin Milsom as at the Prospectus Date
Chief Executive Officer	Daniel Foggo as at the Prospectus Date
Chief Financial Officer	Miles Drury as at the Prospectus Date
Chief Operating Officer	Glenn Riddell as at the Prospectus Date
Closing Date	the date on which the Offer is expected to close, indicatively being 14 September 2020 in respect of the Broker Firm Offer, the Priority Offer and the Plenti Member Offer in accordance with the timetable on page 9. These dates may be varied without prior notice
Co-Founders	Daniel Foggo, Ben Milsom and Glenn Riddell
Commonwealth R&D rebate	Research and development (R&D) tax incentive jointly managed by the Department of Innovation of Science Australia and the ATO and which provides targeted R&D tax offsets designed to encourage more companies to engage in R&D
Company	Plenti Group Limited (ACN 643 435 492)
Completion of the Offer	the completion of the Offer, being the date upon which Shares are issued or transferred to Successful Applicants in accordance with the terms of the Offer
Consenting Party	has the meaning described in Section 9.10
Consolidated Statement of Financial Position	consolidated statement of financial position for the Plenti Group (including all subsidiaries)
Constitution	the constitution of the Company
Convertible Note	convertible notes issued by Plenti pursuant to a convertible note agreement during the period 12 December 2019 to 7 February 2020
COO	Chief Operating Officer
Corporate Cash	total cash excluding cash held in trust for use on the Lending Platforms and in the Provision Fund
Corporate Debt	amounts held in relation to the Convertible Notes and derivative liabilities
Corporate operating cash flows	Operating cash flows ultimately attributable to shareholders
Corporations Act	*Corporations Act 2001* (Cth)
Corporations Regulations	regulations made pursuant to the Corporations Act
COVID-19	the novel coronavirus disease (known as 'severe acute respiratory syndrome coronavirus 2'), classified by the World Health Organisation on 12 March 2020 as a pandemic
CRM	customer relationship management
Customers	Registered Investors and Borrowers
Customer loan impairment expense	principal value of loans charged off in a period (net of recoveries) and the change in the Company's loan impairment provision for a given period

Term	Meaning
Depreciation and amortisation expense	depreciation and amortisation in relation to plant and equipment used in the business and the depreciation of right-of-use assets recognised under AASB 16, as well as in relation to the capitalised website costs and purchased software
Director	a director of the Company
EH Services Deed	The Services Deed dated 20 February 2020 between Plenti and the Crown in right of the State of New South Wales acting through the Department of Planning, Industry and Environment under which the Company manages the provision of interest-free loans for the Empowering Homes Program through the Plenti Wholesale Lending Platform
Empowering Homes Program	a 12-month pilot program launched by the NSW Government which aims to provide interest-free solar battery loans to the eligible homeowners in the Hunter region
Enterprise Value	the sum of market capitalisation of $280.3 million at the Offer Price less pro forma net Corporate Cash as at 31 March 2020
Escrow Deed	a voluntary escrow deed entered into between the Company and each of the Escrowed Shareholders
Escrow Period	the period commencing the date of Completion of the Offer and ending at 4.15pm on the date that the Company releases its FY2022 results to ASX, subject to the exceptions and partial release dates set out in Section 7.8
Escrowed Shares	means the Shares held by the Escrowed Shareholders at Completion of the Offer (other than any Shares acquired under the Offer), which are subject to escrow restrictions imposed by the Company as described in Section 7.8
Escrowed Shareholder	the following categories of Existing Shareholders: • Co-Founders; • Directors and Senior Management; and • Other Existing Shareholders, and their nominees, related trusts or entities and/or other associates of those persons that hold Existing Shares
Escrowed RMML Shareholder	has the meaning given in Section 9.5.2
Event of Default	as defined in the Issue Supplement and includes the events summarised in the Warehouse Funding Documents in Section 9.5.1
Existing Incentive Plan	the Plenti Group Employee Option Plan adopted by the Company on 19 August 2020
Existing Shareholders	Shareholders who hold Shares at the Prospectus Date or at Completion of the Offer, as the context requires, but does not include New Shareholders
Existing Shares	Shares held by all Existing Shareholders as at the Prospectus Date
Expense passed to unitholders	loan impairment expenses that are passed straight through to investors
Expiry Date	13 months after the Prospectus Date
Exposure Period	the seven-day period after the Prospectus Date, which may be extended by ASIC for up to an additional seven days, during which an Application must not be accepted
Federation Asset Management	Equity Trustees Limited as trustee for the Federation Alternative Assets Private Equity Trust 1A2
FIF	New Zealand's Foreign Investment Fund regime
Financial Adviser	Highbury Partnership Pty Limited (ABN 14 162 169 502/AFSL 434566)
Financial Information	Historical Financial Information and Forecast Financial Information
Five V Capital	Five V Bare Nominee Number 2 Pty Ltd (ACN 620 197 560) and Five V Fund II, LP

Term	Meaning
Forecast Financial Information	Statutory Consolidated Forecast Financial Information and Pro Forma Consolidated Forecast Financial Information
Forecast Period	six months ended 30 September 2020
FTE	full time equivalent employees
Funding costs	interest charges and set-up costs relating to the Company's unitholders' liabilities and warehouse borrowings, which are the primary sources of funding for the Company's loan originations
Funding Debt	unitholders liabilities and warehouse borrowings used to fund Plenti's loan book
FY2018	financial year of the Plenti Group ended on 31 March 2018
FY2019	financial year of the Plenti Group ended on 31 March 2019
FY2020	financial year of the Plenti Group ended on 31 March 2020
General and administration expenses	employee expenses in relation to customer service, credit assessment, loan processing, loan and collection management, Non-Executive Directors, senior management personnel and business support functions as well as general business expenses such as legal and professional fees and facilities costs
GST	has the meaning given in *A New Tax System (Goods and Services Tax) Act 1999* (Cth)
H1FY2020	the 6 month interim period ending 30 September 2019
H1FY2021	the 6 month interim period ending 30 September 2020
Historical Period	FY2018, FY2019, FY2020
Home Battery Scheme	the $100 million scheme established by the South Australian Government to provide subsidies to eligible homeowners to purchase and install energy storage systems
IFRS	International Financial Reporting Standards
Income Tax Assessment Act	means the *Income Tax Assessment Act 1936* (Cth) or the *Income Tax Assessment Act 1997* (Cth) as appropriate
Independent Non-Executive Director	means each of Mary Ploughman and Martin Dalgleish
Independent Limited Assurance Report	the report set out in Section 8
Institutional Investors	investors outside of the United States who are: • persons in Australia who are wholesale clients under section 761G of the Corporations Act and either 'professional investors' or 'sophisticated investors' under sections 708(11) and 708(8) of the Corporations Act; or • institutional investors in certain other jurisdictions, as agreed by the Company and the JLMs, to whom offers of Shares may lawfully be made without the need for a lodged or registered prospectus or other form of disclosure document or filing with, or approval by, any government agency (except one with which Plenti is willing in its discretion to comply)
Institutional Offer	the invitation to Institutional Investors under this Prospectus to acquire Shares as described in Section 7.4
Interest revenue	interest and origination fees recognised on the loans originated, excluding any direct costs incurred which are reflected in transaction costs, and interest on cash deposits
Investigating Accountant	Grant Thornton Corporate Finance Pty Ltd in its role as investigating accountant in relation to the preparation of the Independent Limited Assurance Report
Investigating Accountant's Report	Independent Limited Assurance Report issued by Grant Thornton Corporate Finance Pty Ltd in connection with the Offer
IPO	initial public offering

Term	Meaning
Issue Supplement	the RateSetter Funding Trust No.1 – Issue Supplement dated 24 December 2019 between (among others) P.T. Limited as security trustee, Perpetual Nominees Limited as manager, Plenti Finance, Plenti and Plenti RE
JobKeeper Payments	payments received under the JobKeeper Scheme
JobKeeper Scheme	the JobKeeper payment scheme provided by the Australian Federal Government in relation to COVID-19 to subsidise employee costs
Joint Lead Managers or **JLMs**	being Bell Potter Securities Limited (ABN 25 006 390 772/AFS Licence No. 243480) (**Bell Potter**) and Wilsons Corporate Finance Limited (ABN 65 057 547 323/AFS Licence No. 238383) (**Wilsons**)
Listing	admission of the Company to the official list of the ASX and quotation of the Shares on the ASX
Major Banks	Commonwealth Bank of Australia, Westpac Banking Corporation, Australia and New Zealand Bank, National Australia Bank
Net income	total revenue after the deduction of associated transaction costs, which include commissions paid to brokers and aggregators
NLAT	net loss after tax
New Incentive Plan	the Plenti Employee Equity Plan which will take effect on and subject to Completion of the Offer
New Shares	the new Shares to be issued by the Company under the Offer
New Shareholders	Shareholders who acquire Shares under the Offer made under this Prospectus
Nominee Agreement	Nominee agreement dated on or around 19 August 2020 between RMML and RMML Nominee
Non-Executive Director	a member of the Board of Directors who does not form part of Plenti's management
NCCP Act	*National Consumer Credit Protection Act 2009* (Cth)
NPP	New Payments Platform
NPAT	net profit (or loss) after tax
OEM	Original Equipment Manufacturer
Offer	the offer of Shares under this Prospectus
Offer Period	the period during which investors may apply for Shares under the Offer, opening on the date specified in the timetable on page 9 and ending on the Closing Date
Offer Price	$1.66 per Share
Official List	the official list of the ASX
Operating cash flow	NLAT plus/minus changes in working capital and adding back any non-cash expenses including impairment expense, share-based payments and depreciation
Option	an option over a Share
Other Existing Shareholders	each Existing Shareholder who legally or beneficially holds more than 180,000 Shares at the Prospectus Date
Other Income	other fees that are generated from Plenti's business activities and government rebates
Plenti or **we**	Plenti Pty Limited (ACN 161 376 638) or any other member of the Plenti Group or its business, as the context requires
Plenti Finance	Plenti Finance Pty Limited (ABN 82 636 759 861)
Plenti Group	the Company and its subsidiaries
Plenti Lending Platform	the Plenti Lending Platform (as it will be renamed from the 'RateSetter Lending Platform' prior to Completion) (ARSN 169 500 449), a registered managed investment scheme (of which Plenti RE is the responsible entity), which operates the platform for Registered Investors and Borrowers, as further described in Section 3.5

Term	Meaning
Plenti Lending Platforms	Plenti Lending Platform and Plenti Wholesale Lending Platform
Plenti Member Offer	the Offer of Shares to the Registered Investors as described in Section 7.6
Plenti Offer Information Line	within Australia: 1300 676 517; or outside Australia: +61 1300 676 517, and in each case, open from 9.00am to 5.30pm (Sydney time) Monday to Friday during the Offer Period
Plenti RE	Plenti RE Limited (ABN 57 166 646 635)
Plenti Wholesale Lending Platform	the Plenti Wholesale Lending Platform (an unregistered managed investment scheme) (as it will be renamed from the 'RateSetter Wholesale Lending Platform' prior to Completion of the Offer), which provides a platform for wholesale and institutional investors to lend money to third-party borrowers for automotive loans, as further described in Section 3.5
Portfolio Parameters	has the meaning given in Section 9.4.3
POS	point of sale
Priority Offer	the Offer of Shares to certain employees of Plenti (and investors nominated by the Company) as described in Section 7.5
Product development expenses	expenses in relation to the enhancement of existing technologies and/or the development of new technologies across the business. This is predominantly comprised of employee expenses
Pro Forma Adjustments	adjustments to the Statutory Consolidated Historical Financial Information and Statutory Consolidated Forecast Financial Information
Pro Forma Consolidated Forecast Financial Information	the financial information described as Pro Forma Consolidated Forecast Financial Information in Section 4.1
Pro Forma Consolidated Historical Financial Information	the financial information described as Pro Forma Consolidated Historical Financial Information in Section 4.1
Pro Forma Forecast Cash Flows	pro forma statement of cash flows for H1FY2021 and 12MSep20
Pro Forma Forecast Results	pro forma statement of profit and loss and other comprehensive income H1FY2021 and 12MSep20
Pro Forma Historical Cash Flows	pro forma historical cash flows for FY2018, FY2019, FY2020 and 12MSep19
Pro Forma Historical Consolidated Statement of Profit and Loss and Other Comprehensive Income	pro forma consolidated historical statement of profit and loss and other comprehensive income for FY2018, FY2019 and FY2020, 12MSep19 and H1FY2020
Pro Forma Historical Results	pro forma consolidated historical statements of profit and loss and other comprehensive income for FY2018, FY2019 and FY2020, 12MSep19 and H1FY2020
Pro Forma Historical Statement of Financial Position	pro forma consolidated historical statement of financial position as at 31 March 2020
Profit Before Tax	profit (or loss) before tax
Prospectus	this document (including the electronic form of this Prospectus) and any supplementary or replacement prospectus in relation to this document
Prospectus Date	the date on which a copy of this Prospectus was lodged with ASIC, being 21 August 2020
Provision Fund	the Plenti Provision Fund, being a pool of money held in trust on which Plenti may make a claim on behalf of an investor in the event of a borrower late payment or default
Q1FY2021	three months ended 30 June 2020

Term	Meaning
RAPID/Plenti Credit Engine	Plenti's purpose-built Risk-Adjusted Pricing and Intelligent Decisioning credit engine as described in Section 3.9
RMML	Retail Money Market Limited (Company Number 7075792), authorised and regulated by the Financial Conduct Authority of the United Kingdom with the reference number 633741
RMML Licence Agreement	the Brand and IP Licencing Agreement dated 14 February 2015 between Plenti and RMML, as amended from time to time
RMML Nominee	Plenti Nominee Shareholder Limited, a company registered in England and Wales
RMML Sale	has the meaning given in Section 9.5.2
RMML Shareholder	a holder of C shares in RMML as at the date of the RMML Nominee Agreement
Registered Investor	persons who are registered with Plenti and are eligible to invest on the Plenti Lending Platform (in accordance with Plenti's terms and conditions)
Restructure	has the meaning given in Section 9.3
Related Body Corporate	has the meaning given in the Corporations Act
Retail investor	an investor that is not a 'professional investor', 'sophisticated investor' or otherwise exempt from disclosure under 708 of the Corporations Act
Right	a right to a Share granted pursuant to the New Incentive Plan
Sales and marketing expenses	digital acquisition costs and costs incurred in reaching and marketing to customers including advertising costs. They also include employee expenses in relation to sales and marketing teams
Seasoned cohort	a group of loans originated in a specified time frame where there is a high degree of confidence that the majority of losses have been incurred
Senior Management	Daniel Foggo, Mark Woolnough, Simon Cordell, Miles Drury, Glenn Riddell and Ben Milsom
Settlement	the settlement in respect of the Shares the subject of the Offer occurring under the Underwriting Agreement
Share	a fully paid ordinary share in the capital of the Company
Share Registry	Automic Pty Limited (ABN 27 152 260 814)
Shareholder	a holder of Shares
Shareholding	a holding of Shares
Significant Accounting Policies	the principal accounting policies adopted in the preparation of the Financial Information
Statutory Consolidated Forecast Financial Information	the financial information described as Statutory Consolidated Forecast Financial Information in Section 4.1
Statutory Consolidated Historical Financial Information	the financial information described as Statutory Consolidated Historical Financial Information in Section 4.1
Statutory Forecast Cash Flows	statutory consolidated forecast cash flows for H1FY2021
Statutory Forecast Profit and Loss Statement	statutory consolidated forecast statement of profit and loss and other comprehensive income for the six months ended 30 September 2020
Statutory Forecast Result	statutory consolidated forecast statement of profit and loss and other comprehensive income for H1FY2021
Statutory Historical Results	statutory consolidated historical statements of profit and loss and other comprehensive income for FY2018, FY2019 and FY2020

Term	Meaning
Statutory Historical Statement of Financial Position	statutory consolidated historical statement of financial position as at 31 March 2020
Stop Funding Event	as defined in the Issue Supplement and includes the events summarised in the summary of the Warehouse Funding Documents in Section 9.4.1
Successful Applicant	an Applicant or Institutional Investor who is issued Shares under the Offer
TFN	tax file number
Total revenue before transaction costs	sum of interest revenue and other income
Transaction costs	commissions paid to brokers and aggregators
Transaction Negotiation Authority	authority to draw funds from the nominated account up to the value of the agreed Transaction Negotiation Authority limit
Trust No.1	RateSetter Funding Trust No.1 (ABN 13 412 546 469)
Trustee	the trustee of Trust No.1, being Perpetual Corporate Trust Limited as at the Prospectus Date
U.S. Securities Act	United States Securities Act of 1933
Underwriting Agreement	the underwriting agreement between the Company and the Joint Lead Managers dated 21 August 2020, as summarised in Section 9.6
Unregulated finance	finance products used to purchase and install renewable energy equipment that are not regulated by the NCCP Act
Venus	Plenti's proprietary technology platform
VWAP Condition	has the meaning described in Section 7.8
Warehouse Facility	the RateSetter Funding Trust No.1, being a warehouse trust under which automotive loans entered into by Plenti Finance are assigned and securitised
Warehouse Funding Documents	the documents outlined in Section 9.4.2 and the documents relating to the establishment, funding and operation of the Warehouse Facility, including: a. an Issue Supplement; b. a Note Deed Poll; c. a Notice of Creation of Trust; d. a Subscription Agreement; e. a General Security Deed; and f. a Master Servicing Deed
Warehouse Lenders	one of the Major Banks and mezzanine funders
12MSep19	the trailing 12 months ended 30 September 2019
12MSep20	the trailing 12 months ended 30 September 2020

This page has been left intentionally blank.

Corporate directory

ISSUER'S REGISTERED OFFICE
Plenti Group Limited
Level 5, 14 Martin Place,
Sydney NSW 2000, Australia

FINANCIAL ADVISER
Highbury Partnership Pty Limited
Level 12, 2 Chifley Square,
Sydney NSW 2000, Australia

JOINT LEAD MANAGERS
Bell Potter Securities Limited
Level 29, 101 Collins Street,
Melbourne VIC 3000, Australia

Wilsons Corporate Finance Limited
Level 30, 1 Eagle Street
Brisbane, QLD, 4000, Australia

AUSTRALIAN LEGAL ADVISER
Clifford Chance LLP
Level 16, 1 O'Connell Street,
Sydney NSW 2000, Australia

INVESTIGATING ACCOUNTANT
Grant Thornton Corporate Finance Pty Ltd
Level 17, 383 Kent Street,
Sydney NSW 2000, Australia

AUDITOR
Grant Thornton Audit Pty Ltd
Level 17, 383 Kent Street,
Sydney NSW 2000, Australia

SHARE REGISTRY
Automic Pty Limited
Level 5/126 Phillip Street,
Sydney NSW 2000, Australia

OFFER INFORMATION LINE
Within Australia
1300 676 517

Outside Australia
+61 1300 676 517

OFFER WEBSITE
www.plenti.com.au/IPO

CORPORATE WEBSITE
www.plenti.com.au

Plenti