25 May 2021

ASX Release

Annual Report 2021

Plenti Group Limited (ASX:PLT) provides the attached Annual Report 2021.

ENDS

Authorised for release by: the Board of Plenti Group Limited.

For more information please contact:

Daniel Foggo
Chief Executive Officer
shareholders@plenti.com.au

Julia Lefort
Head of Corporate Affairs
julia.lefort@plenti.com.au
0415 661128

About Plenti

Plenti is a fintech lender, providing faster, fairer loans through smart technology.

We offer award-winning automotive, renewable energy and personal loans, delivered by proprietary technology, to help creditworthy borrowers bring their big ideas to life.

Since establishment in 2014, our loan originations have grown consistently, supported by diversified loan products, distribution channels and funding, and underpinned by our exceptional credit performance and continual innovation.

Plenti

Building Australia's **best lender**

Annual Report
2021

Traditional lenders can be:

Slow | **Complicated** | **Poor value**

Plenti uses **smart technology** to provide faster, fairer loans so our customers can bring their big ideas to life.

We're taking market share in three large lending verticals and **we're just getting started**.

Our opportunity

Automotive

$33bn+

annual lending[1]

estimated penetration

1%

Renewable energy

>378K

households installing solar annually[2]

estimated penetration

7%

Personal

$12bn+

annual lending[3]

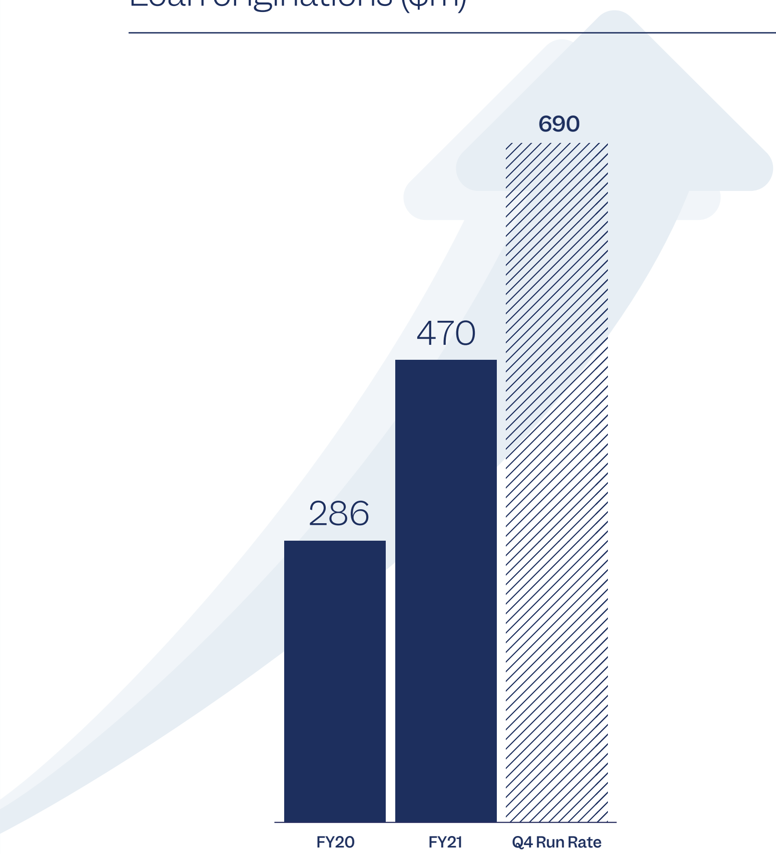
estimated penetration

2%

1. Includes consumer and commercial lending segments. ABS 5601.0 Table 7 LTM to Jun-20, and ABS 5671.0 Table 9 LTM to Nov-18; ABS discontinued ABS 5671.0 in Nov-18.
2. Clean Energy Council, Clean Energy Australia Report 2021.
3. ABS 5601.0 Table 27 LTM to Jun-20.

Estimated penetration for each lending vertical is based on Plenti's share of estimated annual market loan originations. Renewable energy market size based on Plenti's estimate of OEM and installer-led point-of-sale finance provided to consumers.

Loan originations ($m)



About this report

This 2021 Annual Report for Plenti Group Limited (ACN 643 435 492) is issued on 25 May 2021.

Shareholders can request a printed copy of the Annual Report, free of charge, by emailing or writing to:

Julia Lefort
Level 5/14 Martin Place
SYDNEY NSW 2000

shareholders@plenti.com.au

Contents

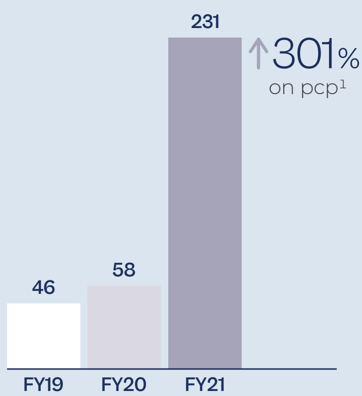
FY21 highlights

Operational highlights

Automotive lending growth

Exceptional growth reflects several years of planning and investment

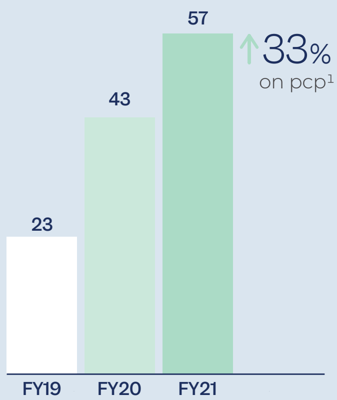
Loan originations ($m)



Renewable energy lending growth

Strong growth reflects Plenti's leading loan offering and introduction of BNPL[2]

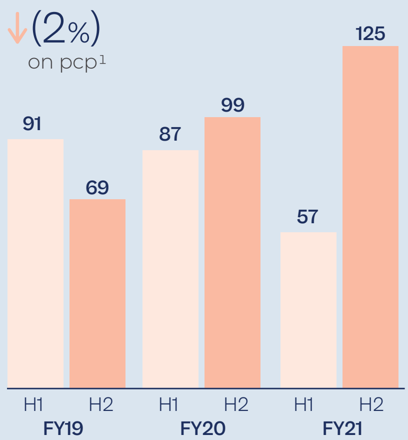
Loan originations ($m)



Personal lending growth

Strong H2 recovery after reduced H1 lending due to COVID-19

Loan originations ($m)



21,825

number of loans funded in FY21

3,591

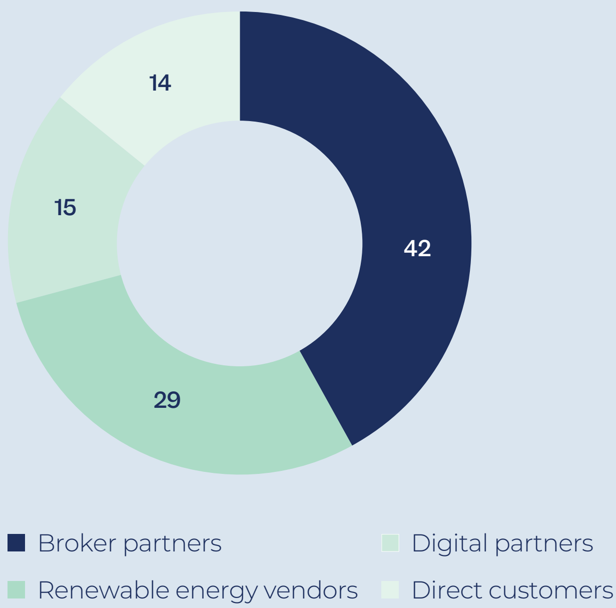
5-star reviews since establishment – more than any other consumer lender

>560,000

customer profiles in Plenti's ecosystem

↑28% on pcp[1]

Loan distribution by source (%)
(to 31 March)

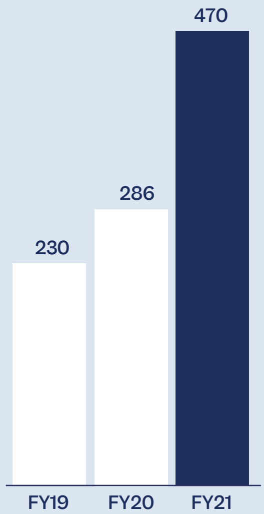


1 Previous corresponding period.
2 Buy-now-pay-later (BNPL).

Financial highlights

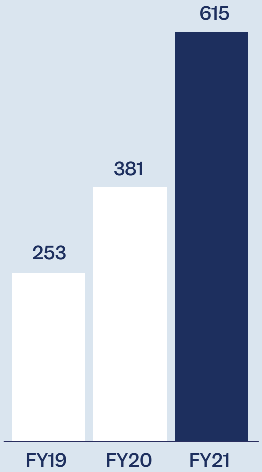
Originations by year ($m)

64%
FY21 origination growth



Loan book by year

61%
3-year CAGR[2]



$470.4m
Originations
↑64% on pcp[1]

$614.6m
Loan portfolio
↑61% on pcp[1]

$53.1m
Revenue
↑28% on pcp[1]

1 Previous corresponding period.
2 Compound Annual Growth Rate.

Our journey
so far

Plenti officially launched to customers in late 2014 under the RateSetter brand operating as a peer-to-peer lender, open to retail investors. From initially funding only personal loans from a single funding source, Plenti has since grown rapidly across all parts of its business.

$1m
Loans funded

2014
- Plenti Lending Platform established for retail investors

2015
- **1,000** registered investors
- Carsales invests **$10m**

$50m
Loans funded

2016
- **5,000** registered investors
- Broker channel distribution launched
- Plenti 1st lender to share CCR[1] data

2017
- **~10,000** registered investors
- Renewable energy lending launched – **$20m** CEFC[2] funding
- Secured automotive lending launched
- Banks start funding automotive loans via platform
- **$10.5m** capital raising

$250m
Loans funded

2018
- CEFC[2] approves up to **$100m** for renewable energy lending in South Australia (SA)
- Appointed exclusive administrator of Home Battery Scheme in SA
- Proprietary RAPID credit engine launched
- Investor 'early access' feature launched
- Federation Asset Management leads $17.4m capital raise

2019
- **~20,000** registered investors
- **~45,000** borrowers
- Direct-to-consumer secured automotive loan launched
- Offshore support functions launched in Philippines and Vietnam
- **$50m** warehouse funding facility established for secured automotive loans

$1.3bn+
Loans funded

2020
- **~23,000** registered investors
- **~58,000** borrowers since launch
- Automotive warehouse funding facility limit increased to **$150m** and again to **$275m**[3]
- CEFC[2] funding arrangement increased to **$147m**
- Appointed exclusive administrator of Empowering Homes Program pilot by NSW Government
- Company rebranded as Plenti
- Listed on Australian Securities Exchange
- **$100m** warehouse funding facility established for renewable and personal loans

2021
- BNPL renewable energy finance product launched
- Automotive warehouse funding facility limit increased to **$350m**[3]

Automotive
Personal
Borrowers/Investors
Renewable Energy
Achievements

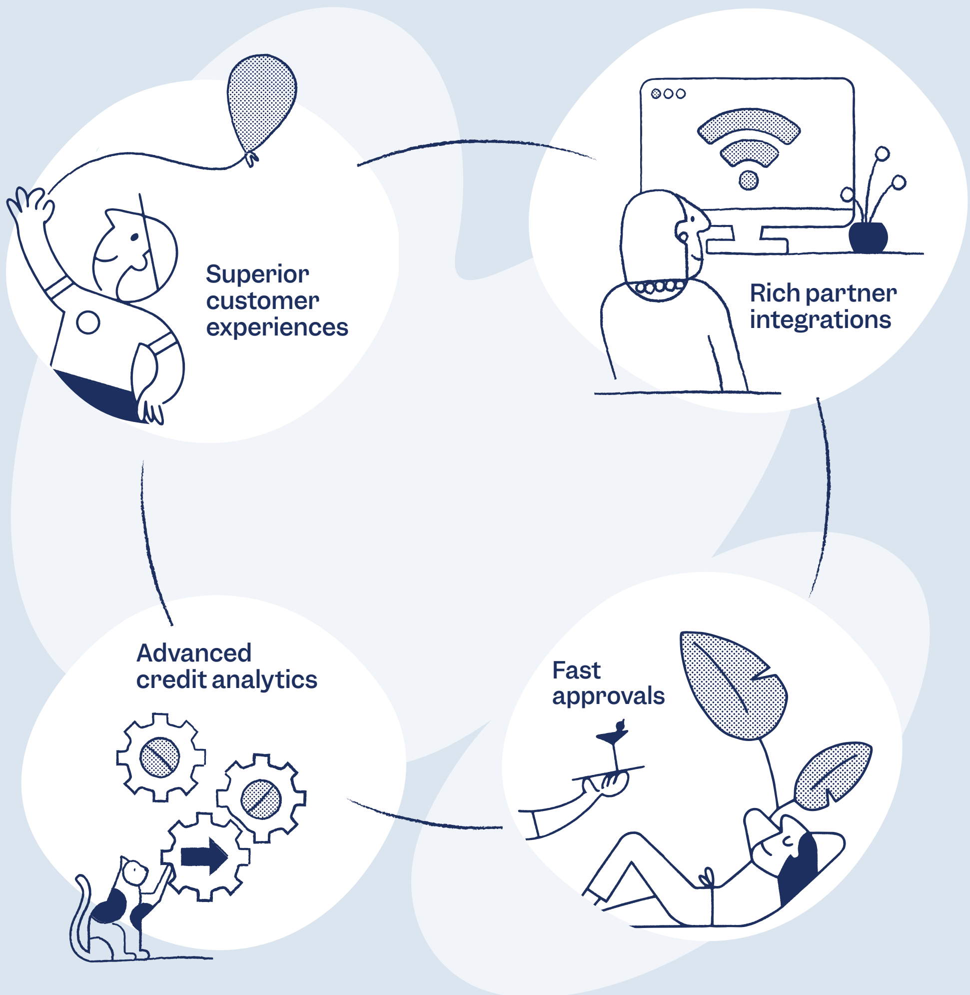
1 Comprehensive Credit Reporting (CCR) data.
2 Clean Energy Finance Corporation (CEFC).
3 Based on maximum total size of facility, not total size of facility; not committed funding.

Using technology to build Australia's best lender

Our technology is:

- Fast
- Scalable
- Efficient
- Extensible

With our platform we deliver:



Our platform by numbers:

40+
onshore and offshore engineers, product managers and designers across 3 offices

99.99%
uptime over the past 12 months

5
deployments of new products and features per day

Chairman's message

> "This is a business that was founded to raise the bar in Australia's financial ecosystem, and its underlying principles are based on contributing to a fairer and more efficient financial system."

I'm delighted to present Plenti's first annual report as a listed company.

The financial services industry is undergoing significant change. Fiscal and monetary policy has entered unchartered territories. Large incumbents are shifting their areas of focus. The regulatory environment is rapidly evolving. Digitisation is accelerating.

Arguably this industry change is most significant in consumer finance, as it has been coupled with significant shifts in consumer expectations. Consumers expect simpler experiences, faster turnaround times, and better value. Consumers are, quite rightly, holding their service providers to a higher standard. They are also voting with their feet, as can be seen by the growth in Plenti's personal lending originations in recent years. It is in this dynamic environment that I have enjoyed joining Plenti, first as a Director, and then as Chairman of the Board.

Plenti has a track record of finding ways to take advantage of industry change – and in some instances helping to create and accelerate that change – as evidenced by the market share it has taken and the new products and features it has brought to market. Plenti's business model is defined by digitisation and at its core sits Plenti's proprietary technology platform. It is a business that is customer focused, not only in words, but in actions too.

This is best illustrated by the numerous industry awards it has received and the fact that Plenti has more five-star reviews than any other consumer lender in Australia.

When I look forward, I am emboldened by the opportunities presented by ongoing industry changes, the capabilities of Plenti's founder-led team and their execution plan for building scale.

I commend Plenti's founding team for having anticipated the opportunities arising in Australia's lending markets and for recognising the scale of the opportunity. I also acknowledge the strong and complementary talent the founders have attracted to Plenti to support them on their quest. Together, the Plenti team has maintained unwavering focus and executed their plans effectively since they commenced lending late in 2014. The successful completion of the Company's IPO in September last year, during a global pandemic no less, demonstrates the strength of the foundations they have laid for the business and its suitability for today's financial landscape.

This is a business that was founded to raise the bar in Australia's financial ecosystem, and its underlying principles are based on contributing to a fairer and more efficient financial system. The company's ethos is broader yet, and includes an environmental commitment to help accelerate Australia's solar uptake, and a commitment to address its gender diversity imbalance at all levels of the business.

I'm proud to say, at Board level, we have an industry-leading ratio of female to male directors, and am heartened to see Plenti's executive leadership team work diligently to improve this within their leadership and broader team. More importantly, I am proud to Chair a business which genuinely wants to make a difference for consumers, employees and the broader community.

Plenti's mission to be Australia's best lender rightly centres around delivering unrivalled customer experiences that traditional lenders, with legacy technology, simply cannot – or choose not to – match. By delivering these experiences, it can continue to achieve its growth ambitions, and create long-term value for the business, its customers, and its investors.

Looking forward, I have every confidence in Plenti's leadership group, their capabilities, and their dedication to delivering positive outcomes to all Plenti stakeholders.

Mary Ploughman
Chairman

CEO's message

"Plenti is the first Australian fintech consumer lender to reach $1 billion in cumulative lending."

Delivering Plenti's inaugural full-year financial results as an ASX-listed company is an exciting milestone. It is with great pleasure that I write these words.

It has been an extraordinary year for Plenti. I cannot overstate the pride I have in our business and our people for successfully delivering exceptional results. I feel privileged to have been at the helm as Plenti has proven its resilience, while continuing to build strong foundations for continued future growth.

My co-founders Ben Milsom, Glenn Riddell and I founded Plenti because we believed that personal lending had to change. It was slow, complicated, and offered poor value. We thought that by building a new kind of financial services business with technology at its core, we could offer customers fairer, faster loans with better value than those available from traditional lenders. Ever since, we have worked relentlessly to build Australia's best lender and to achieve our mission of bringing our customers' big ideas to life. The foundations we have put in place since our launch in 2014 have positioned us well to achieve this mission.

We have three strategic priorities: to establish market leadership, extend our technological advantage, and optimise our funding.

Continued strong growth will remain our top priority. We want Plenti to play a meaningful role in Australia's financial ecosystem. During the year, we became Australia's first fintech consumer lender to reach $1 billion in cumulative lending and, more significantly, we continue to record exceptional growth across all our lending verticals in our prime lending.

Our growth has been built on outstanding customer experiences, which in turn are underpinned by our proprietary technology. During the year, we made significant advancements in our technology platform, which forms the foundation of our customer proposition – and is a determining factor in why Plenti is increasingly a preferred provider of finance – and is taking meaningful market share from incumbents.

This year, we further diversified our funding sources, ensuring we continue to have access to competitively priced, scalable, and flexible funding options. To that end, during the period, we successfully launched a new renewable energy and personal loan warehouse facility to complement our existing funding platforms, which materially reduced our cost of funding renewable energy and personal loan originations.

Our strong credit performance was achieved despite the challenges of a broader economic environment impacted by COVID-19. Our prime loan portfolio sustained low levels of losses, in part due to the credit quality of our borrowers, but also due to our deliberate shift towards lower-risk automotive and renewable energy loans, which now represent over half of our loan portfolio. Importantly, the quality of our loan portfolio was not compromised by the substantial growth we achieved throughout the year.

What we have accomplished over the past 12 months can be attributed to the dedication of Plenti's people – our 'Plentineers'. Our team now comprises over 130 people in Australia who, combined with additional teams offshore, each delivered outstanding efforts and focus throughout the year.

As our business evolves, our people play an increasingly important role in defining who we are, while bringing to life the organisational values that inform everything we do.

On behalf of the Board and Executive Committee, I thank each Plentineer for the results we're so pleased to deliver in this report.

In continuing the development of our Company's persona, significant work was undertaken to relaunch the Plenti brand. This completes the evolution of our corporate identity, which started with our name change just prior to our establishment as a public company and marks a meaningful and positive milestone for our business.

An initial public offering requires one to think deeply about what a business is seeking to achieve. After much consideration, our mission became clear to our leadership group. Our mission is to be Australia's best lender. No caveats.

Looking forward, I'm tremendously excited by what is ahead for Plenti as we focus relentlessly on contributing positively to the financial future of Australia's consumers, on delivering technology-led growth, and on delivering for our investors.

Thank you.

Daniel Foggo

Daniel Foggo
CEO

Our strategy

A strategy intended to create a long-term, sustainable business, delivering strong returns.

Plenti will continue to execute on three strategic priorities to achieve its mission of bringing our customers' big ideas to life: establishing market leadership, extending our technology advantage, and optimising our funding structures. Through leveraging our existing foundations to build Australia's best lender, we are building a sustainable, long-term business that delivers strong returns for investors. Our proprietary platform and capabilities are a key point of difference in us achieving these goals.

Plenti's first strategic priority – to establish market leadership – reflects our ambition to continue our rapid origination growth, and to grow to be the recognised leader in each of our lending verticals as measured by customer demand, loan portfolio size, and consumer opinion. We believe our progress will be supported by positive structural changes that are underway in the large automotive, renewable energy and personal loan lending verticals, which together represent more than $45 billion of lending each year.

Plenti's second strategic priority – extending our technology advantage – will facilitate continued rapid growth by delivering faster, simpler loans to our customers. Continual product and technology improvements are a growth driver for the business: during the past year, these included substantial improvements to the Plenti Partner Portal to help facilitate best-in-class loan application and settlement experiences for referral partners; the launch of an app for investors on the Plenti Lending Platform; and development of next-generation credit decision and pricing models that leverage machine-learning analysis to accelerate decision times.

Our proprietary technology platform is also the key driver of the efficiency we are demonstrating in our business model, delivering growth without requiring proportionate increases in cost as we scale.

Plenti's final strategic priority is to optimise funding structures. The funding structures Plenti has put into place reflect our commitment to achieving funding diversity, in turn helping to provide business resilience.

The business has established two dedicated warehouse funding facilities – one for automotive loans and a second for renewable energy and personal loans. These facilities are complemented by a wholesale funding structure, supported by investment from banks and the Government's Clean Energy Finance Corporation, as well as our retail investment platform, which was Plenti's original funding source at establishment and has now attracted over 23,500 investors.

Plenti intends to continue to build resilience by diversifying and deepening our funding platforms. In addition, we intend to take action to continue to reduce our cost of funding.

Plenti's effective execution of strategy can be seen in the operational results that follow.

Strategic priorities

Establish market leadership

- Establish prime lending leadership positions across lending verticals – measured by borrower demand, loan portfolio size and customer experience

Extend technology advantage

- Continually invest in technology platform to innovate and deliver the fastest and easiest loan experiences to customers
- Leverage technology platform to continually increase operating efficiency

Optimise funding structures

- Maintain funding diversity and scalability
- Continue to reduce funding costs (interest rates)

Operational overview

Automotive lending

Secured automotive lending became Plenti's largest and fastest-growing vertical during the year, with loan originations of $230.8 million, up 301% on the prior year.

This growth in part reflects investment in prior years to develop market-leading automotive loan application and back-end processes, build distribution capabilities through both digital and broker referral partners, establish a highly effective sales team, and secure cost-effective bank-led warehouse funding.

This growth also reflects the significant structural changes that the $33 billion annual origination automotive finance market is undergoing, with:

- A number of traditional lenders exiting direct participation in the market given their inability to keep up with the technology and staffing demands of customers, creating an opportunity for technology-enabled lenders that are able to deliver superior customer experiences to fill the void
- Changing customer preferences, with the car-purchasing and financing journey moving online

Plenti's proprietary technology provided a significant market advantage, delivering market-leading approval, settlement and funding times across all distribution channels, substantially ahead of traditional lenders encumbered with legacy technology.

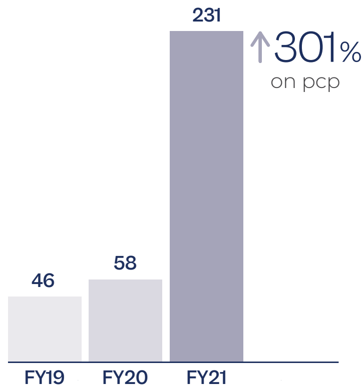
Several product advances were delivered over the year, including improvements to the Plenti Partner Portal, the introduction of loans with residual payments, and broadened loan approval criteria – most notably the funding of caravans and vehicles with an extended age at the end of loan term following agreement by funders.

At the same time, Plenti successfully upsized its warehouse funding capacity several times during the period, enabling the business to meet increased customer demand in this large and growing lending vertical.

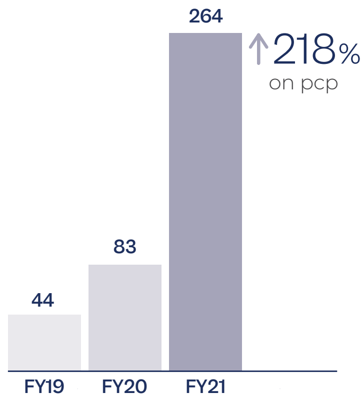
$33bn+

Annual market lending[1]

Loan originations ($m)



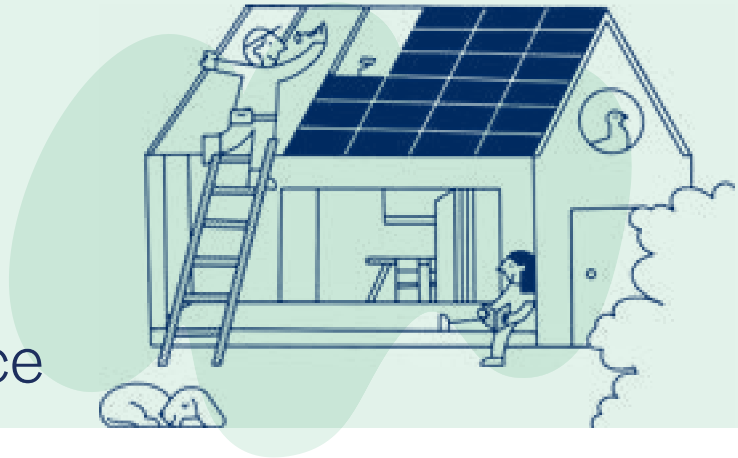
Closing loan book ($m)



> "Working with Plenti is always a smooth process. My BDM is always ready to help find innovative solutions for my clients and is available at all times to take my calls. Plenti provides my clients with the funding they need at a competitive speed and price."
>
> **George Dib**
> Chief Executive Officer Amfin

1 Includes consumer and commercial lending segments. ABS 5601.0 Table 7 LTM to Jun-20, and ABS 5671.0 Table 9 LTM to Nov-18; ABS discontinued ABS 5671.0 in Nov-18.

Operational overview (continued)



Renewable energy finance

Renewable energy lending grew during the year by 33% to $57 million in loan originations. Market factors which contributed to this performance include:

- Strong growth in household solar system uptake
- Increasing battery adoption, increasing the propensity for finance to be required
- Two meaningful state-sponsored programs being underway, both encouraging the adoption of renewable energy systems

Demand for renewable energy finance was impacted by the pandemic-induced lockdowns during the first half of the year; however, over time these impacts were more than offset by increased spending on systems as Australians spent more time at home and looked for ways to reduce their energy spend, with a greater focus on the home environment.

Partner network

700

renewable energy equipment vendors

↑80%

in pilot-partner finance applications vs six months prior

Plenti continued administration of Australia's two largest residential solar and battery schemes throughout the year: in South Australia, the $100 million Home Battery Scheme, and in New South Wales the pilot for the Empowering Homes Program. These programs contributed significantly to loan origination growth across the year and were reflective of Plenti's commitment to strategic partnerships that can accelerate the uptake of renewable energy in Australia. During the year, Plenti established partnerships with several large renewable energy operators to further drive customer ease of access to renewable energy finance.

Significantly, Plenti launched its first buy-now-pay-later (BNPL) finance offering after a successful pilot program rolled out in the final quarter of the year, generating an 80% increase in finance applications from pilot partners when compared to average demand in the six months prior. The launch of the new product, which has been positioned to be the most transparent and most customer-friendly in the market, follows extensive regulator consideration of the provision of BNPL finance in renewable energy. The launch of the new interest-free product complements Plenti's interest-bearing green loan, providing customers with a full product suite of finance options.

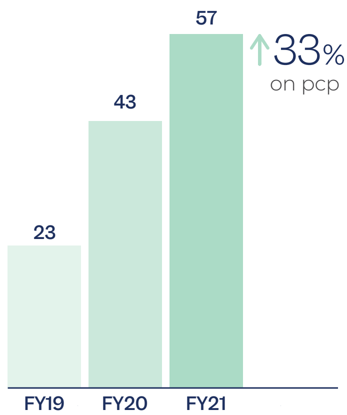
378k

Households installing solar annually[1] up 32% on pcp

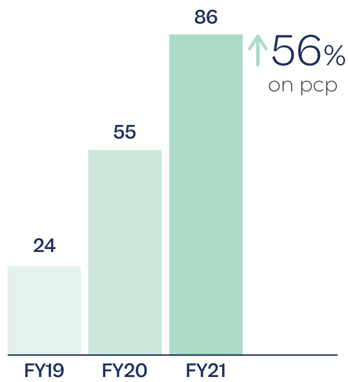
multi $bn

Government programs supporting uptake

Loan originations ($m)



Closing loan book ($m)



"Working with Plenti provides us an enormous point of difference, allowing us to offer tailored finance solutions to meet and exceed our customer expectations. We have worked with several finance companies over the years; however, what Plenti offers in terms of its technology, speed and innovation, means we have the one-stop shop of finance offerings at our fingertips."

James Strathdee
Director, Onepower

1 Clean Energy Council, Clean Energy Australia Report 2021.
Penetration for lending vertical is based on Plenti's share of estimated annual market loan originations. Renewable energy vendor-led point-of-sale annual finance market estimated by Plenti to be ~$800m, based on Plenti estimates of average system prices and levels of finance penetration.

Personal lending

Personal loan originations during the year were $182 million compared with $186 million in the year prior, a result which was achieved despite the material impacts of the COVID-19 pandemic on originations in Q1 and Q2. Pleasingly, by December, personal loan demand had returned to pre-pandemic levels, and Q4 saw especially strong demand, which was converted to record personal loans being funded by Plenti in that quarter.

Reflecting the different risk profile of unsecured personal lending compared with our other loan types, the onset of COVID-19 drove an immediate and significant reduction in our related marketing spend in Q1 and Q2, especially in the direct and digital acquisition channel which accounted for 64% of originations in the half-year prior to the pandemic. This was accompanied by a rapid, deliberate and responsible tightening of our credit criteria in the personal loan vertical in response to increased uncertainty.

Credit criteria restrictions were progressively unwound over the remainder of the year as economic conditions normalised, and – supported by a resumption of our marketing activity and a recovery in consumer demand – Plenti funded a half-year record $125 million in the second half of the year.

Plenti believes the outlook for continued growth in personal lending remains strong. In recent years technology-enabled lenders such as Plenti have taken significant personal loan market share from incumbent lenders such as banks, as consumers are increasingly seeking better value, more convenient loans.

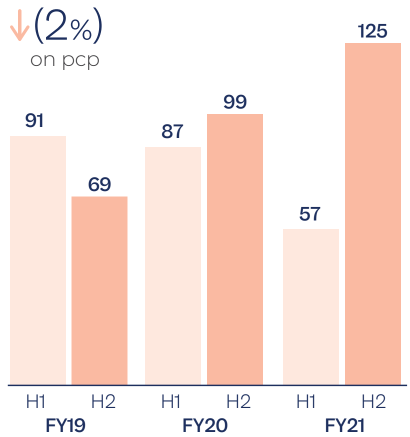
This can be seen in the big four's declining share of the personal loan market in recent years. Since 2019, the big four's average market share has dropped by more than 20% – and in some instances by more than 30%.

The establishment of a new warehouse facility in late 2020 was a key milestone for Plenti, not only because it materially reduced the cost of funding on new renewable energy and personal loan originations, but because it also facilitated more flexible loan terms (such as the introduction of longer loan terms), significantly contributing to the strong growth achieved in Q4.

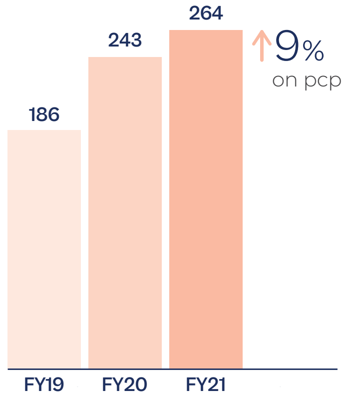
$12bn+

Annual market lending[1]

Loan originations ($m)



Closing loan book ($m)



Partner network

7,601
accredited brokers

17
aggregators

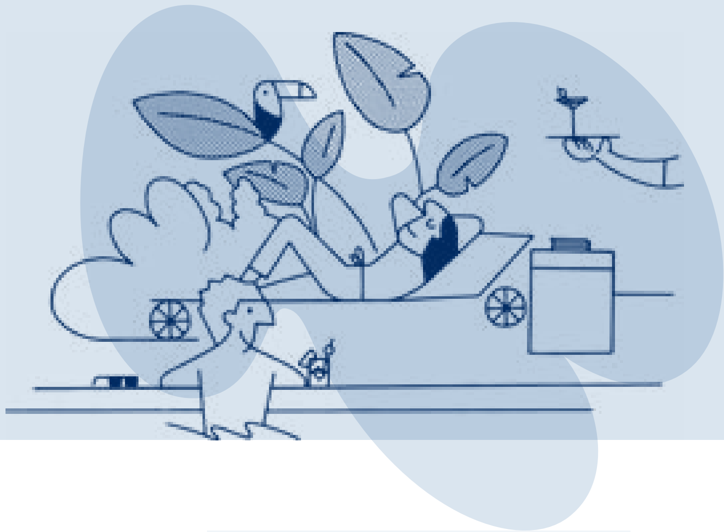
Simon says yes to Plenti

Finance broker Simon Shi from Topway Lending told us why he chose Plenti personal loans for his customers

View case study →

1 ABS 5601.0 Table 27 LTM to Jun-20.

Operational overview (continued)



Prime loan portfolio with industry-leading credit performance

Credit performance

Since its establishment, Plenti has focused on funding loan applicants who would otherwise be able to obtain finance from their bank. While it can take time to establish a material presence in this prime borrower segment, once established it provides the opportunity to build a business of significant scale, as evidenced by the origination growth Plenti is now achieving.

This performance was underpinned by Plenti's robust credit processes, with all key metrics improving despite the challenging environment in the first half due to the global pandemic.

Net credit losses represented 0.96% of the $452 million average loan portfolio, reflecting strong underlying borrower characteristics supported by the robust credit processes in place, Government stimulus measures, and the strength of the broader economic environment in the second half of the year. Relatively low net credit losses were also supported by the shift of Plenti's loan portfolio towards secured automotive and renewable energy loans, which grew from 22% of the portfolio at the start of the period to 43% at the end of the period.

Since inception, Plenti has employed risk-based pricing and credit decisioning, helping to ensure loan applicants are quoted accurate and appropriate pricing for their credit characteristics and loan purpose. Refining credit decisioning and pricing capabilities and increasing levels of automation were key areas of focus over the year.

In the last quarter, efforts were directed towards developing Plenti's next generation credit and decisioning models, with a focus on injecting machine learning into credit decisioning and pricing to help support the delivery of faster fairer loans to creditworthy customers.

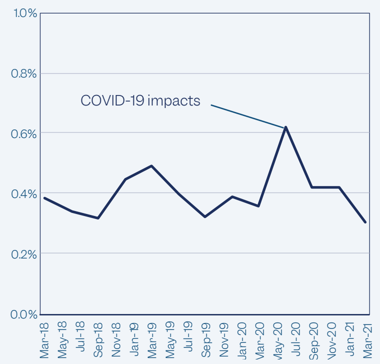
The credit quality of Plenti's loan portfolio remained uncompromised despite its substantial growth in loan originations. This was shown in the average weighted new-borrower Equifax credit score of 820 at the end of the period, compared to the portfolio average of 785 at the end of the prior year, and materially above most peers including the big four.

90+ days arrears were 0.31% of the loan portfolio at year end, down 14% from 31st March 2020. The proportion of borrowers who sought to enter loan deferrals or financial hardship arrangements was substantially below industry averages.

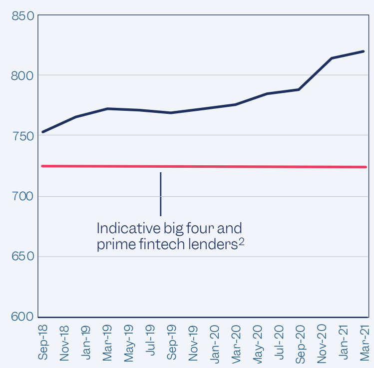
Across the whole portfolio, loans under such arrangements peaked in May 2020 at 4.17% of outstanding balances. Plenti sought to support such borrowers by employing a flexible approach to repayment arrangements where a borrower had experienced a change in circumstances that negatively impacted their ability to meet their loan obligations.

Pleasingly, by the end of the period, the percentage of the portfolio where underlying borrowers were under such an arrangement had reduced to 0.21%, below pre-pandemic levels.

90+ days arrears[1]



Average credit score[1]



1 90+ days arrears calculated as total value of loans over 90 days in arrears but not yet written off divided by loan portfolio value.
2 Indicative big four and prime fintech lenders represents median credit score for fixed term personal loans, Equifax Consumer Update – November 2020.

Deep funding with reducing cost of funds

Funding

The depth and diversity of Plenti's loan funding arrangements represent a key strategic strength, supporting both the Company's resilience and its ability to innovate and launch new loan products.

Plenti initially funded loans exclusively via the Plenti Lending Platform, the foundation of its retail investor-focused marketplace lending model. Plenti subsequently diversified its funding base to include institutional and Government investors, and then in late 2019, commenced its warehouse facility and securitisation program with the establishment of a secured automotive loan warehouse facility.

A major milestone during the year was the establishment of Plenti's second warehouse facility, to fund renewable energy and personal loans. The Company commenced funding loans from this facility in December, substantially reducing its cost of funding on new loan originations, thereby materially increasing the economic contribution of each new loan funded. The establishment of this facility also gave Plenti the ability to introduce additional loan features, which contributed to its loan origination growth in the fourth quarter.

Importantly, the newer warehouse facility further enabled Plenti to deliver on its commitment to help advance Australia's clean energy future, with 5,897 renewable energy loans funded during the period, equating to a total carbon abatement of some 67,403 tonnes of $C0_2$ over the lifespan of the systems installed.

Plenti's first warehouse funding facility – its automotive warehouse which was established in the prior year – was upsized three times during the period, reflecting both the ongoing support from the Company's high-quality institutional funders and increased customer demand. The increases saw capacity in this facility grow from $50 million to $350 million during the period.

Plenti's total warehouse facility funding capacity at year end was $450 million, with more than $160 million in headroom.

The Plenti Lending Platform remained an important contributor to loan funding during the year, and continued to provide retail investors with the opportunity to invest in consumer credit. Retaining this flexible funding source remains a priority for the Company.

The Plenti Wholesale Lending Platform, which was initially established by the Company to fund secured automotive loans (prior to the secured automotive warehouse facility being put in place), was exclusively used to deploy Clean Energy Finance Corporation (CEFC) funds in support of Plenti's delivery of the New South Wales Government's Empowering Homes Program pilot.

We evidenced the diversity, depth and resilience of our funding platforms.

Warehouse funding

Description

- Warehouse and securitisation program, which commenced in December 2019

FY21 advancements

- Automotive warehouse upsized several times, from $50m to $350m
- Established new $100m renewable energy and personal lending warehouse

Plenti Lending Platform

Description

- 23,500+ registered retail, institutional and government investors funding personal and renewable energy loans

FY21 advancements

- Attracted 3,323 new investors
- Utilised to introduce BNPL finance to renewable energy merchant partners
- Substantial reduction in cost of funds

Plenti Wholesale Lending Platform

Description

- Flexible funding platform available to wholesale or sophisticated investors to fund a diverse range of loans

FY21 advancements

- Attracted the Government's CEFC as a funder
- Commenced funding interest-free loans which form part of NSW Empowering Homes Program pilot

Stakeholders

Plenti is committed to creating a long-term, sustainable business that creates value for its people, customers, investors and broader community.

Since our earliest days, our commercial objectives have been guided by a foundation of responsibility and a desire to contribute positively to Australia's financial system.

Our founders were motivated by a desire to create a business that could provide borrowers and investors with the opportunity to participate in an ecosystem where there would be fair and equal access, and better value for everyone. Those principles informed the business from the outset: from Plenti's business model, to the products we offer, to the way in which we delivered them, through to how we undertake business with our partners and stakeholders.

Our vision

Faster, fairer loans through smart technology

Our desire to contribute positively to our financial system has hopefully been visible since Plenti's launch, with notable Company initiatives, including:

- Being a pioneer in providing retail investors with access to the significant asset class of consumer loans, by establishing an ASIC-regulated marketplace investment platform where customers can invest with as little as $10;
- Being the first lender to allow borrowers to view an indicative loan interest rate based on their credit file, without negatively impacting their bureau credit score – thereby helping consumers to 'shop around' for the best deal and support greater competition in the marketplace;
- Being the first lender to regularly release its loan book publicly, allowing investors and regulators to fully understand its business activities and credit performance, bringing a new level of transparency to lending in Australia;
- Being the first lender to share comprehensive credit data with other lenders, following sustained advocacy by the Company for the comprehensive credit reporting regime to be adopted and then mandated in Australia, which has helped to introduce greater competition to loan markets;
- Creating a team that specialises in providing cost-effective finance to cover legal fees (via a personal loan, secured over property) for people who are going through divorce and who are often deprived of the financial resources they would usually have access to, to help them achieve the settlement to which they are entitled; and
- Being the delivery partner for a world-class home-battery purchase subsidy program on behalf of the Government of South Australia, to help encourage the adoption of renewable energy systems and help support our natural environment.

Equally, our ambitions to achieve significant annual growth are balanced by the seriousness with which we take the responsibility of being custodians of other people's capital, whether they be our retail or institutional investors, our warehouse facility funders or our equity investors. This ethos is perhaps most evident in our approach to credit risk. This is reflected by the strength of our average borrower characteristics, the relatively low historical credit losses, and our ongoing shift towards more predictable automotive and renewable energy loans.

Our mission

Building Australia's best lender

Our purpose

Bringing people's big ideas to life

We believe our focus on adopting a long-term, sustainable approach sets us in good stead to continue building a business that can create value for all stakeholders. Moreover, we believe this approach is the right thing to do.

Our principles and cultural values are the foundations of Plenti and are complemented by the additional governance frameworks brought by our Australian financial services licence and our recent listing on the Australian Securities Exchange. Our Board supports management in its efforts to build sustainable value for shareholders, while protecting our assets and reputation and seeking to ensure our Directors, officers and staff operate within an effective and appropriate governance structure.

We reached important organisational milestones in the past 12 months – some commercial, such as reaching $1 billion in cumulative loans; some structural, such as our listing on the ASX; and others cultural, like our change of name executed just prior. These milestones created a natural time for reflection and assessment about who Plenti is and what we stand for, and accordingly we recently re-articulated our organisational values to encompass our beliefs, not only for our people, but for all stakeholders.

These values, in turn, each describe the qualities that are most important to us as a business, how we want our own people to behave, and the benefits we aim to deliver to all our stakeholders. Their foundation is, quite literally, *do what's right* – and this is our organisational commitment.

Our Values

Be the **best**

We're a high performance team with ideas that make a difference.

Do what's **right**

Our decisions matter.

Make it **happen**

We keep it simple, do it together, and get the job done.

Think like a **customer**

We never forget that our customers are what it's all about.

Stakeholders (continued)

Our people

We are a modern workplace defined by flexibility, mutual respect and a commitment to success. We actively contribute to the well-being of our team with a range of wellness activities and benefits, including a People Experience Committee of more than 15 volunteers who are empowered to leverage survey feedback and deliver initiatives aimed at creating a best-in-class experience; Employee Assistance Program (EAP); employer-paid parental leave, paid volunteering leave and training budgets.

Our team's engagement score was 84% at year end, as measured through regular pulse surveys undertaken across the business. This compares to an industry standard of 73% and reflects Plenti's ongoing commitment to driving people engagement.

Plenti operations

84%
engagement
compared with **73%** industry average

Our commitment:

to continually improve our gender diversity and remove any gender pay gap.

Our partners

Plenti's broker and renewable energy partner network is a critical pillar our business, with more than 70% of new borrowers over the year accessing our loans via these partners.

Each partner in our network of over 11,000 brokers, aggregators, installers, vendors and retailers, is as much a core customer as is each of our individual borrowers. Our priority is to help each of them grow and improve their own business by providing them with market-leading products that meet their clients' needs.

Our commitment:

to continually deliver market-leading solutions to our partners to help grow their businesses.

Our borrowers

Plenti strives to provide its borrowers with better value and a better borrowing experience compared with peers. We pride ourselves on delivering a superior customer experience that includes personalised, risk-adjusted rates; flexible loan terms and efficient indicative quotes; simple and transparent terms; and rapid application assessment and funds settlement.

We are committed to lending responsibly. We take a considered approach to attracting and approving creditworthy borrowers and continually review our credit-risk management framework. The framework comprises credit risk policies; credit policy rules; our responsible lending guidelines; our automated credit decisioning processes and credit pricing scorecards and models.

Our commitment:

to support a fairer, more efficient financial system for all.

Our responsible lending approach means we assess applicant creditworthiness to ensure any shared risk is minimised and priced appropriately. We take a proactive approach to managing borrowers who are experiencing financial hardship and work closely with them to understand the nature of their financial circumstances, in the interest of getting them back on track with their loan repayments.

Our debt consolidation lending, in particular, has delivered significant benefits to those borrowers in our personal lending vertical, who have collectively been able to save an estimated $35.8 million in cumulative interest simply by merging disparate debts and associated fees and charges into one good-value loan.

Our commitment to our customers, however, goes beyond the value proposition described here and encompasses a genuine belief that they underpin our reason for being.

estimated
$35.8m borrower savings in cumulative interest

Providing a superior experience sits at the foundation of our engagement with our partners. This starts with the technology and automated systems that we provide them with, either through integrating with their own technology systems or through our industry-leading Partner Portal, which provides them with the tools to better serve their clients. However, there is a substantial human element relevant to each partnership. Accordingly, we maintain dedicated business development, sales and support teams to work with each partner and to, amongst other things, ensure we are easy to work with and can deliver the finance solutions that will help drive their business growth.

>70%
new borrowers

Our environment

Our renewable energy lending most demonstrably reflects our commitment to accelerate the uptake of solar energy systems, and more broadly, to make a positive contribution to Australia's clean energy future. Our important strategic government partnerships in New South Wales and South Australia further reinforce this position and our intention to make a difference in this all-important market.

Total renewable loans funded since establishment of this vertical were at $130 million by the end of the year, reducing CO_2 emission by almost 130,000 tonnes. This yardstick marks just the beginning of our work in the clean energy sector, with committed efforts underway to grow and broaden the product offer in this lending vertical.

In automotive lending, much work during the year was completed in the investigation of developing a product dedicated to financing electric vehicles, thereby aligning our environmental considerations with our largest lending vertical.

$130.3m
reducing CO_2 emission by >129,600t

Our commitment:

to contribute to Australia's clean energy future through driving adoption of solar, home battery and electrical vehicles.

Our investors

Plenti's diverse loan portfolio funding base encompasses retail, institutional, bank and government funding partners through the Plenti Lending Platform and the Plenti Wholesale Lending Platform, as well as senior debt and mezzanine funding partners through the Company's two warehouse facilities.

Our deliberate efforts to attract a diverse range of funding partners has been in part driven by a desire to ensure we have flexible, scalable and low-cost funding sources, and to ensure Plenti is resilient in the event of any unforeseen changes in the funding environment.

Plenti's origins as a peer-to-peer lender through establishing the Plenti Lending Platform has enabled retail investors to invest in consumer loans – an asset class that had traditionally been restricted to a relatively small number of larger institutional investors such as banks.

The Plenti Lending Platform continues to deliver attractive returns to investors, who benefit from the protection of a registered managed investment scheme structure.

Our commitment:

to achieve further scale, providing investors with an increasingly efficient investment platform with stable returns.

The Provision Fund exists to provide a layer of protection, comprising cash held on trust for the benefit of investors. To date, investors in the Plenti Lending Platform have earned $61.3 million in interest, and the Provision Fund has helped ensure 100% of capital and interest has been paid to Plenti Lending Platform investors.

Institutional investors can access multiple loan verticals through our wholesale and warehouse funding facilities, thereby holding exposure to the substantial consumer lending asset class without having to build their own distribution capabilities, technology platform or manage customer requirements. As major banks continue shifting towards providing their customers with a narrower suite of products and services, they are increasingly indirectly supporting the consumer lending asset class through their investments in businesses like Plenti.

Similarly, we act as a delivery partner for governments who seek to drive programs to accelerate solar energy uptake, using our existing capabilities and established partner networks to execute such programs on their behalf.

$61.3m
cumulative interest earned by investors in Plenti Lending Platform

Board & management

Board of Directors





Appearing above from left to right:

Mary Ploughman
Chairman and Independent Non-Executive Director

Mary was appointed independent Non-Executive Chairman in July 2020. Mary brings 30 years of leadership, financial services (including the non-bank sector), capital markets, securitisation, mergers & acquisition, governance and risk management experience on a range of financial institutions, infrastructure and not-for-profit boards. Mary served as a Non-Executive Director of Sydney Motorway, and as Deputy Chairman of the Australian Securitisation Forum. Mary is a former CEO of Resimac Group Ltd. Before joining Resimac, Mary worked at Price Waterhouse Coopers and Macquarie Bank. Mary currently serves as Non-Executive Director on Prospa Group Ltd and TF Global Markets (Aust) Ltd Boards. Mary holds a Bachelor of Economics from The University of Sydney, is an Associate of the Securities Institute of Australia, a Graduate Member of the Australian Institute of Company Directors and is a Fellow of the Australian Securitisation Forum.

Peter Behrens
Non-Executive Director

Peter currently serves as Chief Commercial Officer and Director of Retail Money Market Ltd (RMML). Peter has 20 years' experience in law, financial services and growth companies with Ashurst, Royal Bank of Scotland plc, Laxfield Capital, RMML and Metro Bank plc. Peter previously served as a non-executive director of George Banco Limited.

Martin Dalgleish
Independent Non-Executive Director

Martin currently serves as an Independent Non-Executive Director of KPMG Australia and Michael Cassel Group Holdings Pty Ltd, Partner at Asia Principal Capital Pty Limited, Investment Partner at Morpheus Ventures, Investment Partner at HEAL Partners, and Chairman of each of ActivePipe Group Pty Ltd, Hometime Group Pty Ltd and Realtair Pty Ltd. Martin has over 30 years' executive experience in technology, consumer, telecommunications and media with Publishing and Broadcasting Limited (PBL), Optus, PepsiCo and IBM Australia. Martin has previously served as a Non-Executive Director or Alternate Director at many leading media and technology companies, including PBL Media, Ticketek, Hoyts, FOXTEL, Fox Sports Australia, Mediaworks (NZ), SEEK, and Carsales.

Susan Forrester AM
Non-Executive Director

Susan was appointed as a Non-Executive Director in October 2020. Susan has extensive commercial, strategic and governance experience across a range of industries, including technology and financial services. Susan is a qualified lawyer, has an EMBA from the Melbourne Business School and is a Fellow and Councillor of the Australian Institute of Company Directors. Susan currently serves as Non-Executive Director of G8 Education Limited and Over the Wire Ltd, and as the Non-Executive Chair of Jumbo Interactive Limited. She has previously served as Non-Executive Director of Xenith IP Group Limited and Viva Leisure Limited, and was Non-Executive Chair of National Veterinary Care Ltd. Susan was awarded a Member in the General Division of the Order of Australian for significant services to business through her strategic and governance roles and for her advocacy for women.

Daniel Foggo
Executive Director and Chief Executive Officer

Daniel founded Plenti and has acted as CEO since its inception. Prior to that, he worked in investment banking for over a decade, including at Rothschild in London and at Barclays in Sydney. Daniel was a co-founding director of PartPay, a buy-now-pay-later business, which was acquired by Zip Co Limited in 2019. He has been recognised for his achievements in the fintech industry, being named the Fintech Leader of the Year at the inaugural Australian Fintech Awards in 2016 and Fintech Entrepreneur of the Year at the Australian Fintech Business Awards in 2017. Daniel holds a Bachelor of Commerce, Economics (Honours) and a Master of Business, Finance (Distinction) from the University of Otago.

Executive Committee

Appearing above from left to right:

Glenn Riddell
Chief Operating Officer

Glenn joined Plenti as a co-founder and Chief Operating Officer 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. Glenn holds a Bachelor of Commerce and a Master of Commerce (First Class Honours) in Economics.

Ben Milsom
Chief Commercial Officer

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, until May 2021, Group legal and compliance. Ben has diverse experience in financial services and online strategy, and is well-practised 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 holds a Bachelor of Laws (Honours) and a Bachelor of Engineering (First Class Honours) in Computer Systems. Ben is admitted as a Barrister and Solicitor of the High Court of New Zealand.

Simon Cordell
Chief Risk Officer

Simon joined Plenti in April 2016 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. Simon holds a Bachelor of Science.

Daniel Foggo
Executive Director and Chief Executive Officer

See previous page 'Board of Directors'.

Georgina Koch
General Counsel and Company Secretary

Georgina joined Plenti in April 2021 in her current position as General Counsel and Company Secretary. Prior to joining Plenti, Georgina was the General Counsel and Company Secretary at Ampol Limited, an ASX50 company. Georgina has over 20 years' legal experience advising on mergers and acquisitions, commercial, competition and corporate legal issues, and held senior roles at the Commonwealth Bank and Clayton Utz prior to Ampol. Georgina holds a Bachelor of Economics (Social Sciences), a Bachelor of Laws (First Class Honours) and a Masters in Labour Law and Relations from the University of Sydney. Georgina is a Graduate of the Australian Institute of Company Directors and is admitted as a solicitor to the Supreme Court of NSW.

Miles Drury
Chief Financial Officer

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. Miles holds a Bachelor of Commerce and a Bachelor of Law (First Class Honours).

Directors' report

31 March 2021

Contents

"Plenti is our **go to lender** when we want **quick, easy to understand product** and well-priced car loans for our customers.

They are miles ahead in terms of technology; they have the simplest portal to use and it takes 5 minutes to fully complete an application. We have had multiple customer scenarios where we needed to provide an approval and settlement same day – which is unheard of in the secured car loan space – and Plenti gives us this ability."

Zaheer Jappie, Founder
Car Clarity

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Plenti Group Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 March 2021.

Directors

The following persons were appointed directors of Plenti Group Limited on 12 August 2020 and remained a director during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mary Ploughman (Chairman)

Daniel Foggo

Susan Forrester AM (appointed 30 October 2020)

Martin Dalgleish

Peter Behrens

Principal activities

Plenti is a fintech lending and investment business providing faster, fairer consumer loans through smart technology. Plenti provides creditworthy borrowers with automotive, renewable energy and personal loans, delivered by proprietary technology. Additionally, Plenti seeks to provide investors with attractive, stable returns via investing in the established asset class of consumer loans. Plenti operates primarily in Australia.

During the financial year, the principal activities continued to be the provision of automotive, renewable energy and personal loans, the operation of schemes to facilitate investment opportunities for investors (through the Plenti Lending Platform and Plenti Wholesale Lending Platform), and the funding of loans via the Group's warehouse and securitisation program.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

During the year ended 31 March 2021, Plenti achieved several important milestones and delivered strong business results including:

- Record loan originations of $470 million, up 64% year-on-year (YOY)
- Record loan portfolio of $615 million, up 61% YOY
- Record revenue of $53.1 million, up 28% YOY
- Delivered significant technology-led advancements in customer experience, credit decisioning and pricing, partner integrations, and introduced an investor app and BNPL finance for renewable energy customers
- Delivered a significant reduction in funding costs and expanded automotive warehouse facility limit from $50 million to $350 million, and established new renewable energy and personal loan warehouse facility
- Showed operating leverage of business model, with material reduction in costs per dollar funded
- Delivered market-leading credit performance with 0.96% net loss rate and low 90+ day arrears of 0.31% at period end
- Raised $55m via an initial public offering (IPO) in September 2020

For the year ended 31 March 2021, the Group reported a statutory net loss after tax of $15,092,000 (2020: $16,232,000), a 7% improvement on the prior year.

The statutory results were impacted by several material non-recurring items, including costs relating to the IPO of Plenti shares on the ASX and one-off benefits during the COVID-19 period, primarily government subsidy payments. The pro forma results for the year provide a more meaningful basis to report on business performance. The pro forma analysis included in this report is presented on the same basis as in Plenti's Prospectus, dated 21 August 2020.

On a pro forma basis, for the year ended 31 March 2021, the Group reported net loss after tax of $11,910,000 (2020: $16,447,000), an improvement of 28% on the prior year.

Earnings per share (EPS) of (10.06) cents on a statutory basis improved 21% on the prior year of (12.68) cents. This reflected the reduction in statutory net loss after tax and the higher number of shares on issue following the IPO of Plenti.

Directors' report

The table below sets out the pro forma financial results for the year compared to the prior year pro forma results, as presented in the Prospectus.

	2021 $'000	2020 $'000	Change $'000	Change %
Interest revenue	50,744	39,840	10,904	27%
Other income	2,381	1,672	709	42%
Total revenue before transaction costs	**53,125**	**41,512**	**11,613**	**28%**
Transaction costs	(2,736)	(1,582)	(1,154)	73%
Funding costs	(25,116)	(20,687)	(4,429)	21%
Expense passed to unitholders	(37)	680	(717)	nm
Loan impairment expense	(7,312)	(10,716)	3,404	(32%)
Sales and marketing expense	(9,660)	(10,112)	452	(4%)
Product development expense	(5,521)	(4,653)	(868)	19%
General and administrative expense	(13,908)	(10,184)	(3,724)	37%
Depreciation and amortisation	(745)	(705)	(40)	6%
Total expenses	**(62,299)**	**(56,377)**	**(5,922)**	**11%**
Net loss before income tax expense	**(11,910)**	**(16,447)**	**4,537**	**(28%)**

Notes:

1. Pro forma adjustments have not been audited.
2. A reconciliation to the statutory result and details of the pro forma adjustments is set out on pages 27 and 28 under 'Statutory to pro forma reconciliation' and 'Summary of pro forma adjustments'.

Total revenue before transaction costs increased 28% in the year, with interest revenue increasing by 27% and other income increasing from $1.6 million in the prior year to $2.4 million. Interest revenue growth was driven by the substantial increase in the size of the Group's loan portfolio during the period, which was a result of the record level of loans originations achieved. Total origination growth was driven primarily by strong growth in automotive lending, as Plenti's investment in building a highly competitive automotive finance offering delivered results. Renewable energy lending also continued to grow solidly in the year. Personal lending was flat year-on-year with a substantial decline in the first half of the year due to the impact of the COVID-19 pandemic and a strong recovery in the second half as the Group successfully executed strategies to grow market share.

Funding costs increased by 21% as a result of the larger loan portfolio size, while loan impairment expenses fell 32%, reflecting a strong credit performance in the period. The favourable credit result reflected the strong underlying borrower characteristics of the Group's loan portfolio and Government support measures through the COVID-19 period, including JobKeeper and the superannuation access scheme.

On a pro forma basis, sales and marketing expense fell 4% to $9.7 million, largely reflecting lower digital marketing spend through the initial months of the COVID-19 pandemic. Product development expense increased 19% to $5.5 million as Plenti continued to invest in its technology platform, while general and administrative expenses increased 37% to $13.9 million. Approximately half the increase was driven by higher credit-processing and loan-servicing costs on higher loan volumes and half by investment in salaries and incentives to drive business growth.

Loan originations and portfolio	2021	2020	Change %
Originations ($'000)	470,387	286,444	64%
Loan portfolio (period end) ($'000)	614,635	380,882	61%
Loan portfolio (average) ($'000)	452,239	310,849	46%
Average monthly amortisation rate (%)	4.3	4.4	(2)%
Average term of originations (months)	62	53	18%
Number of originations	21,799	17,913	22%
Average value of loan originations	21,578	15,991	35%

Loan origination volumes of $470 million for the year, an increase of 64% on the prior year, saw the total loan portfolio grow to $615 million at 31 March 2021. This represented a 61% increase on the loan portfolio at 31 March 2020.

Growth in the overall loan portfolio is also impacted by the loan amortisation rate (rate at which loans pay back). Overall, the rate decreased slightly in FY21, but there was substantial variance between the first half and second half. In the first half, the amortisation rate was 4.8% per month as borrowers accelerated loan paydown in the face of the uncertainty caused by the COVID-19 pandemic. In the second half, loan amortisation reduced to a historically low rate of 4.0% per month, reflecting the increased proportion of lending in the automotive and renewable channels, which tend to have longer loan terms (average loan term increased 18% in the period) and for which borrower repayments are more closely aligned to the contract repayment profile.

Growth was achieved in number of loan originations, and the average loan amount also increased. Growth in automotive loan originations, which tend to have higher average loan sizes, was the primary driver of the 35% increase in average loan amount.

Loan origination by channel	2021	2020	Change %
Automotive originations ($'000)	230,827	57,563	301%
Renewable originations ($'000)	57,139	42,984	33%
Personal loan originations ($'000)	182,420	185,896	(2%)

Automotive originations increased significantly over the period as the benefits of several years of investment in building a leading automotive loan offering came to fruition. The increase in automotive lending was supported by increased funding capacity from the Group's secured automotive loan warehouse facility.

Renewable energy finance originations also grew substantially over the period despite COVID-19 related restrictions during the year. Growth was particularly strong in New South Wales and Queensland. In early 2021, Plenti also launched an interest-free or buy-now-pay-later offering in the renewable energy market. Uptake of this offering by installer partners also supported growth in this channel towards the end of the financial year.

Personal loan originations decreased to $56.1 million in the first half of FY21 due to a reduction in market demand with the onset of the COVID-19 pandemic as well as the Group's intentional tightening of lending standards and reduced marketing investment in response to uncertain market conditions. The second half of the year saw a significant rebound in activity with $122.6 million of personal loan originations, an increase of 118% on the previous half and 27% on the comparable period in FY20. This was driven by a number of factors including improving market demand, broader use and comfort with digital channels by consumers, increased marketing investment and increased efficiency of customer acquisition. In addition, the Group was able to increase personal loan originations after it commenced funding loans from its newly established renewable energy and personal loan warehouse facility, which allowed the Group to offer loan terms of up to seven years rather than the previous five year maximum.

Product margin and funding costs	2021	2020
Average interest rate (%)	11.2	12.8
Average funding rate (%)	5.7	6.8
Funding debt (period end) ($'000)	587,313	372,259
Funding debt (average) ($'000)	438,010	305,551

Interest revenue in the Group's financial statements represents interest and origination fees on loans funded by Plenti, treated under the effective interest rate method, as well as interest on cash deposits. The average interest rate is calculated by dividing interest revenue by the average loan portfolio for the period.

The average interest rate reduced to 11.2% in the year, down from 12.8% in the prior year. This reduction primarily reflected the increased proportion of automotive and renewable energy loans in the loan portfolio, which typically earn lower interest rates than personal loans, reflecting their relatively strong expected credit performance and the longer term of the loans.

The average funding rate paid by the Group reduced from 6.8% to 5.7%, largely reflecting the increase in funding from the Group's warehouse facilities during the period. From February 2020, secured automotive loan originations have been predominantly funded from the Group's secured automotive loan warehouse facility, and the majority of renewable and personal loan originations have been funded from the renewable energy and personal loan warehouse since December 2020. These facilities carry materially lower average funding costs than the Group's prior funding structures. Since introduction of warehouse facility for personal and renewable loans, the Group has also seen the average cost of funding loans via the Plenti Lending Platform reduce meaningfully.

Directors' report

Credit performance	2021	2020
Loan impairment – net charge off ($'000)	4,350	7,264
Loan impairment – provision movement ($'000)	2,961	3,452
Provision rate (%)	2.1	2.6
Net charge off to average loan portfolio (%)	1.0	2.3

Total loan impairment expense decreased 32% compared with the prior year, with the net charge off rate falling from 2.3% to 1.0%. The reduced loss rate was primarily due to two factors. The first was the shift in the Group's loan portfolio towards automotive and renewable loans which typically exhibit stronger credit characteristics and lower average loss rates than personal loans. The second was benign economy-wide credit conditions resulting from government and regulator actions relating to the COVID-19 pandemic, such as the JobKeeper program, early access to superannuation and borrowers being able to obtain loan deferrals on larger credit obligations such as home loans from other lenders.

The Group's expected credit loss (ECL) provision at 31 March 2021 was $12.9 million, representing 2.1% of the total loan portfolio. This compares with $9.9 million, or 2.6% of the loan portfolio, at 31 March 2020. The ECL value was impacted by three main factors. The first was the increase in the total value of the Group's loan portfolio which, all other things being equal, would increase the value of the ECL. This was offset by the structural shift in the loan portfolio to lower risk automotive and renewable loans, which attract lower provision rates. The third factor was economic overlays applied by management to adjust for macroeconomic factors not accounted for in the base provisioning model. Management reduced the economic overlay adjustment compared with the position at 31 March 2020, given the lower level of general risk and uncertainty in the economy given Australia has demonstrated an ability to manage the COVID-19 pandemic, and unemployment levels being significantly lower at period end than previously anticipated. Management maintained a specific $1.2 million provision to account for the risk of "deferred losses" from the prior year, as JobKeeper support is removed from the economy, banks wind back loan deferrals for customers, and more normal insolvency and bankruptcy processes return.

Pro forma operating metrics	2021	2020
Overall cost-to-income ratio	54.8%	60.1%
Sales and marketing expense to revenue ratio	18.2%	24.4%
Product development expense to revenue ratio	10.4%	11.2%
General and administrative expense to revenue ratio	26.2%	24.5%
Overall cost to originations ratio[1]	5.8%	8.3%

Note:

1. The ratio as presented excludes the period from March 2020 to May 2020 as the impact of COVID-19 materially distorts the numbers. Including the full 2021 and 2020 periods the relevant ratios would be 6.2% (2021) and 8.7% (2020).

Plenti's total operating cost-to-income ratio, on a pro forma basis, reduced to 54.8% in the year, down from 60.1% in the prior year. This reflected both operating leverage in the business as revenue grew as well as reduced investment during the period due to COVID-19.

Sales and marketing expense decreased to $9.7 million in the year from $10.1 million in the prior year. This was primarily driven by a $0.7 million reduction in marketing costs as Plenti reduced spend on digital loan acquisitions following the onset of the COVID-19 pandemic. This was partially offset by an increase in sales personnel costs to drive originations growth as the business rebounded strongly in the second half of the year.

Product and development expense increased to $5.5 million, an increase of 19% on the prior year, reflecting ongoing investment in the Group's proprietary technology platform and personnel costs to support new product development.

General and administrative expense (G&A) increased by $3.7 million to $13.9 million. The G&A expense lines includes both loan operations (loan processing, underwriting, settlement, loan servicing) and support functions such as Finance and Legal, as well as the executive team. The increase in costs was split roughly evenly between the two areas. In relation to loan operations, the increase in costs was driven by investment in underwriting and processing staff (both onshore and offshore), given the increase in loan throughput, as well as higher loan processing costs such as credit data costs and bank transaction fees. In relation to other G&A, the increase in costs principally related to personnel costs as the business invested in more senior personnel to enhance capability and support the business as it moved into a publicly listed environment. Equity incentive payments for all members of the broader leadership group are also accounted for in G&A, and these increased as the historic employee share option plan terminated at IPO and the new post-IPO remuneration structure was implemented.

Management believe that, in addition to cost-to-income ratios, it is also instructive to report a cost-to-origination ratio, which has reduced from 8.3% to 5.8%. Due to the effective interest rate method of accounting which spreads loan income over the expected life of the loan but only applies to some costs involved in loan origination, the cost-to-income ratio can provide a "lagged" view of operating efficiency. The cost-to-origination revenue provides a more direct view of operating leverage by comparing in-period new loans to the cost structure associated with originating those loans. Management note that the shift in the portfolio towards automotive lending, where the majority of costs are treated under the effective interest rate method, has supported an improvement in this ratio, in addition to broader operating leverage in the business.

	2021 $'000	2020 $'000	Change $'000	Change %
Balance sheet				
Assets				
Cash and cash equivalents	87,923	42,028	45,895	109%
Customer loans	591,590	360,184	231,406	64%
Other assets	9,686	4,980	4,706	94%
Total assets	**689,199**	**407,192**	**282,007**	**69%**
Liabilities				
Trade payables	4,635	3,448	1,187	34%
Borrowings	629,484	401,982	227,502	57%
Other liabilities	9,135	8,214	921	11%
Total liabilities	**643,254**	**413,644**	**229,610**	**56%**
Net assets	**45,945**	**(6,452)**	**52,397**	**(812%)**

Cash and cash equivalents of $87.9 million was a substantial increase on 31 March 2021, driven primarily by the $55 million IPO proceeds received in September 2020. Of the $87.9 million, $29.4 million is corporate cash and $14.0 million is cash held in the Provision Fund to cover losses on the Plenti Lending Platform. The remaining cash balance of $44.5 million is held in trust bank accounts either in relation to Retail Lending Platform or warehouse facilities. In addition to this cash position, the Group also has $3.4 million in liquid assets which can be readily converted to cash.

Customer loans increased 64% from 31 March 2020, driven by strong origination volumes during the year. Gross customer loans grew to $614.6 million with strong growth across all verticals. This was partly offset by an increase in the ECL provision at 31 March 2021.

Other assets represents pre-paid rate commissions, trade receivables, PPE, right-of-use assets, intangibles and other assets. The increase is driven by the increase in prepaid commission expenses in line with the growth in automotive loan originations.

Trade payables represents the amount payable to creditors for the supply of goods and services that have been invoiced and are payable in accordance with the supplier's payment terms.

Borrowings increased in line with the growth in customer loans. Refer to page 26 for further details on Plenti's funding sources.

Other liabilities represents lease liabilities, derivative financial instruments, provisions and accruals. The increase is mainly due to increases in payroll liabilities and accrued interest payable on warehouse borrowings.

	2021 $'000	2020 $'000	Change $'000	Change %
Funding				
Borrowings				
Plenti Lending Platform	300,152	304,215	(4,063)	(1%)
Wholesale Lending Platform	48,082	70,394	(22,312)	(32%)
Warehouse facilities	281,250	18,500	262,750	1420%
Convertible notes	–	8,873	(8,873)	(100%)
Total borrowings	**629,484**	**401,982**	**227,502**	**57%**

Plenti benefits from having established several loan funding platforms which provide diversification in capital sources. At the end of the period, $300 million of loan funding came from the Plenti Lending Platform, $48 million from the Wholesale Lending Platform and $281 million from the two Warehouse facilities.

The value of loans funded by the Plenti Lending Platform remained broadly flat through the year. The Group expects to maintain this platform as an important source of funding for the loan portfolio, particularly in relation to personal lending.

Growth in warehouse funding reflected the strong performance in automotive lending throughout the year as well as lending through the new renewable and personal lend warehouse facility in the last few months of the year. The Group expects to continue to expand its use of warehouse facility funding given the relatively low cost.

Convertible notes along with the embedded derivative were exercised on IPO. The associated values were subsequently transferred to share capital.

At 31 March 2021, the Group had a total of $15.5 million invested in subordinated notes in the two warehouses. This value is not shown on the face of the balance sheet as it is eliminated in the consolidated group accounts.

	2021 $'000	2020 $'000	Change $'000	Change %
Cash flow				
Interest income received	53,761	41,021	12,740	31%
Other income	4,102	1,671	2,431	145%
Interest and other finance costs paid	(25,136)	(20,686)	(4,450)	22%
Payments to suppliers and employees	(35,649)	(24,186)	(11,463)	47%
Cash flows from operating activities	**(2,922)**	**(2,180)**	**(742)**	**34%**
Net increase in loans to customers	(237,441)	(135,058)	(102,383)	76%
Other investing activities	(118)	8,511	(8,629)	(101%)
Cash flows from investing activities	**(237,559)**	**(126,547)**	**(111,012)**	**88%**
Net proceeds from issue of shares	50,498	–	50,498	–
Net proceeds from borrowings	236,381	132,716	103,665	78%
Proceeds from issue of convertible notes	–	10,083	(10,083)	(100%)
Other financing activities	(503)	(564)	61	(11%)
Cash flows from financing activities	**286,376**	**142,235**	**144,141**	**101%**
Net increase/(decrease) in cash	**45,895**	**13,508**	**32,387**	**240%**

	2021 $'000	2020 $'000	Change $'000	Change %
Reconciliation of net loss after tax to cash flow from operating activities:				
Pro forma net loss after tax	**(15,092)**	**(16,232)**	**1,140**	**(7%)**
Add back: loan impairment expense	7,100	10,716	(3,616)	(34%)
Add back: share-based payments	3,942	581	3,361	578%
Add back: depreciation and amortisation	745	705	40	6%
Add back: IPO costs	2,327	–	2,327	–
Add back: other non-cash items	544	187	357	191%
Movement in working capital	(2,488)	1,863	(4,351)	(234%)
Cash flow from operating activities	**(2,922)**	**(2,180)**	**(742)**	**34%**

Net cash outflow from operating activities increased 34% to $2.9 million with cash inflow from revenue offset by increased cash outflow from funding costs and operating expenses. Operating expenses were higher mainly due to commission payments to brokers and increased employment costs to support business growth. While directionally consistent with interest income per the statement of profit or loss, cash interest income reflects actual fees received in the year rather than spread over the life of the loan via the effective interest rate method. It is therefore higher than profit or loss interest income given the growing profile of loan originations. Payments to suppliers and employees exhibit a similar effect where cash broker commission payments are treated under the effective interest rate method in the profit or loss and hence cash payments are higher given the growth in loans originated via brokers.

Other income grew materially in the year due to the receipt of $1.7 million in JobKeeper payments.

Group cash flow from operating activities includes cash flows in relation to the Provision Fund. In the financial year, the net operating cash flows of the Provision Fund was $7.3 million (2020: $6.9 million). Cash outflow from operating activities for the Group excluding the Provision Fund was $10.2 million (2020: $9.1 million).

Net cash outflow from investing activities increased by 88% to $237.6 million, reflecting the significant growth in originations volume during the year. Other investing activities in the prior year mainly related to short-term investments in term deposits which matured in 2020.

Net cash inflow from financing activities increased 101% to $286.4 million, due to proceeds from the IPO and increased warehouse funding.

Statutory to pro forma reconciliation

The table below sets out the pro forma adjustments applied in the year to 31 March 2021, by line item, in the statement of profit or loss. The adjustments are intended to provide a normalised view of the operating performance of the Group, by excluding the costs of the IPO and a number of non-recurring benefits that would otherwise inflate the result. The methodology is consistent with that used in preparation of Plenti's Prospectus. Full details of the individual items are set out in the following section.

Directors' report

	2021 Statutory $'000	2021 Pro forma adjustments $'000	2021 Pro forma $'000	2020 Pro forma $'000	Change $'000	Change %
Revenue						
Interest revenue	50,744	–	50,744	39,840	10,904	27%
Other income	2,381	–	2,381	1,672	709	42%
Revenue before transaction costs	**53,125**	**–**	**53,125**	**41,512**	**11,613**	**28%**
Transaction costs	(2,736)	–	(2,736)	(1,582)	(1,154)	73%
Expenses						
Funding costs	(25,624)	508	(25,116)	(20,687)	(4,429)	21%
Expenses passed to unitholders	(37)	–	(37)	680	(717)	nm
Loan impairment expense	(7,100)	(212)	(7,312)	(10,716)	3,404	(32%)
Sales and marketing expense	(8,920)	(740)	(9,660)	(10,112)	452	(4%)
Product development expense	(5,268)	(253)	(5,521)	(4,653)	(868)	19%
General and administrative expense	(17,787)	3,879	(13,908)	(10,184)	(3,724)	37%
Depreciation and amortisation	(745)	–	(745)	(705)	(40)	6%
Total expenses	**(65,481)**	**3,182**	**(62,299)**	**(56,377)**	**(5,922)**	**11%**
Net loss before income tax expense	**(15,092)**	**3,182**	**(11,910)**	**(16,447)**	**4,537**	**(28%)**

Summary of pro forma adjustments

The table below provides further details in relation to the individual elements of the pro forma adjustments included in the financial statements above.

Pro forma adjustments	Note	2021 $'000	2020 $'000
Incremental public company costs	1	(430)	(956)
Convertible note interest	2	488	297
Capital raising costs	3	31	153
Offer costs	4	2,327	291
Jobkeeper payments	5	(1,720)	–
COVID-19 salary reductions	6	(209)	–
Impairment expense policy	7	(212)	–
Accelerated existing incentive plan vesting	8	2,497	–
Loss on derivative fair value	9	410	–
Total adjustments		**3,182**	**(215)**

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 converted to ordinary equity at IPO.
3. Capital raising costs are non-operational costs relating to prior capital raisings and primarily relate to consulting fees.
4. IPO costs include legal and accounting due diligence costs, as well as corporate adviser fees and listing costs. A further $2,766,000 of IPO costs were recognised directly in equity and are included in the cash flow statement in investing activities.
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 and hour cuts due to the uncertain impacts of COVID-19 on Plenti's business, net of a post-IPO bonus payment to employees who took voluntary pay cuts.
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 accelerated vesting of the historic employee share option plan 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.

Significant changes in the state of affairs

Corporate reorganisation

On 18 August 2020, the shareholders of the Company and Plenti Pty Limited and its controlled entities undertook a corporate reorganisation process prior to the IPO. Consequently, the Company acquired the already operating Plenti Pty Limited and its controlled entities (Pre-IPO Plenti Group).

This corporate reorganisation does not represent a business combination in accordance with AASB 3 'Business Combinations', and the appropriate accounting treatment for recognising the new group structure is on the basis that the transaction is a form of capital reconstruction and group reorganisation. Accordingly, the financial statements have been presented as a continuation of the Pre-IPO Plenti Group. As such, financial statements of the Group include the historical financial information of the Pre-IPO Plenti Group for the period before the acquisition. These financial statements include the financial results for the Group from acquisition to 31 March 2021 and the Pre-IPO Plenti Group for the period 1 April 2020 to the date of acquisition.

The comparative information presented in the financial statements represents the financial position of the Pre-IPO Plenti Group as at 31 March 2020, and the financial performance of the Pre-IPO Plenti Group for the year ended 31 March 2020.

The equity structure in the Pre-IPO Plenti Group, including the number and type of equity instruments issued at the date of acquisition, reflects the equity structure of the Company.

IPO

On 23 September 2020, Plenti listed on the ASX. The IPO raised $55 million in funds which will be used mainly to accelerate Plenti's growth through funding required equity investments in warehouse facilities and increasing investment in product and technology and sales and marketing.

There were no other significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 March 2021 that has significantly affected, or may significantly affect, the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Mary Ploughman

Independent Non-Executive Chairman
BEc

Experience and expertise:
Mary was appointed independent Non-Executive Chairman in July 2020. Mary brings 30 years of leadership, financial services (including the non-bank sector), capital markets, securitisation, mergers & acquisition, governance and risk management experience on a range of financial institutions, infrastructure and not for profit boards. Mary served as a Non-Executive Director of Sydney Motorway, and as Deputy Chairman of the Australian Securitisation Forum. Mary is a former CEO of Resimac Group Ltd. Before joining Resimac Mary worked at Price Waterhouse Coopers and Macquarie Bank.

Mary currently serves as Non-Executive Director on TF Global Markets (Aust) Ltd Boards, Prospa Group Ltd and is a also a member of Prospa's Advisory Board, and is a senior advisor to Gresham. Mary holds a Bachelor of Economics from The University of Sydney, is an Associate of the Securities Institute of Australia, a Graduate member of the Australian Institute of Company Directors and is a Fellow of the Australian Securitisation Forum.

Other current directorships:
Prospa Group Limited (ASX:PGL) since 1 March 2021

Former directorships (last 3 years):
None

Special responsibilities:
Member of the Audit and Risk Committee and Chair of the Nomination and Remuneration Committee

Interests in shares:
20,000 ordinary fully paid shares

Interests in options:
450,000 options to acquire ordinary fully paid shares

Interests in rights:
None

Contractual rights to shares:
None

Directors' report

Daniel Foggo

Executive Director and Chief Executive Officer
BComm (Honours), MBus (Distinction)

Experience and expertise:
Daniel co-founded Plenti and has acted as CEO since its inception. Prior to that, he worked in investment banking for over a decade, including at Rothschild in London and at Barclays in Sydney. Daniel was a co-founding director of PartPay, a buy-now-pay-later business, which was acquired by Zip Co Limited in 2019. He has been recognised for his achievements in the FinTech industry, being named the FinTech Leader of the Year at the inaugural Australian FinTech Awards in 2016 and FinTech Entrepreneur of the Year at the Australian FinTech Business Awards in 2017.

Other current directorships:
None

Former directorships (last 3 years):
None

Special responsibilities:
None

Interests in shares:
2,121,857 ordinary fully paid shares

Interests in options:
210,000 options to acquire ordinary fully paid shares

Interests in rights:
210,843 rights to acquire ordinary fully paid shares

Contractual rights to shares:
None:

Susan Forrester AM

Independent Non-Executive Director
BA, LLB (Honours), EMBA, FAICD

Experience and expertise:
Susan was appointed as a Non-Executive Director in October 2020. Susan has extensive commercial, strategic and governance experience across a range of industries, including technology and financial services. Susan is a qualified lawyer, has an EMBA from the Melbourne Business School and is a Fellow and Councillor of the Australian Institute of Company Directors. Susan was awarded a Member in the General Division of the Order of Australia for significant services to business through her strategic and governance roles and for her advocacy for women.

Other current directorships:
G8 Education Limited (ASX:GEM) since 1 November 2011, Over the Wire Ltd (ASX:OTW) since 1 November 2015, Jumbo Interactive Limited (ASX:JIN) since 1 October 2020

Former directorships (last 3 years):
Xenith IP Group Limited (resigned 15 August 2019), National Veterinary Care Limited (de-listed on 9 April 2020) and Viva Leisure Limited (resigned 31 December 2020)

Special responsibilities:
Chair of the Audit and Risk Committee (from 1 February 2021), Member of the Nomination and Remuneration Committee

Interests in shares:
400,000 ordinary fully paid shares

Interests in options:
None

Interests in rights:
None

Contractual rights to shares:
None:

Martin Dalgleish

Independent Non-Executive Director
B.Bus, MBA, GAICD

Experience and expertise:
Martin currently serves as an Independent Non-Executive Director of Michael Cassel Group Holdings Pty Ltd, KPMG Australia, Partner at Asia Principal Capital Pty Limited, Investment Partner at Morpheus Ventures, Investment Partner at HEAL Partners, and Chairman of each of ActivePipe Group Pty Ltd, Hometime Group Pty Ltd and Realtair Pty Ltd. Martin has over 30 years' executive experience in technology, consumer, telecommunications and media with Publishing and Broadcasting Limited (PBL), Optus, PepisCo and IBM Australia. Martin has previously served as a Non-Executive Director or Alternate Director at many leading media and technology companies, including PBL Media, Ticketek, Hoyts, FOXTEL, Fox Sports Australia, Mediaworks (NZ), SEEK, and Carsales.

Other current directorships:
None

Former directorships (last 3 years):
None

Special responsibilities:
Chair of the Audit and Risk Committee (resigned 1 February 2021), Member of the Audit and Risk Committee (from 1 February 2021), Member of the Nomination and Remuneration Committee

Interests in shares:
846,112 ordinary fully paid shares

Interests in options:
150,000 options to acquire ordinary fully paid shares

Interests in rights:
None

Contractual rights to shares:
None

Peter Behrens

Non-Executive Director
MA (Honours)

Experience and expertise:
Peter currently serves as Chief Commercial Officer and Director of Retail Money Market Ltd (RMML). Peter has 20 years' experience in law, financial services and growth companies with Ashurst, Royal Bank of Scotland plc, Laxfield Capital, RMML and Metro Bank plc. Peter previously served as a non-executive director of George Banco Limited.

Other current directorships:
None

Former directorships (last 3 years):
None

Special responsibilities:
Member of Audit and Risk Committee

Interests in shares:
1,337,124 ordinary fully paid shares

Interests in options:
150,000 options to acquire ordinary fully paid shares

Interests in rights:
None

Contractual rights to shares:
None

'Other current directorships' quoted above are current directorships for listed entities only and exclude directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and exclude directorships of all other types of entities, unless otherwise stated.

Company secretaries

David Hwang was appointed company secretary on 12 August 2020. David is a Principal and Chief Compliance Officer of Automic Group, which provides fully integrated legal, registry and outsourced company secretarial services. He is an experienced corporate lawyer and company secretary specialising in listings on the ASX (IPOs and reverse listings), equity capital markets and providing advice on corporate governance compliance issues. David holds a Bachelor of Laws from UNSW and is also a notary public.

Benjamin Milsom was company secretary for the full year and is also the Chief Commercial Officer. His qualifications and experience are covered on page 19.

Directors' report

Meetings of directors

The number of meetings of the Company's Board of Directors (the Board) held during the year ended 31 March 2021, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Mary Ploughman	5	5	–	–	3	3
Daniel Foggo	5	5	–	–	3	3
Susan Forrester AM	4	4	–	–	2	2
Martin Dalgleish	5	5	–	–	3	3
Peter Behrens	5	5	–	–	3	3

Held: represents the number of meetings held during the time the director held office.

There were no meetings of the Nomination and Remuneration Committee held between the time of listing and 31 March 2021. Three meetings of the Nomination and Remuneration Committee have been held during the period from 31 March 2021 to the date of release of this report.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Approach to remuneration
- Short-term incentive plan (STIP)
- Long-term incentive plan (LTIP)
- Details of remuneration for KMP
- Service agreement summaries
- Share-based compensation
- Additional disclosures relating to KMP

Approach to remuneration

The objective of the Group's executive reward framework is to attract highly capable personnel to deliver value for shareholders, to align their interests to those of shareholders and to reward executives for results delivered. The reward framework also places an emphasis on the responsible and compliant operation of the Group, which is a threshold requirement before any executive incentives are payable.

As part of the IPO of Plenti on the ASX in September 2020, a review was undertaken to determine an appropriate executive remuneration framework for the Group as a listed business. The review took into account existing management remuneration, peer and market benchmarks and best practice remuneration structures. The base remuneration, STIP and LTIP structures outlined in this report resulted from this review process. The Board of Directors (the Board) ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Nomination and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The reward framework is designed to align executive reward with shareholders' interests. The Board has considered that it should seek to enhance shareholders' interests by:

- delivering a material component of incentive remuneration in the form of equity instruments
- recognising the importance of the Group achieving scale in its operations while managing cost and risk, leading to a focus on growth in originations and revenue, cost ratios and compliance in the setting of reward targets
- setting remuneration at a level that enables the Group to attract and retain high calibre executives

Additionally, the reward framework seeks to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors, based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of her own remuneration.

Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has three primary components:

- fixed remuneration
- at risk short-term performance incentives (STIP)
- at risk long-term performance incentives (LTIP)

The combination of these comprises the executive's total remuneration. A number of executives also retain exposure to Group performance via options held under the pre-IPO employee share option plan.

Fixed remuneration, consisting of base salary and superannuation, is reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits where it does not create any additional costs to the Group and provides additional value to the executive.

Short-term incentive plan

The short-term incentive plan is designed to align the targets of the business with the performance hurdles of executives within an annual performance cycle. Short-term incentive (STI) payments are granted to executives based on specific annual targets and key performance indicators (KPIs) being achieved.

Plan objective	▪ The STIP rewards financial and non-financial results delivered by the executive team in respect of a given financial year ▪ The objective of the STIP is to provide an incentive for executives to deliver strong results for the Group, to reward them for delivering such results, and to attract and retain highly capable personnel in the business
Availability	▪ The STIP is only available to senior leaders of the Group, principally the Executive Committee and their direct reports
Reward construct	▪ The STIP opportunity for each participant is set annually as a percentage of their base salary at both a "Target" and "Maximum" level – STI payments are made via a combination of cash and share rights – for KMP the STI award is comprised of 25% cash and 75% equity (share rights) – Assessment of delivery against STI performance criteria is made at the conclusion of the relevant financial year, with cash payments made immediately following the release of the Group's annual financial results. Any share rights entitlement is also determined at this time; however, the rights vest in two equal tranches ~6 months and ~15 months post results if the executive remains employed by the Group at that time.
Performance criteria	▪ Awards under the STIP are determined as follows: – 50% based on delivery of Group wide targets – 50% based on delivery of individual or team goals ▪ Performance criteria are measured against "Threshold", "Target" and "Maximum" targets: – For performance at or below Threshold, no STI will be awarded – For performance between Threshold and Target, the STI award will be determined pro-rata against the Target STI opportunity for the executive – For performance between Target and Maximum, the STI award will be determined pro-rata against the Maximum STI opportunity for the executive
Compliance requirements	▪ All awards under the STIP are subject to a gateway in relation to there being no compliance breaches which have a material financial or reputational impact on the Group
Board discretion	▪ All STIP awards are subject to a general Board discretion, including in relation to general compliance and appropriate conduct of business

Operation of the STIP commenced from 1 October 2020, following the IPO, and the award for the FY21 is on a pro-rata basis for the period of the year for which it operated. That is, the FY21 award value has been determined as "full year potential award x 50%".

In respect of the STIP for FY21 (operating only in 2H FY21), the performance criteria were structured as follows:

Group performance measures

Growth in total loan origination volumes versus prior comparable period (2H21 vs 2H20)	30%
Cash Net Profit after Tax (NPAT)	20%
Total Group measures	50%
Individual team goals	50%

Long-term incentive plan

The long-term incentive plan is intended to align the interests of senior executives with those of shareholders and provide an incentive for building medium to longer term value for shareholders. Shares are awarded to executives over a period of 3 years based on their continued tenure with the Group and specified performance thresholds.

All long-term incentives (LTIs) are subject to a compliance and governance gateway. Failure to meet appropriate compliance and governance standards will result in a forfeiture of some or all LTIs for the relevant period.

Plan objective	■ The LTIP rewards the building of shareholder value in the Group over the medium to longer term ■ The objective of the LTIP is to align the interests of senior executives with shareholders, to reward them for executing a business strategy that builds the value of the business over the longer term and to enable the Group to attract and retain highly capable senior executives
Availability	■ The LTIP is only available to members of the Executive Committee
Reward construct	■ The LTIP award for an executive in a given year is set as a percentage of their base salary ■ The LTIP is comprised 100% of share rights which are granted to participating executives at the start of the relevant financial year ■ 50% of the share rights granted in a given year will vest after 2 years and the remaining 50% after 3 years, dependent on the extent to which the vesting conditions for that award series has been met
Vesting conditions	■ Vesting of share rights under the LTIP is determined as follows: – 50% based on achievement of performance hurdles – 50% based on continued service of the executive at the vesting date
Compliance requirements	■ All awards under the STIP are subject to a gateway in relation to there being no compliance breaches which have a material financial or reputational impact on the Group
Board discretion	■ All STIP awards are subject to a general Board discretion, including in relation to general compliance and appropriate conduct of business

In respect of the LTIP award granted in FY21, the applicable performance hurdles were as follows:

Revenue growth – compound annual growth rate above FY20 year	20%
Cost-to-income ratio – improvement in ratio in most recent financial year from FY20 year	10%
Strategic development hurdles – execution of key elements of the Group's funding strategy and delivery of positive operating cash flows (pre variable rate commissions)	20%

Details of remuneration for KMP

Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

The key management personnel of the Group consisted of the following directors of Plenti Group Limited:

- Mary Ploughman
- Daniel Foggo
- Susan Forrester AM
- Martin Dalgleish
- Peter Behrens

And the following persons:

- Miles Drury – Chief Financial Officer
- Benjamin Milsom – Chief Commercial Officer
- Glenn Riddell – Chief Operating Officer

Directors' report

2021	Cash salary and fees $	Short-term benefits Cash bonus $	Short-term benefits Non-monetary $	Post-employment benefits Super-annuation $	Long-term benefits Long service leave $	Share-based payments Equity-settled share rights $	Share-based payments Equity-settled share options and rights[1] $	Total $
Non-Executive Directors:								
Mary Ploughman	145,691	–	–	13,841	–	–	219,037	378,569
Susan Forrester AM	34,731	–	–	–	–	–	–	34,731
Martin Dalgleish	68,288	–	–	6,487	–	–	75,605	150,380
Peter Behrens	54,306	–	–	–	–	–	75,605	129,911
Executive Directors:								
Daniel Foggo[2]	249,888	30,625	–	26,649	22,361	91,875	130,120	551,518
Other Key Management Personnel:								
Miles Drury	334,045	30,625	–	34,644	–	91,875	297,382	788,571
Benjamin Milsom	229,428	21,875	–	23,874	15,972	65,625	287,373	644,147
Glenn Riddell	229,428	21,875	–	23,874	15,972	65,625	287,373	644,147
	1,345,805	**105,000**	**–**	**129,369**	**54,305**	**315,000**	**1,372,495**	**3,321,974**

Notes:

1. Under the terms of the historical ESOP, at IPO, vesting of options was accelerated. This resulted in all unrecognised expense in relation to outstanding options being recognised as an expense in the period. The expense for option related share-based payments is therefore at an elevated level in 2021.
2. While all executives accepted a material reduction in salary during the period from April to June 2020 in response to the uncertainty caused by the COVID-19 pandemic, Daniel Foggo elected to receive no salary during this period.

2020	Cash salary and fees $	Short-term benefits: Cash bonus $	Short-term benefits: Non-monetary $	Post-employment benefits: Super-annuation $	Long-term benefits: Long service leave $	Share-based payments: Equity-settled share rights $	Share-based payments: Equity-settled share options and rights $	Total $
Non-Executive Directors:								
Mary Ploughman*	9,081	–	–	863	–	–	2,608	12,552
Martin Dalgleish	55,447	–	–	5,267	–	–	–	60,714
Vaughn Richtor**	38,500	–	–	–	–	–	(12,259)	26,241
Executive Directors:								
Daniel Foggo	222,184	–	–	21,108	–	–	27,912	271,204
Other Key Management Personnel:								
Benjamin Milsom	222,184	–	–	21,108	–	–	23,585	266,877
Glenn Riddell	222,184	–	–	21,108	–	–	23,585	266,877
Natalie Housson***	225,611	–	–	21,431	–	–	59,532	306,574
Miles Drury****	14,375	–	–	1,366	–	–	–	15,741
	1,009,566	**–**	**–**	**92,251**	**–**	**–**	**124,963**	**1,226,780**

* Appointed on 19 February 2020.

** Resigned on 20 September 2019.

*** Ceased to be a KMP on 19 March 2020.

**** KMP from 19 March 2020.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk – STI		At risk – LTI	
Name	2021	2020	2021	2020	2021	2020
Non-Executive Directors:						
Mary Ploughman	42%	79%	–	–	58%	21%
Susan Forrester AM	100%	–	–	–	–	–
Martin Dalgleish	50%	100%	–	–	50%	–
Peter Behrens	42%	–	–	–	58%	–
Vaughn Richtor	–	147%	–	–	–	(47%)
Executive Directors:						
Daniel Foggo	54%	90%	22%	–	24%	10%
Other Key Management Personnel:						
Miles Drury	47%	100%	16%	–	37%	–
Benjamin Milsom	42%	91%	14%	–	44%	9%
Glenn Riddell	42%	91%	14%	–	44%	9%
Natalie Housson	–	81%	–	–	–	19%

The level of STI award in any given year is determined by the extent to which the Group overall and each executive individually meets their agreed objectives. The Board retains an overriding ability to adjust the STI award up or down dependent on a holistic assessment of Group and individual performance. In FY21 there was no STI program in place for 1H. The STIP was in operation for 2H FY21 and is to be paid on a pro-rata basis for the year – that is, each executive can achieve up to 50% of a full year STI for FY21. In respect of their 50% pro-rata STI for FY21, the Board has determined, based on the excellent overall performance of the business, that the KMP will be at 100% of their STI opportunity.

The proportion of the cash bonus paid/payable or forfeited is as follows:

	STI paid/ payable	STI paid/ payable	STI forfeited	
Name	2021	2020	2021	2020
Executive Directors:				
Daniel Foggo	100%	–	–	–
Other Key Management Personnel:				
Miles Drury	100%	–	–	–
Benjamin Milsom	100%	–	–	–
Glenn Riddell	100%	–	–	–

Service agreement summaries

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Daniel Foggo

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 (35% in FY21, given operating for six months only) and a long-term incentive up to 100% of salary (subject to the achievement of performance hurdles).

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.

Miles Drury

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 (35% in FY21 given operating for six months only) and a long-term incentive of up to 100% of salary (subject to the achievement of performance hurdles).

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.

Benjamin Milsom

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 (35% in FY21, given operating for six months only) and a long-term incentive of up to 100% of salary (subject to the achievement of performance hurdles).

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 in 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.

Ben is entitled to leave in accordance with applicable legislation.

Glenn Riddell

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 (35% in FY21, given operating for six months only) and a long-term incentive of up to 100% of salary (subject to the achievement of performance hurdles).

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.

Glenn is entitled to leave in accordance with applicable legislation.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Directors' report

Share-based compensation

Issue of share rights

Details of share rights issued to directors and other key management personnel as part of compensation during the year ended 31 March 2021 are set out below:

Name	Date	Share rights	Issue price	$
Daniel Foggo	18 September 2020	210,843	$1.6600	350,000
Miles Drury	1 October 2020	210,843	$1.6600	350,000
Benjamin Milsom	1 October 2020	150,602	$1.6600	250,000
Glenn Riddell	1 October 2020	150,602	$1.6600	250,000

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date[1]	Expiry date[1]	Exercise price	Fair value per option at grant date
Mary Ploughman	300,000	22 July 2020	23 September 2020	31 May 2022	$1.3833	$0.053
Martin Dalgleish	150,000	22 July 2020	23 September 2020	31 May 2022	$1.3833	$0.053
Peter Behrens	150,000	22 July 2020	23 September 2020	31 May 2022	$1.3833	$0.053
Miles Drury	150,000	8 July 2020	23 September 2020	31 May 2022	$1.3833	$0.056

Note:

1. At grant, the options vested through to 31 March 2023, however vesting accelerated to 23 September 2020 due to the IPO of the Group. At that time it was determined by the Board that the expiry date for unexercised options would be 31 May 2022, unless otherwise adjusted by the Board.

Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 31 March 2021 are set out below:

Name	Number of options granted during the year 2021	Number of options granted during the year 2020	Number of options vested during the year 2021	Number of options vested during the year 2020
Mary Ploughman	300,000	150,000	300,000	–
Martin Dalgleish	150,000	–	150,000	–
Peter Behrens	150,000	–	150,000	–
Miles Drury	150,000	300,000	450,000	–
Benjamin Milsom	–	510,000	580,002	109,998
Glenn Riddell	–	510,000	580,002	109,998

Additional disclosures relating to KMP

Shareholding

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

Ordinary shares	Balance at the start of the year	Converted at time of IPO	Additions during the year	Disposals/ other	Balance at the end of the year
Mary Ploughman	–	–	20,000	–	20,000
Daniel Foggo[1]	1,752,060	76,482	293,315	–	2,121,857
Susan Forrester AM	–	–	400,000	–	400,000
Martin Dalgleish	777,750	38,241	30,121	–	846,112
Peter Behrens[2]	–	–	1,337,124	–	1,337,124
Miles Drury	–	–	200,530	–	200,530
Benjamin Milsom[3]	75,150	–	–	–	75,150
Glenn Riddell[4]	132,000	–	–	–	132,000
	2,736,960	**114,723**	**2,281,090**	**–**	**5,132,773**

Note:

1. Daniel Foggo is a discretionary beneficiary of the Westbourne Trust which holds 35,417,643 fully paid ordinary shares in the Company. However, Mr Foggo does not hold a relevant interest in any of the shares which are held in the Trust.
2. Peter Behrens held an indirect interest in an equivalent number of shares via his interest in Retail Money Market Limited (RMML). Shares owned by RMML in Plenti Group Limited were distributed in specie to RMML's ultimate shareholders following the Group's IPO, resulting in the acquisition of a direct interest in 1,337,124 shares by Mr Behrens.
3. Benjamin Milson is a discretionary beneficiary of a trust which holds 4,068,000 fully paid ordinary shares in the Company. However, Mr Milsom does not hold a relevant interest in any of the shares which are held in the trust.
4. Glenn Riddell is a discretionary beneficiary of a trust which holds 4,068,000 fully paid ordinary shares in the Company. However, Mr Riddell does not hold a relevant interest in any of the shares which are held in the trust.

Option holding

The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

Options over ordinary shares	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Mary Ploughman	150,000	300,000	–	–	450,000
Daniel Foggo	210,000	–	–	–	210,000
Martin Dalgleish	–	150,000	–	–	150,000
Peter Behrens	–	150,000	–	–	150,000
Miles Drury	300,000	150,000	–	–	450,000
Benjamin Milsom	690,000	–	–	–	690,000
Glenn Riddell	690,000	–	–	–	690,000
	2,040,000	**750,000**	**–**	**–**	**2,790,000**

This concludes the remuneration report, which has been audited.

Directors' report

Shares under option

Unissued ordinary shares of Plenti Group Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
16 October 2015	31 March 2022	$0.5000	910,002
14 March 2016	31 March 2022	$0.5000	390,000
1 April 2016	31 March 2022	$0.5000	180,000
16 February 2017	31 March 2022	$0.8250	–
31 March 2017	31 March 2022	$0.8250	889,998
9 June 2017	31 March 2022	$0.8250	300,000
20 September 2017	31 March 2022	$0.9567	120,000
23 November 2017	31 March 2022	$0.9567	100,002
22 January 2018	31 March 2022	$0.9567	30,000
1 April 2018	31 March 2022	$0.9567	750,000
5 May 2018	31 March 2022	$0.9567	270,000
1 August 2018	31 March 2022	$1.3333	60,000
3 September 2018	31 March 2022	$1.3333	120,000
3 December 2018	31 March 2022	$1.3833	120,000
6 May 2019	31 March 2022	$1.3833	840,000
1 June 2019	31 March 2022	$1.3833	360,000
1 August 2019	31 March 2022	$1.3833	120,000
1 December 2019	31 March 2022	$1.3833	439,998
2 December 2019	31 March 2022	$1.3833	210,000
13 January 2020	31 March 2022	$1.3833	2,220,000
19 February 2020	31 March 2022	$1.3833	240,000
20 March 2020	31 March 2022	$1.3833	30,000
31 March 2020	31 March 2022	$1.3833	300,000
8 July 2020	31 March 2022	$1.3833	390,000
22 July 2020	31 March 2022	$1.3833	600,000
			9,990,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options

The following ordinary shares of Plenti Group Limited were issued during the year ended 31 March 2021 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
16 October 2015	$0.5000	40,002
16 February 2017	$0.8250	26,776
31 March 2017	$0.8250	19,998
1 April 2018	$0.9567	4,572
		91,348

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 27 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 27 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of Grant Thornton

There are no officers of the Company who are former partners of Grant Thornton.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

Grant Thornton continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Daniel Foggo
Director

Mary Ploughman
Director

24 May 2021
Sydney

Auditor's independence declaration

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

Auditor's Independence Declaration

To the Directors of Plenti Group Limited

As lead auditor for the audit of Plenti Group Limited for the financial year ended 31 March 2021, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton Audit Pty Ltd
Chartered Accountants

M A Adam-Smith
Partner – Audit & Assurance

Sydney, 24 May 2021

Financial statements

"Plenti has enabled clients of Gordon & Barry to continue to access legal services at a complex time of their life ... we have **no hesitation** in **suggesting Plenti** to our clients that are in need of it."

David Barry, Legal Practitioner Director
Gordon & Barry Lawyers Pty Ltd

General information

The financial statements cover Plenti Group Limited as a Group consisting of Plenti Group Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Plenti Group Limited's functional and presentation currency.

Plenti Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 5, 14 Martin Place
Sydney NSW 2000

A description of the nature of the Group's operations and its principal activities is included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 May 2021. The directors have the power to amend and reissue the financial statements.

Statement of profit or loss and other comprehensive income
For the year ended 31 March 2021

	Note	Consolidated 2021 $'000	Consolidated 2020 $'000
Revenue			
Interest revenue	4	50,744	39,840
Other income	5	2,381	1,671
Total revenue before transaction costs		**53,125**	**41,511**
Transaction costs		(2,736)	(1,582)
Net income		**50,389**	**39,929**
Expenses			
Funding costs		(25,624)	(20,984)
Expense passed to unitholders		(37)	680
Customer loan impairment expense		(7,100)	(10,716)
Sales and marketing expense		(8,920)	(10,112)
Product development expense		(5,268)	(4,653)
General and administration expense		(17,787)	(9,671)
Depreciation and amortisation expense	6	(745)	(705)
Total expenses		**(65,481)**	**(56,161)**
Loss before income tax expense		**(15,092)**	**(16,232)**
Income tax expense	7	–	–
Loss after income tax expense for the year attributable to the owners of Plenti Group Limited		**(15,092)**	**(16,232)**
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss			
Hedging gain/(loss)		23	(36)
Other comprehensive income/(loss) for the year, net of tax		23	(36)
Total comprehensive loss for the year attributable to the owners of Plenti Group Limited		**(15,069)**	**(16,268)**

		Cents	Cents
Basic earnings per share	33	(10.06)	(12.68)
Diluted earnings per share	33	(10.06)	(12.68)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Statement of financial position
As at 31 March 2021

		Consolidated	
	Note	2021 $'000	2020 $'000
Assets			
Cash and cash equivalents	8	87,923	42,028
Customer loans	10	591,590	360,184
Term deposits	9	482	457
Trade receivables		62	357
Other assets	11	8,047	2,434
Property, plant and equipment	12	295	303
Right-of-use assets	13	609	1,102
Intangibles	14	191	327
Total assets		**689,199**	**407,192**
Liabilities			
Trade payables		4,635	3,448
Provisions	19	1,051	652
Other liabilities	15	7,369	4,813
Borrowings	16	629,484	401,982
Lease liabilities	17	702	1,206
Derivative financial instruments	18	13	1,543
Total liabilities		**643,254**	**413,644**
Net assets/(liabilities)		**45,945**	**(6,452)**
Equity			
Issued capital	20	105,934	42,328
Reserves	21	5,284	1,401
Accumulated losses		(65,273)	(50,181)
Total equity/(deficiency)		**45,945**	**(6,452)**

The above statement of financial position should be read in conjunction with the accompanying notes

Statement of changes in equity
For the year ended 31 March 2021

Consolidated	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Total deficiency in equity $'000
Balance at 1 April 2019	42,328	856	(33,949)	9,235
Loss after income tax expense for the year	–	–	(16,232)	(16,232)
Other comprehensive loss for the year, net of tax	–	(36)	–	(36)
Total comprehensive loss for the year	**–**	**(36)**	**(16,232)**	**(16,268)**
Transactions with owners in their capacity as owners:				
Share-based payments (note 34)	–	581	–	581
Balance at 31 March 2020	42,328	1,401	(50,181)	(6,452)

Consolidated	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 April 2020	42,328	1,401	(50,181)	(6,452)
Loss after income tax expense for the year	–	–	(15,092)	(15,092)
Other comprehensive income for the year, net of tax	–	23	–	23
Total comprehensive income/(loss) for the year	**–**	**23**	**(15,092)**	**(15,069)**
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 20)	63,513	–	–	63,513
Share-based payments (note 34)	–	3,942	–	3,942
Exercise of share options	93	(82)	–	11
Balance at 31 March 2021	**105,934**	**5,284**	**(65,273)**	**45,945**

The above statement of changes in equity should be read in conjunction with the accompanying notes

Statement of cash flows
For the year ended 31 March 2021

	Note	Consolidated 2021 $'000	2020 $'000
Cash flows from operating activities			
Interest income received		53,761	41,021
Other income received		2,381	1,671
Jobkeeper payments received		1,721	–
Interest and other finance costs paid		(25,136)	(20,686)
Payments to suppliers and employees		(35,649)	(24,186)
Net cash used in operating activities	**31**	**(2,922)**	**(2,180)**
Cash flows from investing activities			
Net increase in loans to customers		(237,441)	(135,057)
Payments for property, plant and equipment	12	(94)	(79)
Payments for intangibles	14	–	(396)
Proceeds from/(payments for) term deposits		(24)	8,985
Net cash used in investing activities		**(237,559)**	**(126,547)**
Cash flows from financing activities			
Proceeds from issue of shares	20	55,000	–
IPO and other share issuance costs paid		(4,502)	–
Proceeds from share options exercised		54	–
Proceeds from borrowings	32	429,428	243,456
Proceeds from issue of convertible notes	32	–	10,083
Repayment of borrowings	32	(193,047)	(110,740)
Repayment of lease liabilities	32	(557)	(564)
Net cash from financing activities		**286,376**	**142,235**
Net increase in cash and cash equivalents		45,895	13,508
Cash and cash equivalents at the beginning of the financial year		42,028	28,520
Cash and cash equivalents at the end of the financial year	**8**	**87,923**	**42,028**

The above statement of cash flows should be read in conjunction with the accompanying notes

Notes to the financial statements
31 March 2021

Note 1. Significant accounting policies

Plenti Group Limited (the Company) is a company incorporated in Australia and listed on the Australian Securities Exchange (ASX). The Company was incorporated as a public company on 12 August 2020. On 18 August 2020, the shareholders of the Company and Plenti Pty Limited and its controlled entities undertook a corporate reorganisation process prior to an initial public offering (IPO) on the ASX. Through the reorganisation, the Company acquired Plenti Pty Limited, the existing head operating entity, and its controlled entities (Pre-IPO Plenti Group).

This corporate reorganisation does not represent a business combination in accordance with AASB 3 'Business Combinations', and the appropriate accounting treatment for recognising the new group structure is on the basis that the transaction is a form of capital reconstruction and group reorganisation. Accordingly, the financial statements have been presented as a continuation of the Pre-IPO Plenti Group. As such, financial statements of the Group include the historical financial information of the Pre-IPO Plenti Group for the period before the acquisition. These financial statements include the financial results for the Group from acquisition to 31 March 2021 and the Pre-IPO Plenti Group for the period 1 April 2020 to the date of acquisition.

The comparative information presented in the financial statements represents the financial position of the Pre-IPO Plenti Group as at 31 March 2020, and the financial performance of the Pre-IPO Plenti Group for the year ended 31 March 2020.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the AASB and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

Historical cost convention

The financial statements have 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 statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the 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 statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 35.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Plenti Group Limited (Company or parent entity) as at 31 March 2021 and the results of all subsidiaries for the year then ended. Plenti Group Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the 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 Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the 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 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 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 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 or loss.

Operating segments

Operating segments are presented as one operating segment through satisfying the aggregation criteria in AASB 8 'Operating Segments'. The information presented is on the same basis as the internal reports provided to the Chief Executive Officer on an aggregated basis. Refer to note 3 for further information.

Revenue recognition

The 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 Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the 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 are 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 or loss in the period in which the rebates are received.

The Group was an eligible recipient of JobKeeper and received the subsidy during the year ended 31 March 2021. The subsidy has been recognised in the profit or loss by reducing employee expenses.

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 or loss using the effective interest method.

Funding costs

Funding costs include interest paid and payable to retail and wholesale investors via the Plenti Lending Platform and Plenti Wholesale Lending Platform. Interest and establishment costs relating to the Group's securitisation trust warehouse facilities are disclosed as funding costs. Interest expense is recognised as it accrues using the effective interest rate method.

Expense passed to unitholders

Expense passed to unitholders reflects the fact that some impairment expenses recognised by the Group are passed on to investors in the Wholesale Lending Platform via a reduction in unitholder liabilities. This is recognised as a reduction in expenses (contra expense) in the statement of profit or loss. Expenses passed to unitholders are recognised at the point in time the impairment expenses are incurred by the 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 amount 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.

Notes to the financial statements
31 March 2021

Note 1. Significant accounting policies continued

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, 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. The initial fair value of customer loans includes capitalised origination fees net of capitalised transaction costs.

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 or 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 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 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 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 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 or loss.

The 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. As detailed in note 2, 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 (more than 3 missed payment cycles).

To measure ECL, the Group applies a PD x EAD x LGD approach incorporating the time value of money. For stage 1 loans, a forward-looking approach on a 12-month horizon is applied. For stage 2 loans, 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 loans, the PD equals 100% and the LGD and EAD represent a lifetime view of the losses based on characteristics of defaulted loans.

In addition to the base PD x EAD x LGD approach, management may apply further adjustments to reflect expectations relating to macroeconomic or other factors that management believe are not adequately reflected in the base ECL position.

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 or 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
Office equipment	4 years
Fixtures and fittings	10 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 Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or 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 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 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 or 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 or 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.

Expenditure on acquiring and developing eligible website development costs have 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.

Notes to the financial statements
31 March 2021

Note 1. Significant accounting policies continued

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 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.

Fees paid on the establishment of warehouse loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over 7 years, being the maximum term of the loan being funded by the warehouse facility.

Convertible notes

The component of convertible notes that exhibit the 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 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 or loss.

Unitholder liabilities

Unitholder liabilities are funds invested by retail and wholesale investors into the lending platforms managed by the Group. Investors' interests are structured as units in the relevant managed investment scheme under which the platform operates. Unitholder 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. Unitholder liabilities are included within borrowings on the statement of financial position.

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 Group's incremental borrowing rate. Lease payments comprise of 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 or loss if the carrying amount of the right-of-use asset is fully written down.

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the 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 liability 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, rights to shares or options over shares, that 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 for options 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 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 or 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 or 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 Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the 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 is 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 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 or 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 or 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 or 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 or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or 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 or 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.

Notes to the financial statements
31 March 2021

Note 1. Significant accounting policies continued

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.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Plenti Group Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the post income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares. The diluted earnings per share were not adjusted for share options and share rights as they were anti-dilutive. Refer to note 33 for further information.

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.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. 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 (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The 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. In respect of options, 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 or 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 unbiased probability weightings and incorporates all available 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. As detailed in note 1, the Group has established a process whereby forward-looking macroeconomic scenarios and probability weightings are developed for ECL calculation purposes.

While Australia has demonstrated an ability to control the spread of COVID-19 and the outlook for the Australian economy has improved through late 2020 and into 2021, the ongoing impacts from the COVID-19 pandemic have increased estimation uncertainty in the preparation of ECL calculations. The estimation uncertainty is associated with:

(a) the ongoing potential for disruption to the economy from actions by governments, businesses and consumers to contain the spread of the virus such as closure of international borders and periods of lock-down;

(b) the ability of the economy to adjust to removal of Government support and stimulus activities such as JobKeeper and elevated JobSeeker payments; and

(c) other flow-on effects from the broad economic and social disruption caused by COVID-19 through the last year, including the risk of business insolvency as measures providing protection from credit default are unwound.

ECL estimates disclosed in these financial statements are based on forecasts of economic conditions which reflect assumptions and expectations as at 31 March 2021. 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 these financial statements. Refer to note 10 for further details on the financial impact of COVID-19 on the ECL provision.

Fair value measurement hierarchy

The 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.

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.

Note 3. Operating segments

Identification of reportable operating segments

The Group's operations consist primarily of the provision of financial services in Australia. The Group has considered the requirements of AASB 8 'Operating Segments' and assessed that the Group has one operating segment, representing the consolidated results, as this is the only segment which meets the requirements of AASB 8.

Major customers

There are no customers which account for more than 10% of the Group's revenue for the year ended 31 March 2021 (2020: none).

Note 4. Interest revenue

	Consolidated	
	2021 $'000	2020 $'000
Origination and loan fees	11,828	11,083
Interest income	38,803	28,415
Bank interest	113	342
	50,744	**39,840**

Origination and loan fees are deferred upfront fees and commissions which are paid or received at loan origination but which are recognised as interest revenue over time using the effective interest rate method in accordance with AASB 9.

Notes to the financial statements
31 March 2021

Note 5. Other income

	Consolidated 2021 $'000	2020 $'000
Other fee income	841	705
Government rebates	1,540	966
	2,381	**1,671**

Other fee income is recognised at a point in time. The income is recognised entirely from Australian customers.

Government rebates relate to government research and development incentives that are available to eligible businesses including Plenti.

Note 6. Expenses

	Consolidated 2021 $'000	2020 $'000
Loss before income tax includes the following specific expenses:		
Depreciation		
Leasehold improvements	22	22
Fixtures and fittings	19	19
Office equipment	61	45
Buildings right-of-use assets	507	529
Total depreciation	**609**	**615**
Amortisation		
Website	136	90
Total depreciation and amortisation	**745**	**705**
Finance costs		
Interest and finance charges paid/payable on warehouse borrowings	2,933	123
Interest and finance charges paid/payable on lease liabilities	38	54
Convertible note interest	508	297
Finance costs expensed	**3,479**	**474**
Superannuation expense		
Defined contribution superannuation expense	1,197	1,032
Share-based payments expense		
Share-based payments expense[1]	3,942	581

1. At IPO, vesting of the historical ESOP options were accelerated resulting in an additional share-based payments expense of $2,497,000 in the current period.

Operating expenses for the year were $65,481,000 (2020: $55,161,000), of which employee expenses were $15,269,000 (2020: $14,593,000). Employee expenses benefited from JobKeeper receipts of $1,721,000 and net COVID-related salary reductions of $209,000. In the statement of profit or loss and other comprehensive income these employee expenses are included within the 'sales and marketing expense', the 'product development expense' and the 'general and administration expense' on a departmental allocation basis.

Note 7. Income tax expense

	Consolidated	
	2021 $'000	2020 $'000
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(15,092)	(16,232)
Tax at the statutory tax rate of 27.5%	(4,150)	(4,464)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Permanent differences	(275)	(93)
	(4,425)	(4,557)
Current year losses for which no tax benefit was recognised	3,456	4,157
Current year temporary differences for which no deferred tax asset was recognised	969	400
Income tax expense	–	–

As at 31 March 2021, the balance of carry forward tax losses for which a tax benefit was not recognised were $44,590,000 (2020: $28,977,000). The Group has sought advice relating to the availability of tax losses for future utilisation. At 31 March 2021, the Group satisfied the continuity of ownership test (COT) in respect of the 2019, 2020 and 2021 financial years, with associated losses of $32,288,000. For the 2016, 2017 and 2018 financial years ($11,070,000 of losses) utilisation is subject to the Group meeting the same business test (SBT) from 30 June 2020 until the time of utilisation. For the 2014 and 2015 financial years ($1,231,000 of losses), usage would be subject to meeting the SBT from 30 June 2014 and 30 June 2015 respectively.

Note 8. Cash and cash equivalents

	Consolidated	
	2021 $'000	2020 $'000
Cash at bank	29,437	6,681
Cash held in trust	44,507	24,704
Cash held in Provision Fund	13,979	10,643
	87,923	**42,028**

Cash held in trust

The trust cash balances are held as part of the Group's funding arrangements and are not available to the Group for any other purposes. The balances held in the trust bank accounts include amounts received by investors on the Lending Platforms but not currently on loan to borrowers and amounts drawn from funders in the Warehouse funding facilities which are available for funding loan receivables. As at 31 March 2021, investor cash held in the Lending Platforms totalled $26,670,000 with $16,100,000 of funds available in accounts relating to the Warehouse facilities. A further $1,736,000 was held in a restricted account in relation to funding of a government program.

Cash held in Provision Fund

The Provision Fund was established to help protect retail investors in the Group's Retail Lending Platform from losses relating to borrower late payment or default. Based on a determination by the Provision Fund Claims Committee, cash held in Provision Fund can be used to compensate retail investors in instances of late payment and default. Cash held in Provision Fund comes from borrowers who contribute an amount based on their risk profile and is incorporated as part of their loan. Cash held in Provision Fund is not available to the Group for general corporate purposes.

Notes to the financial statements
31 March 2021

Note 9. Term deposits

	Consolidated 2021 $'000	Consolidated 2020 $'000
Restricted term deposits	482	457

Refer to note 24 for further information on fair value measurement.

The restricted term deposits bears interest of 0.39% (2020: 1.25%) per annum and has a maturity of less than one year.

Note 10. Customer loans

	Consolidated 2021 $'000	Consolidated 2020 $'000
Gross customer loans	614,635	380,882
Less: Deferred upfront fees	(10,178)	(10,792)
Less: Allowance for expected credit losses	(12,867)	(9,906)
	591,590	**360,184**

The gross customer loan receivables and allowance for expected credit losses by portfolio for above are as follows:

	Expected credit loss rate 2021 %	Expected credit loss rate 2020 %	Carrying amount 2021 $'000	Carrying amount 2020 $'000	Allowance for expected credit loss 2021 $'000	Allowance for expected credit loss 2020 $'000
Retail	3.0%	3.0%	285,060	297,563	8,449	9,033
Wholesale	1.3%	1.1%	46,671	69,265	599	786
Warehouse	1.3%	0.6%	282,904	14,054	3,819	87
			614,635	**380,882**	**12,867**	**9,906**

Allowance for expected credit losses

The gross customer loan receivables by stages and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
Consolidated	2021 %	2020 %	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Stage 1 – 12 month ECL	0.8%	1.2%	596,137	363,111	4,640	4,446
Stage 2 – Lifetime ECL-not credit impaired	35.5%	27.1%	15,024	16,392	5,327	4,439
Stage 3 – Lifetime ECL-credit impaired	83.5%	74.0%	3,474	1,379	2,900	1,021
			614,635	**380,882**	**12,867**	**9,906**

The maturity profile of gross customer loans are as follows:

	Consolidated 2021 $'000	2020 $'000
less than 1 year	14,173	13,180
1 to 2 years	46,116	39,413
2 to 5 years	361,758	269,699
greater than 5 years	192,588	58,590
	614,635	**380,882**

Movements in the allowance for expected credit losses are as follows:

	Consolidated 2021 $'000	2020 $'000
Opening balance	9,906	6,453
Additional provisions recognised	6,342	10,478
Receivables written off during the year as uncollectable	(4,968)	(8,335)
Recoveries during the year	1,587	1,310
Closing balance	**12,867**	**9,906**

Impact of COVID-19

The ongoing economic impacts from the COVID-19 pandemic have increased uncertainty in the estimation of ECL position. While consumer credit performance in the six months to 31 March 2021 was strong, there is uncertainty as to whether removal of JobKeeper and other support measures in the economy, as well as ongoing domestic and global impacts from the pandemic, could see a deterioration in credit through 2021. To account for this risk, the Group is carrying a specific ECL provision amount of $1,200,000 within the total ECL position, reflecting the recent volatile market environment and uncertain outlook.

Note 11. Other assets

	Consolidated 2021 $'000	2020 $'000
Prepayments	6,117	1,495
GST receivable	1,836	794
Other assets	94	145
	8,047	**2,434**

Prepayments also includes capitalised commission payments and warehouse facility costs.

Notes to the financial statements
31 March 2021

Note 12. Property, plant and equipment

	Consolidated 2021 $'000	Consolidated 2020 $'000
Leasehold improvements – at cost	81	81
Less: Accumulated depreciation	(59)	(38)
	22	43
Fixtures and fittings – at cost	191	175
Less: Accumulated depreciation	(73)	(54)
	118	121
Office equipment – at cost	319	242
Less: Accumulated depreciation	(164)	(103)
	155	139
	295	**303**

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Leasehold improvements $'000	Fixtures and fittings $'000	Office equipment $'000	Total $'000
Balance at 1 April 2019	65	133	112	310
Additions	–	7	72	79
Depreciation expense	(22)	(19)	(45)	(86)
Balance at 31 March 2020	43	121	139	303
Additions	–	16	78	94
Depreciation expense	(22)	(19)	(61)	(102)
Balance at 31 March 2021	**21**	**118**	**156**	**295**

Note 13. Right-of-use assets

	Consolidated 2021 $'000	Consolidated 2020 $'000
Buildings – right-of-use assets	2,380	2,380
Less: Accumulated depreciation	(1,771)	(1,278)
	609	**1,102**

Additions to the right-of-use assets during the year were $nil (2020: $nil).

The low-value assets expensed during the year was $35,000 (2020: $46,000).

The Group leases buildings for its offices under agreements of four years expiring on 30 April 2022.

Refer to note 17 for the details on the lease liabilities.

Note 14. Intangibles

	Consolidated	
	2021 $'000	2020 $'000
Website development – at cost	417	417
Less: Accumulated amortisation	(226)	(90)
	191	**327**

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Website $'000
Balance at 1 April 2019	21
Additions	396
Amortisation expense	(90)
Balance at 31 March 2020	327
Amortisation expense	(136)
Balance at 31 March 2021	**191**

Note 15. Other liabilities

	Consolidated	
	2021 $'000	2020 $'000
Interest payable	823	81
GST payable	449	506
Accrued expenses	1,719	1,158
Subsidies received in advance	1,737	1,767
Other liabilities	2,641	1,301
	7,369	**4,813**

Note 16. Borrowings

	Consolidated	
	2021 $'000	2020 $'000
Investor funds on platform	348,234	374,609
Warehouse borrowings	281,250	18,500
Convertible notes	–	8,873
	629,484	**401,982**

Refer to note 23 for further information on financial instruments.

Investor funds on platform

Investor funds on platform relates to funding from retail and wholesale investors that have been matched against customer loans as well as cash in trust bank accounts that are available for funding. Refer to note 8 for further information.

Notes to the financial statements
31 March 2021

Note 16. Borrowings continued

Funding from retail investors
Funding from retail investors is governed by the constitution of the Group's Retail Lending Platform and its product disclosure statement. Funding on loans are for terms from six months to seven years and are most commonly for amounts less than $50,000.

Funding from wholesale investors
Funding from wholesale investors is in accordance with the provisions of the Trust Deed of the Group's Wholesale Lending Platform, the Information Memorandum relating to the Group's Wholesale Lending Platform and Investor Mandate Agreements entered into between members of the Group's Wholesale Lending Platform (Members) and the Trustee. Funding are for amounts up to $100,000 for terms from six months to seven years. Members are required to make a minimum investment of $1,000,000 in the Trust, unless otherwise agreed by the Trustee and reflected in a Member's Investment Mandate Agreement.

Warehouse borrowings
The Group has warehouse borrowings that provide funding for automotive loans (Plenti Funding Trust No. 1) and renewable and personal loans (Plenti Funding Trust No. 2).

During the year the Plenti Funding Trust No. 1 facility limit was increased from $50 million to $350 million..

The Plenti Funding Trust No. 2 was incorporated in December 2020 to facilitate warehouse loan funding facility for personal and renewable loans. Senior funding for the warehouse is provided by a major domestic bank and mezzanine funding is provided by large domestic investors. The facility was initially sized at $100 million. Subsequent to the period, the Group received funder approval to increase the facility size to $200 million on 4 May 2021.

Convertible notes
Convertible notes and the embedded derivative were exercised on IPO. The associated value of the convertible notes and embedded derivative were transferred to share capital.

Total secured liabilities
The total secured liabilities are as follows:

	Consolidated	
	2021 $'000	2020 $'000
Warehouse borrowings	281,250	18,500

Financing arrangements
Unrestricted access was available at the reporting date to the following warehouse facility:

	Consolidated	
	2021 $'000	2020 $'000
Total facilities		
Warehouse facilities*	434,500	47,500
Used at the reporting date		
Warehouse facilities	281,250	18,500
Unused at the reporting date**		
Warehouse facilities	**153,250**	**29,000**

* The warehouse facilities limit excludes $15,510,000 (2020: $2,500,000) of funding provided by Plenti Finance Pty Ltd.

** The unused amount of the warehouse facilities relates to amounts that are available for drawdown from funders but does not include cash on trust that has already been drawn but has not yet been utilised for funding purposes. Refer to note 8 for further information.

Note 17. Lease liabilities

	Consolidated	
	2021 $'000	2020 $'000
Lease liability	702	1,206

Refer to note 23 for further information on financial instruments.

The weighted average incremental borrowing rate was 3.67% (2020: 3.67%).

Note 18. Derivative financial instruments

	Consolidated	
	2021 $'000	2020 $'000
Cash flow hedges	13	36
Embedded derivatives	–	1,507
	13	**1,543**

Refer to note 23 for further information on financial instruments.

Refer to note 24 for further information on fair value measurement.

Note 19. Provisions

	Consolidated	
	2021 $'000	2020 $'000
Annual leave	852	519
Long service leave	99	33
Other provisions	100	100
	1,051	**652**

Note 20. Issued capital

	Consolidated			
	2021 Shares	2020 Shares	2021 $'000	2020 $'000
Ordinary shares – fully paid	168,923,531	21,333,074	105,934	42,328

Notes to the financial statements
31 March 2021

Note 20. Issued capital continued

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Balance	1 April 2019	21,333,074		42,328
Balance	31 March 2020	21,333,074		42,328
IPO shares to existing shareholders (share split 6:1)		106,665,370		–
Convertible notes conversion		7,701,209		11,279
Initial public issuance of shares		33,132,530	$1.6600	55,000
Share issue costs		–		(2,766)
Exercise of share options		91,348		93
Balance	**31 March 2021**	**168,923,531**		**105,934**

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands, every member present at a meeting in person or by proxy shall have one vote and, upon a poll, each share shall have one vote.

Redeemable preference shares

Redeemable preference shares entitle the holder the same rights as the holder of ordinary shares and are issued subject to the Shareholders' agreement and the Constitution, except as expressly set out in the Redeemable Convertible Preference Share Terms.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders, and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Note 21. Reserves

	Consolidated	
	2021 $'000	2020 $'000
Hedging reserve – cash flow hedges	(13)	(36)
Share-based payments reserve	5,297	1,437
	5,284	**1,401**

Hedging reserve – cash flow hedges

The reserve is used to recognise the effective portion of the gain or loss of cash flow hedge instruments that is determined to be an effective hedge.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Hedging reserve $'000	Share-based payments reserve $'000	Total $'000
Balance at 1 April 2019	–	856	856
Hedging loss	(36)	–	(36)
Share-based payments expense	–	581	581
Balance at 31 March 2020	(36)	1,437	1,401
Hedging gain	23	–	23
Share-based payments expense[1]	–	3,942	3,942
Share options exercised	–	(82)	(82)
Balance at 31 March 2021	**(13)**	**5,297**	**5,284**

1. At IPO, vesting of the historical ESOP options were accelerated resulting in an additional share-based payments expense of $2,497,000 in the current period.

Note 22. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 23. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by senior executives under policies approved by the Board of Directors (the Board). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits.

Market risk

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Group'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 the Group to interest rate risk. Cash at bank and term deposits obtained at fixed rates expose the Group to fair value interest rate risk.

For the Group, the unitholder loans outstanding (note 16) are principal payment loans. The amount is not subject to interest rate and thus not subject to interest rate risk.

Notes to the financial statements
31 March 2021

Note 23. Financial instruments continued

As at the reporting date, the Group had the following variable rate cash at bank and term deposits outstanding:

Consolidated	2021 Weighted average interest rate %	2021 Balance $'000	2020 Weighted average interest rate %	2020 Balance $'000
Cash and cash equivalents	0.05%	87,923	0.63%	42,028
Restricted term deposit	0.39%	481	1.25%	457
Convertible notes	–	–	10.00%	(8,873)
Net exposure to cash flow interest rate risk		**88,404**		**33,612**

An official increase/decrease in interest rates of 50 (2020: 50) basis points would have an adverse/favourable effect on profit before tax of $442,000 (2020: $168,000) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts' forecasts.

Borrowings from the warehouse facilities are variable rate borrowings where the interest rates are based on current market rates. Interest rate risk is managed on these borrowings by entering into interest rate swaps, whereby the Group pays fixed rate and receives floating rate interest payments. 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 or loss if the hedging relationship ceases. In the year ended 31 March 2021, nil amounts were reclassified into profit or loss. There was no material hedge ineffectiveness in the current year.

The Group 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, the Group had a hedge ratio of 78%, however, the hedge was topped up to over 90% in the immediate subsequent days in line with the Group's hedging policy. There were no forecast transactions for which cash flow hedge accounting had to be ceased as a result of the forecast transaction not occurring in the current period.

As at the reporting date, the Group had the following floating rate borrowings and the interest rate swap:

	Consolidated 2021 $'000	Consolidated 2020 $'000
Floating rate borrowings	281,250	18,500
Interest rate swap notional amortised amount	(218,549)	(10,000)

The Group also has indirect exposure to interest rate fluctuations via the fees it generates on funds invested in the lending platforms it manages. The Group charges Plenti Lending Platform investors a fee of 10% of interest they receive from borrowers. If market interest rates reduce and if as a result the rate required by investors on this lending platform reduces, this will have an impact on the Group's income over time. This will, however, only impact new loans and existing variable rate loans as the rate on existing fixed rate loans will not change.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. All credit decisions are governed by product level credit policies prescribing how prospective customers are assessed including obtaining 3rd party credit reporting data, responsible lending obligations and setting appropriate credit/loan limits. The Group obtains security in respect of loans in some circumstances to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

As disclosed in note 1, the Group has applied a PD x EAD x LGD approach in estimating expected credit losses on customer loans (note 10) and is based on assumptions as detailed in note 2. These assumptions include the assessed credit worthiness of the borrower.

Where there has been a significant increase in the credit risk of a customer loan since origination, the allowance will be based on the lifetime expected credit loss. The Group uses a rebuttable presumption that a significant deterioration in credit risk exists when contractual payments are more than 30 days past due (i.e. ECL model Stage 2).

Where there has been objective evidence of impairment for a customer loan, the allowance will be based on lifetime expected credit loss. In certain cases, a customer loan will be considered in default when internal or external information indicate that the Group is unlikely to receive the outstanding contractual amount in full (i.e. ECL model Stage 3).

The definition of default used in measuring ECLs is aligned to the definition used for internal credit risk management purposes across all portfolios. Default occurs when there are indicators that a borrower is unlikely to meet contractual credit obligations to the Company in full, or the borrower is a minimum of 90 days past due. Loans are classified as credit impaired where there is doubt as to whether the full amounts due, including interest and other payments, will be received in a timely manner. Loans are written-off when there is no realistic probability of recovery or at 180 days past due.

Recovery prospects may include but are not limited to primary security (realisation of the underlying receivable assets or other business balance sheet assets) or secondary security (including but not limited to pursuing personal guarantors or mortgages).

For loans funded from the Retail Lending Platform, retail investors can recover credit losses from the Provision Fund, as described in note 8. This recovery process does alter the level of credit losses reported by the Group given that the Provision Fund is consolidated within the financials of the Group and hence the recovery of credit losses by retail investors is funded by cash held within the Group.

The Group has no significant concentration of credit risk with any single counterparty or group of counterparties.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangements

Unused borrowing facilities at the reporting date:

	Consolidated	
	2021 $'000	2020 $'000
Warehouse facilities	153,250	29,000

As is customary with warehouse facilities, availability of the facility requires periodic extension with consent of the existing funders, or replacement of any funder who does not wish to extend.

The Plenti Funding Trust No. 1 has a 12 month availability period and is due for extension by December 2021. If the warehouse is not extended it will enter an amortisation period. The warehouse can also be placed into amortisation at any time during its life if there is a breach of certain warehouse terms leading to a stop funding event.

The Plenti Funding Trust No. 2 has an 18 month availability period and is due for extension by 30 June 2022. It contains similar provisions relating to amortisation in the event it is not extended or where there are breaches of material terms of the warehouse facility agreement.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Notes to the financial statements
31 March 2021

Note 23. Financial instruments continued

Consolidated – 2021	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives					
Non-interest bearing					
Trade payables	4,635	–	–	–	4,635
Subsidies received in advance	1,737	–	–	–	1,737
Other liabilities	2,641	–	–	–	2,641
Interest-bearing					
Unitholder liabilities	178,025	179,637	309,781	51,936	719,379
Warehouse borrowings	218,039	68,934	–	–	286,973
Lease liability	702	–	–	–	702
Total non-derivatives	**405,779**	**248,571**	**309,781**	**51,936**	**1,016,067**
Derivatives					
Interest rate swaps net settled	13	–	–	–	13
Total derivatives	**13**	**–**	**–**	**–**	**13**

Consolidated – 2020	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives					
Non-interest bearing					
Trade payables	3,448	–	–	–	3,448
Subsidies received in advance	1,767	–	–	–	1,767
Other liabilities	1,301	–	–	–	1,301
Interest-bearing					
Unitholder liabilities	145,224	114,364	158,112	12,177	429,877
Warehouse borrowings	18,914	–	–	–	18,914
Convertible notes payable	–	–	11,722	–	11,722
Lease liability	538	541	127	1	1,207
Total non-derivatives	**171,192**	**114,905**	**169,961**	**12,178**	**468,236**
Derivatives					
Embedded derivatives	–	–	1,543	–	1,543
Total derivatives	**–**	**–**	**1,543**	**–**	**1,543**

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 24. Fair value measurement

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed 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
- Level 3: Unobservable inputs for the asset or liability

Consolidated – 2021	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Cash flow hedges	13	–	–	13
Total assets	**13**	**–**	**–**	**13**

Consolidated – 2020	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Liabilities				
Cash flow hedges	36	–	–	36
Embedded derivatives	–	1,507	–	1,507
Total liabilities	**36**	**1,507**	**–**	**1,543**

Embedded derivatives related to the conversion option that was available to the convertible note holders. The conversion option was exercised on IPO and hence this amount does not appear on the balance sheet at 31 March 2021. The value of the derivative at the time of conversion to equity was $1,917,000.

There were no transfers between levels during the financial year.

Valuation techniques for fair value measurements categorised within level 2 and level 3

Unquoted investments have been valued using a discounted cash flow model.

Note 25. Key management personnel disclosures

Directors

The following persons were directors of Plenti Group Limited during the financial year:

Mary Ploughman – Non-Executive Director
Daniel Foggo – Chief Executive Officer
Susan Forrester AM – Non-Executive Director
Martin Dalgleish – Non-Executive Director
Peter Behrens – Non-Executive Director

Other key management personnel

The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, during the financial year:

Miles Drury – Chief Financial Officer
Benjamin Milsom – Chief Commercial Officer
Glenn Riddell – Chief Operating Officer

Notes to the financial statements
31 March 2021

Note 25. Key management personnel disclosures continued

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	2021 $	2020 $
Short-term employee benefits	1,450,805	1,009,566
Post-employment benefits	129,369	92,251
Long-term benefits	54,305	–
Share-based payments	1,687,495	124,963
	3,321,974	**1,226,780**

Investments in the Retail Lending Platform

The amount of investments made to the Retail Lending Platform by the directors and key management personnel is set out below:

	Consolidated	
	2021 $	2020 $
Directors	3,061,796	2,002,141
Other key management personnel	259,089	3,137
	3,320,885	**2,005,278**

Note 26. Related party transactions

Parent entity

Plenti Group Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 29.

Key management personnel

Disclosures relating to key management personnel are set out in note 25 and the remuneration report included in the directors' report.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	2021 $	2020 $
Unitholder liabilities	348,224,304	374,609,022

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 27. Remuneration of auditors

	Consolidated 2021 $	2020 $
Audit and review of financial reports		
Group	79,470	53,500
Controlled entities	109,500	75,065
	188,970	128,565
Other assurance services		
AFSL and Compliance plan	10,800	10,670
Investigating accounting report	194,150	–
Tax due diligence report	54,032	–
CEFC compliance report	2,750	2,535
	261,732	13,205
Other services		
Tax compliance services	42,900	23,587
Tax advisory services	13,500	–
	56,400	23,587
Total services provided by Grant Thornton	**507,102**	**165,357**

Note 28. Contingent liabilities

The Group has given bank guarantees as at 31 March 2021 of $352,000 (2020: $352,000) to Perpetual Trustee Company Limited and KI Martin Place Pty Ltd. This is secured by the term deposit held by the Group.

The Group has given collateral security as at 31 March 2021 of $120,000 (2020: $95,000) to the superannuation clearing house as a Transaction Negotiation Authority relating to payment of superannuation.

The Group has given bank guarantees as at 31 March 2021 of $9,529 (2020: $9,529) to Epworth Building Pty Limited. This is secured by the term deposit held by the Group.

Note 29. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest 2021 %	2020 %
Plenti Pty Limited	Australia	100.0%	100.0%
Plenti RE Limited	Australia	100.0%	100.0%
– The Trustee for Plenti Provision Fund*	Australia	–	–
– The Trustee for Plenti Lending Platform*	Australia	1.1%	0.7%
– The Trustee for Plenti Wholesale Lending Platform*	Australia	0.8%	0.9%
Plenti Early Access Provider Pty Limited	Australia	100.0%	100.0%
– The Trustee for Plenti Subvention Trust	Australia	99.9%	99.9%
– The Trustee for Plenti Early Access Facility Trust	Australia	99.9%	99.9%
Plenti Finance Pty Limited	Australia	100.0%	100.0%
– Ratesetter Funding Trust No 1	Australia	100.0%	100.0%
– Plenti Funding Trust No 2	Australia	100.0%	–

* Management have determined that the Company controls the subsidiaries, Plenti Lending Platform, Plenti Wholesale Lending Platform and the Plenti Provision Fund, even though it holds less than half of the voting rights of these entities. This is because the Company has the power to direct the relevant activities of these subsidiaries, has the rights to variable returns from its involvement with these subsidiaries and has the decision making right over the subsidiaries.

Notes to the financial statements
31 March 2021

Note 30. Deed of cross guarantee

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

Plenti Group Limited
Plenti Pty Limited

The deed of cross guarantee was executed and approved by the Board on 19 March 2021.

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and directors' report under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Plenti Group Limited, they also represent the 'Extended Closed Group'.

Set out below is a consolidated statement of profit or loss and other comprehensive income and statement of financial position of the 'Closed Group'.

Statement of profit or loss and other comprehensive income	2021 $'000
Interest revenue	1,619
Other income	12,056
Transaction costs	(3,682)
Depreciation and amortisation expense	(745)
Funding costs	(546)
Sales and marketing expense	(8,859)
Product development expense	(5,239)
General and administration expense	(16,995)
Loss before income tax expense	**(22,391)**
Income tax expense	–
Loss after income tax expense	(22,391)
Other comprehensive income for the year, net of tax	–
Total comprehensive loss for the year	**(22,391)**

Equity – accumulated losses	2021 $'000
Retained profits at the beginning of the financial year	–
Loss after income tax expense	(22,391)
Accumulated losses at the end of the financial year	**(22,391)**

Statement of financial position	2021 $'000
Assets	
Cash and cash equivalents	22,590
Term deposits	482
Trade receivables	17,131
Other assets	14,945
Property, plant and equipment	294
Right-of-use assets	609
Intangibles	191
Total assets	**56,242**
Liabilities	
Trade payables	1,145
Provisions	1,051
Other liabilities	3,755
Lease liabilities	702
Total liabilities	**6,653**
Net assets	**49,589**
Equity	
Issued capital	107,357
Reserves	5,297
Accumulated losses	(63,065)
Total equity	**49,589**

Notes to the financial statements
31 March 2021

Note 31. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2021 $'000	2020 $'000
Loss after income tax expense for the year	(15,092)	(16,232)
Adjustments for:		
Depreciation and amortisation	745	705
Loan impairment expense	7,100	10,716
Share-based payments	3,942	581
IPO costs	2,327	–
Other non-cash items	544	186
Change in operating assets and liabilities:		
Decrease/(increase) in customer loans	(615)	1,198
Decrease/(increase) in trade receivables	296	(218)
Increase in other operating assets	(5,613)	(1,506)
Increase in trade payables	1,568	489
Increase in other operating liabilities	1,876	1,901
Net cash used in operating activities	**(2,922)**	**(2,180)**

Note 32. Changes in liabilities arising from financing activities

Consolidated	Investor funds on loan $'000	Warehouse borrowings $'000	Convertible notes $'000	Lease liabilities $'000	Total $'000
Balance at 1 April 2019	261,576	–	–	1,716	263,292
Proceeds from borrowings	224,956	18,500	10,083	–	253,539
Repayment of borrowings	(110,740)	–	–	(564)	(111,304)
Interest	–	–	297	54	351
Embedded derivatives	–	–	(1,507)	–	(1,507)
Other changes	(1,183)	–	–	–	(1,183)
Balance at 31 March 2020	374,609	18,500	8,873	1,206	403,188
Proceeds from borrowings	166,678	262,750	–	–	429,428
Repayment of borrowings	(193,090)	–	(8,873)	(557)	(202,520)
Interest	–	–	–	53	53
Other changes	37	–	–	–	37
Balance at 31 March 2021	**348,234**	**281,250**	**–**	**702**	**630,186**

Note 33. Earnings per share

	Consolidated	
	2021 $'000	2020 $'000
Loss after income tax attributable to the owners of Plenti Group Limited	(15,092)	(16,232)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	149,957,320	127,998,444
Weighted average number of ordinary shares used in calculating diluted earnings per share	149,957,320	127,998,444

	Cents	Cents
Basic earnings per share	(10.06)	(12.68)
Diluted earnings per share	(10.06)	(12.68)

9,990,000 (2020: 9,430,008) options were excluded from the weighted average number of ordinary shares used in calculating diluted earnings per share as they were anti-dilutive.

Note 34. Share-based payments

Share-based payments for the Group relate to securities issued under the Employee Share Option Plan adopted in 2015 (Historic ESOP) and the Plenti Group Limited Employee Equity Plan adopted in 2020 (2020 EEP). The Historic ESOP and 2020 EEP were and are intended to allow the Group to attract and retain skilled and experienced employees, motivate them to drive Group performance and reward them for delivery of results.

Historic ESOP

The Company has made a grant of options under the Historic EOSP in each of the financial years 2016, 2017, 2018, 2019, 2020 and 2021. As at 31 March 2021, 9,990,000 (2020: 1,571,665) options are held under the Employee Plan on the following terms subject to the Historic ESOP rules:

- each option gives the right to subscribe for or acquire one ordinary share in the Company;
- nil consideration is payable for the option grant;
- exercise price is variable for each option grant.

Under the terms of the Historic ESOP all outstanding options vested upon IPO of the Company on 23 September 2020.

No further options are intended to be issued under the Historic ESOP with all new share-based payments to be made under the 2020 EEP.

Notes to the financial statements
31 March 2021

Note 34. Share-based payments continued

Set out below are summaries of options granted under the Historic ESOP:

2021							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
16/10/2015	31/05/2022	$0.5000	950,004	–	(40,002)	–	910,002
14/03/2016	31/05/2022	$0.5000	390,000	–	–	–	390,000
01/04/2016	31/05/2022	$0.5000	180,000	–	–	–	180,000
16/02/2017	31/05/2022	$0.8250	80,004	–	(80,004)	–	–
31/03/2017	31/05/2022	$0.8250	989,994	–	(99,996)	–	889,998
09/06/2017	31/05/2022	$0.8250	300,000	–	–	–	300,000
20/09/2017	31/05/2022	$0.9567	120,000	–	–	–	120,000
23/11/2017	31/05/2022	$0.9567	100,002	–	–	–	100,002
22/01/2018	31/05/2022	$0.9567	30,000	–	–	–	30,000
01/04/2018	31/05/2022	$0.9567	770,004	–	(20,004)	–	750,000
05/05/2018	31/05/2022	$0.9567	270,000	–	–	–	270,000
01/08/2018	31/05/2022	$1.3333	60,000	–	–	–	60,000
03/09/2018	31/05/2022	$1.3333	120,000	–	–	–	120,000
03/12/2018	31/05/2022	$1.3833	120,000	–	–	–	120,000
06/05/2019	31/05/2022	$1.3833	840,000	–	–	–	840,000
01/06/2019	31/05/2022	$1.3833	360,000	–	–	–	360,000
01/08/2019	31/05/2022	$1.3833	120,000	–	–	–	120,000
01/12/2019	31/05/2022	$1.3833	540,000	–	–	(100,002)	439,998
02/12/2019	31/05/2022	$1.3833	210,000	–	–	–	210,000
13/01/2020	31/05/2022	$1.3833	2,310,000	–	–	(90,000)	2,220,000
19/02/2020	31/05/2022	$1.3833	240,000	–	–	–	240,000
20/03/2020	31/05/2022	$1.3833	30,000	–	–	–	30,000
31/03/2020	31/05/2022	$1.3833	300,000	–	–	–	300,000
08/07/2020	31/05/2022	$1.3833	–	390,000	–	–	390,000
22/07/2020	31/05/2022	$1.3833	–	600,000	–	–	600,000
			9,430,008	**990,000**	**(240,006)**	**(190,002)**	**9,990,000**

In late August 2020, share options were impacted as part of the overall pre-IPO restructure. All of the issued share options were multiplied by a factor of 6 and the corresponding exercise price divided by 6 (rounded to 4 decimal places).

All of the vesting dates were accelerated at IPO so all options have vested.

The Board has determined that the last exercise date is 31 May 2022 for all options outstanding.

2020

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
16/10/2015	31/03/2021	$0.5000	950,004	–	–	–	950,004
14/03/2016	31/03/2022	$0.5000	390,000	–	–	–	390,000
01/04/2016	31/03/2022	$0.5000	180,000	–	–	–	180,000
16/02/2017	31/03/2022	$0.8250	80,004	–	–	–	80,004
31/03/2017	31/03/2023	$0.8250	1,069,998	–	–	(80,004)	989,994
09/06/2017	31/03/2023	$0.8250	300,000	–	–	–	300,000
20/09/2017	31/03/2023	$0.9567	120,000	–	–	–	120,000
23/11/2017	31/03/2023	$0.9567	300,000	–	–	(199,998)	100,002
22/01/2018	31/03/2023	$0.9567	90,000	–	–	(60,000)	30,000
01/04/2018	31/03/2024	$0.9567	890,004	–	–	(120,000)	770,004
05/05/2018	31/03/2024	$0.9567	270,000	–	–	–	270,000
01/08/2018	31/03/2024	$1.3333	60,000	–	–	–	60,000
03/09/2018	31/03/2024	$1.3333	120,000	–	–	–	120,000
03/12/2018	31/03/2024	$1.3833	120,000	–	–	–	120,000
06/05/2019	31/03/2024	$1.3833	–	900,000	–	(60,000)	840,000
01/06/2019	31/03/2025	$1.3833	–	360,000	–	–	360,000
01/08/2019	31/03/2024	$1.3833	–	120,000	–	–	120,000
01/12/2019	31/03/2024	$1.3833	–	600,000	–	(60,000)	540,000
02/12/2019	31/03/2024	$1.3833	–	210,000	–	–	210,000
13/01/2020	31/03/2030	$1.3833	–	2,310,000	–	–	2,310,000
19/02/2020	31/03/2030	$1.3833	–	240,000	–	–	240,000
20/03/2020	31/03/2030	$1.3833	–	30,000	–	–	30,000
31/03/2020	31/03/2030	$1.3833	–	300,000	–	–	300,000
			4,940,010	**5,070,000**	**–**	**(580,002)**	**9,430,008**

All of the share options were multiplied by a factor of 6 and the corresponding exercise price divided by 6 (rounded to 4 decimal places) to be comparable with the current year.

All options outstanding are exercisable at the end of the financial year.

The weighted average share price and exercise price during the financial year was $1.13 (2020: $1.10).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.17 years (2020: 5.27 years).

The share-based payment expense during the financial year was $3,942,000 (2020: $581,000) of which $3,603,000 (2020: $581,000) related to the Historic ESOP. Of the FY21 expense, $2,497,000 related to accelerated vesting of options at IPO.

Notes to the financial statements
31 March 2021

Note 34. Share-based payments continued

For the options granted during the current and previous financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
06/05/2019	31/03/2024	$1.3833	$0.9567	50.00%	–	1.40%	$0.475
01/06/2019	31/03/2025	$1.3833	$0.9567	50.00%	–	1.16%	$0.538
01/08/2019	31/03/2024	$1.3833	$1.3333	50.00%	–	0.86%	$0.450
01/12/2019	31/03/2024	$1.3833	$1.3333	50.00%	–	0.43%	$0.417
02/12/2019	31/03/2024	$1.3833	$1.3833	50.00%	–	0.43%	$0.417
13/01/2020	31/03/2030	$1.3833	$1.3833	50.00%	–	0.87%	$0.492
09/02/2020	31/03/2030	$1.3833	$1.3833	50.00%	–	0.75%	$0.482
20/03/2020	31/03/2030	$1.3833	$1.3833	50.00%	–	0.45%	$0.472
31/03/2020	31/03/2030	$1.3833	$1.3833	50.00%	–	0.45%	$0.470
08/07/2020	31/03/2030	$1.3833	$1.3833	50.00%	–	0.30%	$0.507
22/07/2020	31/03/2030	$1.3833	$1.3833	50.00%	–	0.30%	$0.503

2020 EEP

The 2020 EEP was implemented in August 2020, shortly prior to the IPO of the Group, to provide for ongoing equity-based remuneration of employees in the listed environment. Granting of share rights under the Group's short-term incentive plan and long-term incentive plan (as described further in the Remuneration Report) is facilitated by the 2020 EEP. As at 31 March 2021, a total of 895,994 rights to fully paid ordinary shares have been issued under the 2020 EEP, subject to the following conditions:

- achievement of applicable performance hurdles over the relevant performance period
- continued employment with the Group until the vesting date of the relevant tranche

In the financial year, a total share based payment expense of $339,000 was recognised in relation to issuance of share rights under the 2020 EEP (2020: nil).

Grant date	Share rights issued	Fair value at grant date
18/09/2020	210,843	$1.66
01/10/2020	512,047	$1.66
08/12/2020	173,104	$1.13

The fair value for the grants in September and October was the IPO price. Fair value for the grant in December was determined based on a 10-day volume weighted average trading price of Plenti shares.

Note 35. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2021 $'000
Loss after income tax	(438)
Other comprehensive income for the year, net of tax	–
Total comprehensive loss	**(438)**

Statement of financial position

	Parent 2021 $'000
Total current assets	66,995
Total non-current assets	1,423
Total assets	68,418
Total current liabilities	444
Total non-current liabilities	–
Total liabilities	444
Net assets	**67,974**
Equity	
Issued capital	105,934
Reserves	(37,522)
Accumulated losses	(438)
Total equity	**67,974**

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 31 March 2021.

Contingent liabilities

The parent entity had no contingent liabilities as at 31 March 2021.

Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 31 March 2021.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 36. Events after the reporting period

No matter or circumstance has arisen since 31 March 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Directors' declaration

31 March 2021

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 March 2021 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 30 to the financial statements.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Daniel Foggo
Director

Mary Ploughman
Director

24 May 2021
Sydney

Independent auditor's report

to the members of Plenti Group Limited

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Report

To the Members of Plenti Group Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Plenti Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 March 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 31 March 2021 and of its performance for the financial year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent auditor's report

Grant Thornton

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Initial Public Offering (IPO) accounting	
The Group listed on the Australian Securities Exchange (ASX) on 23 September 2020. To facilitate the IPO there was a reorganisation of the legal corporate structure. The restructure is considered to be a capital reorganisation that was accounted for as a continuation of the pre-IPO Plenti Group, as disclosed in Note 1. As part of the reorganisation, significant transaction costs were incurred. The introduction of a 'top hat' to the group prior to listing whilst common is a business combination transaction outside the scope of AASB 3 *Business Combinations*. The process is inherently complex and there is an accounting policy choice on how the group's financial reporting is presented. As a result, this is a key audit matter due to complexity and judgements involved within the assessment of the transaction being outside of the scope of AASB 3 *Business Combinations* and requires a choice of accounting policy on how the group's financial reporting is presented as well as the treatment of any related costs.	Our procedures included, amongst others: • Agreeing the recorded proceeds from the issuance of shares to supporting documentation; • Agreeing a sample of transaction costs to supporting documentation and assessing whether they were capitalised in accordance with the Group's accounting policy and the accounting standards; and • Assessing the accounting applied for the introduction of Plenti Group Limited as the new head company into the Group structure is in accordance with the Group's accounting policy and the accounting standards.
Customer loan recoverability	
As at 31 March 2021, the Group recognised $12.9m of expected credit loss (ECL) provisions in accordance with AASB 9 *Financial Instruments* as disclosed in Note 10. The recoverability of the loan carrying values is impacted by the quality of the loan assessment and origination process, the value of security held, the performance of the loan book and factors external to the Group such as economic conditions. Under AASB 9, entities need to perform forward looking analysis in order to identify internal and external factors that may impact expected credit losses which required significant management judgement. The accounting standard also requires more detailed analysis on assets that have experienced a significant deterioration in credit quality based on a 3-stage model. The Covid-19 pandemic continues to be a significant influence to the economy, and so consideration is required for the economic impact such as an additional overlay to the ECL allowance. This process is inherently complex and requires a level of judgement and assumptions and is therefore considered important to the audit. We have determined this is a key audit matter as this assessment requires the exercise of significant judgement about internal and external factors that may impact expected credit losses.	Our procedures included, amongst others: • Proving mathematical accuracy of the ECL model and testing inputs to support; • Assessing the appropriateness of assumptions used in the model in relation to external and internal factors. This included an analysis of the reasonableness of assumptions in the ECL model when compared to historical loan book performance, other financial institutions and market commentary; • Preparing a sensitivity analysis of the ECL model, including management's Covid-19 overlay; • Comparing classification and measurement assessment for all financial assets and liabilities; and • Comparing the disclosures relating to accounting estimates for compliance with AASB 7 *Financial Instruments: Disclosures* and AASB 9.

Grant Thornton

Revenue recognition	
The Group reported interest income of $38.8m for the year ended 31 March 2021 and reported net loans receivable of $591.6m at year end. Interest income on customer loans is determined using the effective interest rate (EIR) method in accordance with AASB 9 *Financial Instruments*. The Group's disclosure over the effective interest rate is disclosed in Note 4. The EIR is used for revenue recognition and will encompass any fees or other charges that are incurred by a customer at the time of acquiring a loan asset by the Group. Consequently, these fees (or expenses) are not recognised at the time the cash is collected but over the life of the loan asset contract. Significant judgement is required in determining which fees and charges qualify for the EIR method and over which period of time the fees are recognised. The EIR model is both a manual and complex model and may be subject to arithmetical errors. This process is inherently complex and requires a level of judgement and manual processing and is therefore considered important to the audit. We have determined this is a key audit matter as this assessment requires the exercise of significant judgement and manual processing.	Our procedures included, amongst others: • Assessing the policy of revenue recognition for any new lines of revenue and comparing to requirements of the accounting standards; • Obtaining management's EIR model and proving mathematical accuracy; • Inspecting a sample of loan contracts and verifying the fees and charges as part of the loan contract; • Obtaining management's effective life model for loans and proving mathematical accuracy; • Inspecting a sample of loan contracts and verifying their start and end dates agree to data in the effective life model; • Inspecting and analysing EIR accounting entries; and • Comparing financial report disclosures to requirements of AASB 9 and AASB 101 *Presentation of Financial Statements*.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 March 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report

GrantThornton

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilites/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 32 to 41 of the directors' report for the financial year ended 31 March 2021.

In our opinion, the Remuneration Report of Plenti Group Limited for the financial year ended 31 March 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton Audit Pty Ltd
Chartered Accountants

M A Adam-Smith
Partner – Audit & Assurance

Sydney, 24 May 2021

Additional Information

"Working with Plenti has been a significant boost to our sales process and really helped us offer our customers the best possible finance solutions.

Plenti offers the complete package with attractive finance options, convenient application processes and integrated systems that make the entire process fast and friendly. They have a friendly customer-focused approach and are partners we are very happy to put forward to our customers."

Kyle Jenkins, Chief Operating Officer
Clipsal Solar, Schneider Electric Venture

Shareholder information

31 March 2021

The shareholder information set out below was applicable as at 30 April 2021.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares		Options over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total shares issued
1 to 1,000	277	0.11	–	–
1,001 to 5,000	1,477	2.00	–	–
5,001 to 10,000	293	1.31	–	–
10,001 to 100,000	413	6.78	28	12.41
100,001 and over	102	89.80	30	87.59
	2,562	100.00	58	100.00
Holding less than a marketable parcel	47	–	–	–

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
MARJORIE JEAN FOGGO & VERITAS (2012) LIMITED	35,417,643	20.97
CARSALES.COM LIMITED	10,716,378	6.34
EQUITY TRUSTEES LIMITED	7,388,027	4.37
CARSALES FINANCE PTY LTD	5,368,908	3.18
FIVE V BARE NOMINEE NUMBER 2 PTY LTD	5,228,253	3.10
MYER FAMILY INVESTMENTS LIMITED	4,463,134	2.64
FIVE V FUND II LP	4,461,590	2.64
D'AZUR HOLDINGS PTY LTD	4,372,159	2.59
JAMES ANTHONY CARNIE & LUCY ANNABEL HARRIET MILSOM	4,068,000	2.41
ROBYN LESLEY BARNETT SIMON GLENN RIDDELL	4,068,000	2.41
UBS NOMINEES PTY LTD	3,750,518	2.22
ORCHID EQUITY LIMITED	3,652,098	2.16
BIRDSONG CAPITAL LIMITED	3,177,595	1.88
ANDREW WADE JONES	3,055,212	1.81
CORUNNA ASSET MANAGEMENT LIMITED	2,900,676	1.72
STURT CAPITAL PTY LTD	2,879,868	1.70
GPMG HOLDINGS LIMITED	2,725,374	1.61
WILBOW GROUP PTY LTD	2,662,411	1.58
CITICORP NOMINEES PTY LIMITED	2,640,919	1.56
CS THIRD NOMINEES PTY LIMITED	2,420,000	1.43
ANTHONY RHYDIAN LEWIS	2,087,880	1.24
	117,504,643	**69.56**

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	9,990,000	58

Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
MARJORIE JEAN FOGGO & VERITAS (2012) LIMITED < WESTBOURNE A/C >	35,417,643	20.97
CARSALES COM LIMITED	10,716,378	6.34
CARSALES FINANCE PTY LTD[1]	5,368,908	3.18
FIVE V BARE NOMINEE NUMBER 2 PTY LTD[2]	5,228,253	3.10
FIVE V FUND II LP[2]	4,461,590	2.64

Note:

1. Related entity to Carsales Limited.
2. Related entities which combined are a substantial shareholder with over 5% of total shares issued.

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and, upon a poll, each share shall have one vote.

There are no other classes of equity securities.

Securities subject to voluntary escrow

Class	Expiry date[1]	Number of shares
Fully paid ordinary shares	4.15pm on the Trading Day on which the Company's full-year results for FY2022 are released to the ASX	131,167,046

Note:

1. The expiry date is the last day that the remaining escrowed shares can be released.

Corporate directory

31 March 2021

Directors

Mary Ploughman
Daniel Foggo
Susan Forrester AM
Martin Dalgleish
Peter Behrens

Company secretaries

Euh (David) Hwang
Benjamin Milsom

Registered office and principal place of business

Level 5
14 Martin Place
Sydney NSW 2000

Share register

Automic Pty Limited
Level 5/126 Phillip Street
Sydney NSW 2000

Auditor

Grant Thornton Audit Pty Ltd
Level 17
383 Kent Street
Sydney NSW 2000

Stock exchange listing

Plenti Group Limited shares are listed on the Australian Securities Exchange (ASX code: PLT)

Website

www.plenti.com.au

Corporate Governance Statement

www.plenti.com.au/shareholders/corporate-governance

Plenti

www.plenti.com.au