Plenti 1H22 Results Presentation

6 months to 30 September 2021

ASX RELEASE
Plenti Group Limited (ASX:PLT)
Authorised for release by the Board of Plenti Group Limited
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Plenti

Highlights

Operational Performance

Financial Results

Outlook

Who we are

Plenti

Plenti is a fintech lender.

We are Australia's largest fintech consumer lender.

We are differentiated by our proprietary technology platform and technology capabilities.

We're taking market share in three lending verticals – automotive, renewable energy and personal finance.

We have a significant growth runway in each of our large, prime customer lending markets.

We're just **getting started.**

We're on a mission

Purpose

To bring our customers' big ideas to life

Vision

Fairer, faster loans through smart technology

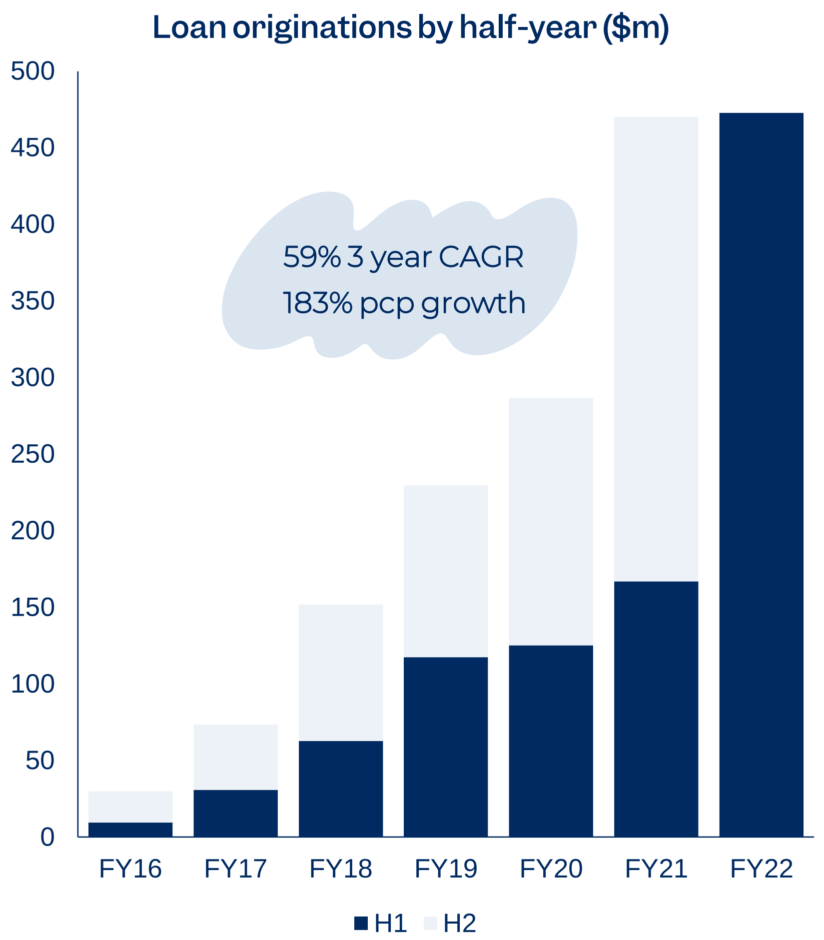
Mission

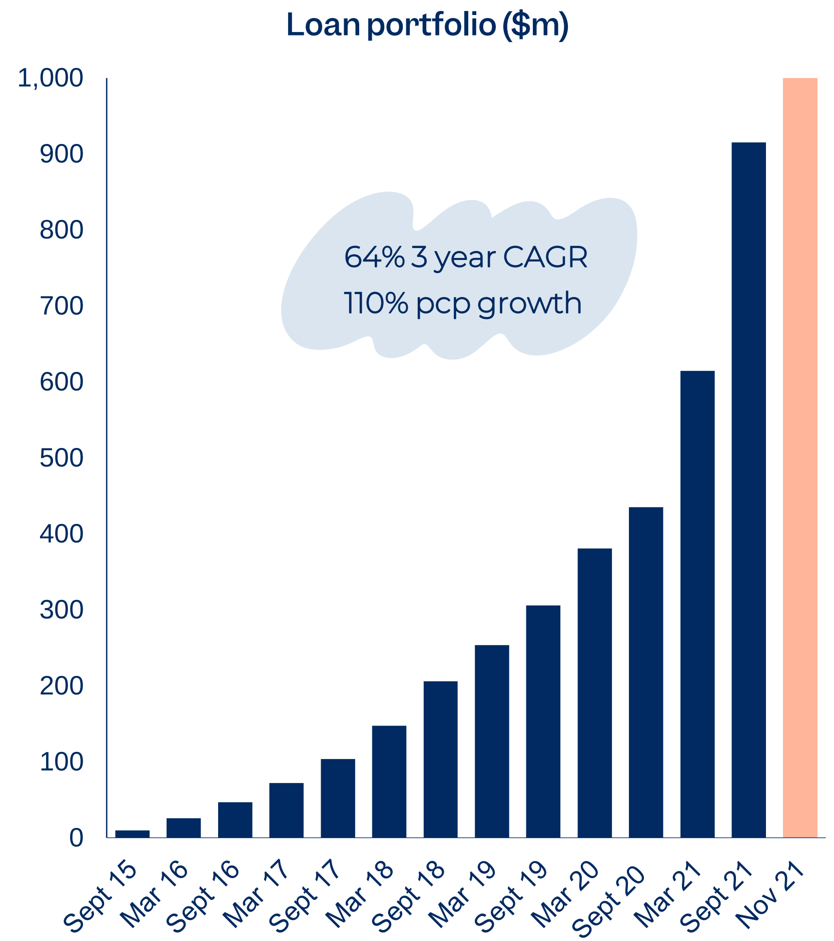
To build Australia's best lender

Our growth

Plenti

We have a long track record of achieving strong growth, which has now accelerated.





Note. Nov 21 loan portfolio of $1bn is as at 12 November 2021.

Our H1 highlights

Plenti

We delivered an exceptional half-year.

Originations	Loan portfolio	Revenue	Cash NPAT
$473m	$915m	$37m	$(2.2m)
+183% pcp	+110% pcp	+43% pcp	56% improve on prior half

90+ arrears
26 bps
down 16 bps pcp

Launched commercial auto loan in May, doubling our auto TAM

Inaugural $306m auto loan ABS in August, substantially reducing funding costs

Net cash position maintained from 31-Mar despite >$300m increase in loan portfolio

Our priorities achieved

Plenti

Our strong H1 performance has allowed us to achieve financial priorities ahead of target.

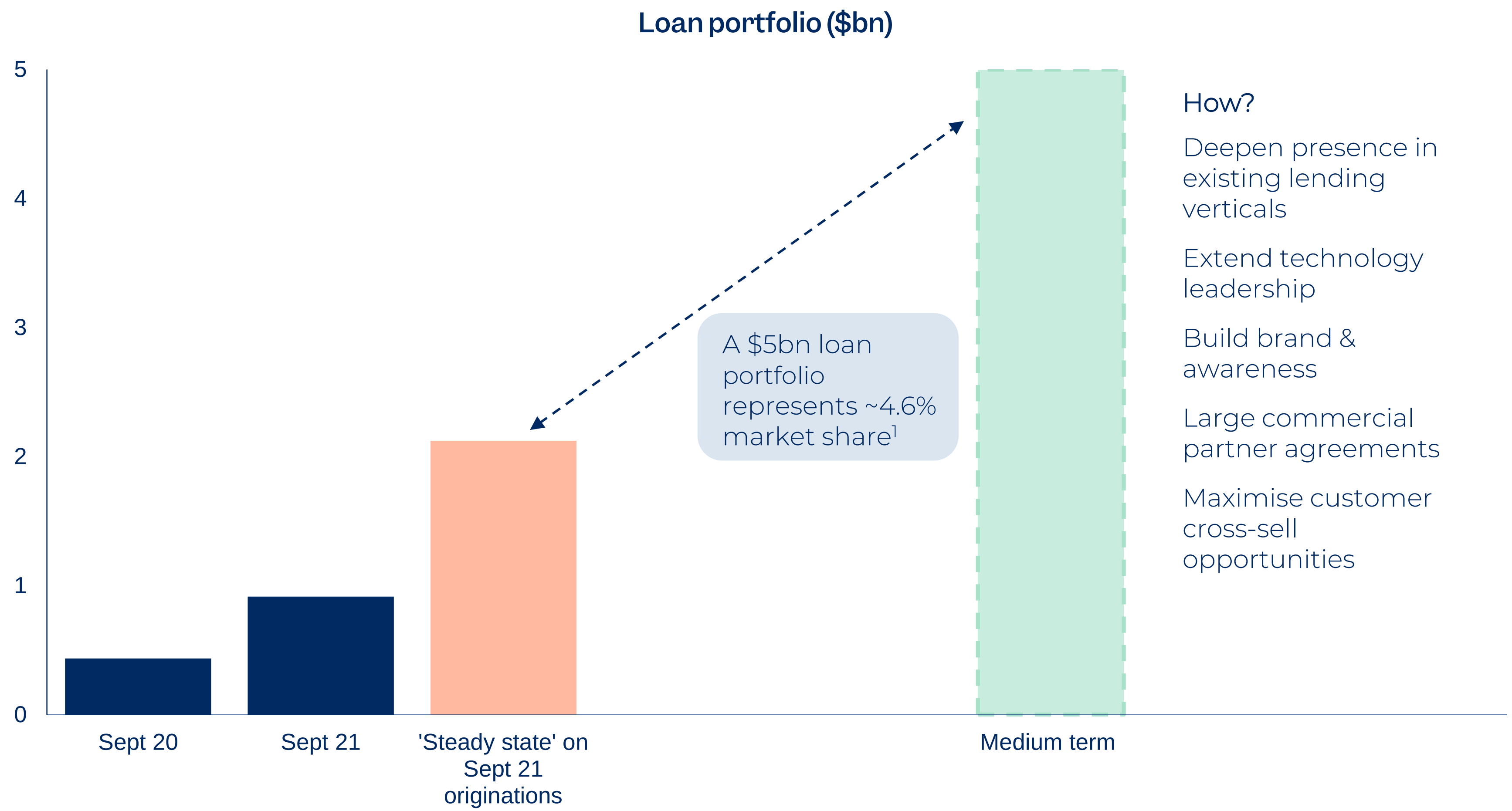
	Financial objectives announced May 2021[1]	Status November 2021
Growth	• Reach $1bn loan book by March 2022	• **$1bn loan book** achieved 12 November ✓
Profitability	• Achieve positive monthly Cash NPAT prior to June 2022, while investing in and achieving strong growth	• **Cash NPAT positive** in October and on upward trajectory ✓
Efficiency	• Drive towards cost-to-income ratio of below 35% over medium term	• **On track** as benefits of scale continue to be delivered

Note. In its Q2 FY22 trading update released on 12 October 2021, Plenti brought forward its $1bn loan look target to the December quarter from March 2022,and brought forward its positive monthly Cash NPAT target to by December 2021 from June 2022.

Our ambition

Plenti

We've set an ambition to achieve a $5bn loan portfolio in calendar 2025.



How?

Deepen presence in existing lending verticals

Extend technology leadership

Build brand & awareness

Large commercial partner agreements

Maximise customer cross-sell opportunities

Note. Steady state represents loan book reached if Plenti continues to fund $95.5m each month based on September 2021 product mix and management estimates of loan portfolio amortisation. 1. Market share based on estimated market size of $108bn, representing RBA reported non-mortgage personal credit of $139bn less RBA reported credit card balances of $31bn at September 2021.

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Automotive – H1 performance

Plenti

We achieved exceptional growth in our prime automotive lending.

H1 highlights

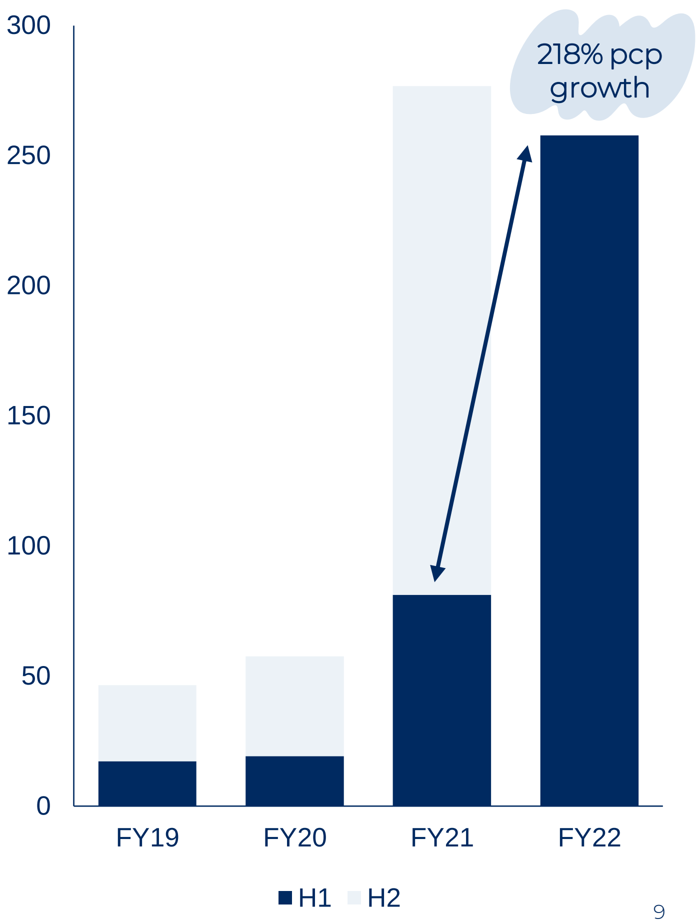
- Strong loan origination growth, including through lockdown periods
  - Driven by market share gains with specialist auto brokers
- Commercial auto loan launched in May, approximately doubling our automotive market opportunity
- Issue of $306m auto ABS, significantly reducing funding costs
  - 87.8% of receivables rated Aaa by Moody's
- Exceptional auto credit performance maintained

↑ **$464m** Loan book, up 218% on pcp

↑ **218%** H1 lending growth on pcp

↑ **36%** H1 new car loan originations

Auto lending by half ($m)



Automotive – opportunities

Plenti

Our continued automotive growth is supported by exciting initiatives underway, as well as ongoing structural changes and our technology advantages.

Growth drivers in place

- Strategic entry into the electric vehicle (**EV**) financing market (see over)
- Commercial auto loan roll-out
  - Currently only introduced to <15% of our auto specialist referral partners
  - Positive commercial loan market dynamics
- Integrations with new online car retail businesses
  - Overseas experience suggests these models will take proportion of 'dealer' market

Automotive lending market

$35bn+ annual lending[1]

2% estimated Plenti market penetration

Why Plenti?

"Plenti being one of our primary lenders across our extensive panel, have cemented their position in the market, they have fantastic service, quick turnaround times, user friendly digital platform that allows ease of use for clients and brokers. They have a plethora of competitive lending products to suit. Highly recommend."

Adam Clark, General Manager, 360 Finance

"We are constantly impressed with the service that we get from our Plenti BDMs and the efficiency of the credit team. Their technology is best in market offering an easy-to-use broker portal, API functionality and electronic settlement process which allows us to process more deals in less time."

Blair Hammond, Director, Buddii

"Plenti is no longer "a new kid on the block lender", … Plenti's technology has allowed for incredibly consistent SLAs with a seamless process for brokers and more importantly, our clientele."

Julian Fayad, MD, Loan Options

"Plenti plays a crucial role within our business …. the quick turnarounds & electronic signups allows us to settle more deals – at the same time with less paperwork! We've had numerous deals approved and settled within the same day - which make us look amazing to our customers."

Jordan Ryan, Director, Jet Team Finance

Notes:
1) Annual lending 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. Estimated penetration is based on Plenti's share of estimated annual lending.

Strategic EV market entry

Plenti

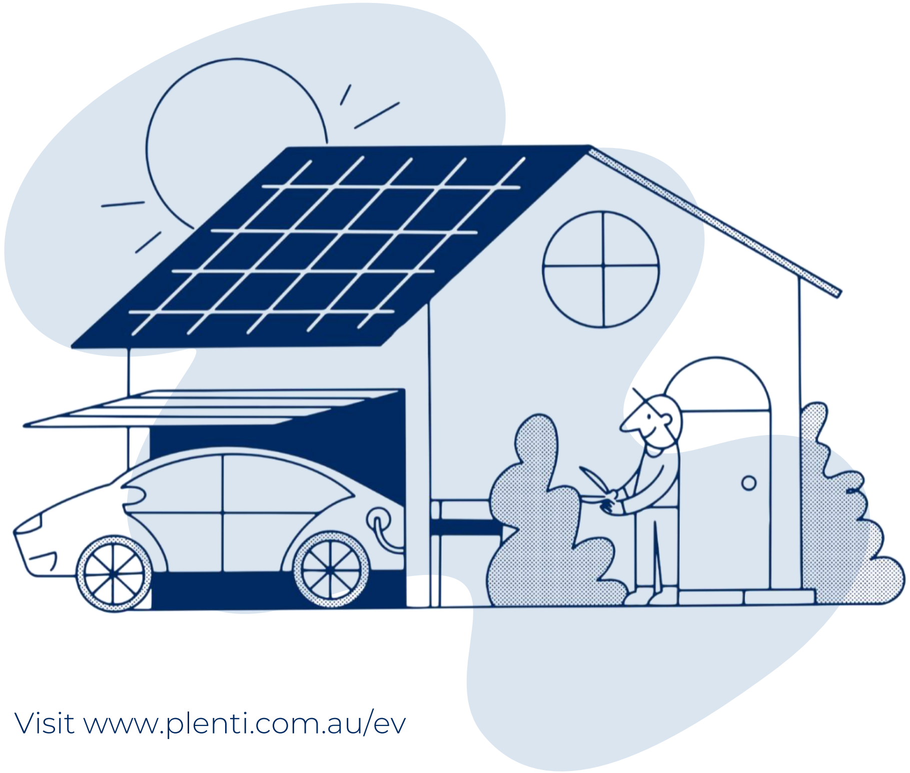
We've strategically launched into the EV finance market, where we're well-placed to build a leading presence.

Why Plenti?

- Our technology-led, digital first business model fits manufacturer move to sell EVs sales model
- We have expertise in both auto and home renewable energy finance
  - Synergies for EV customers in acquiring home renewable energy systems and smart tech
- We're experienced in delivering government subsidies, an important catalyst for adoption

Our EV offering

- EV specific finance for direct-to-consumer and broker distribution, with features including:
  - Discounted rates, reflecting lower cost funding and lower credit risk
  - Easy loan top-ups for purchasing charging infrastructure and downloadable upgrades
  - Integrated discounted EV-specific insurance and EV buying service
- Finance provider agreement with an EV manufacturer entered into in October
  - Already delivering material demand



Visit www.plenti.com.au/ev

Note. Loan top-up and discounted EV insurance partner offering expected to launch in December. Online sales model rather than traditional dealer model utilised to sell or take EV orders by Tesla, Mercedes, Hyundai, Genesis, Kia and other EV manufacturers.

Renewable finance – H1 performance

Plenti

Our renewable energy growth accelerated through our introduction of BNPL finance.

H1 highlights

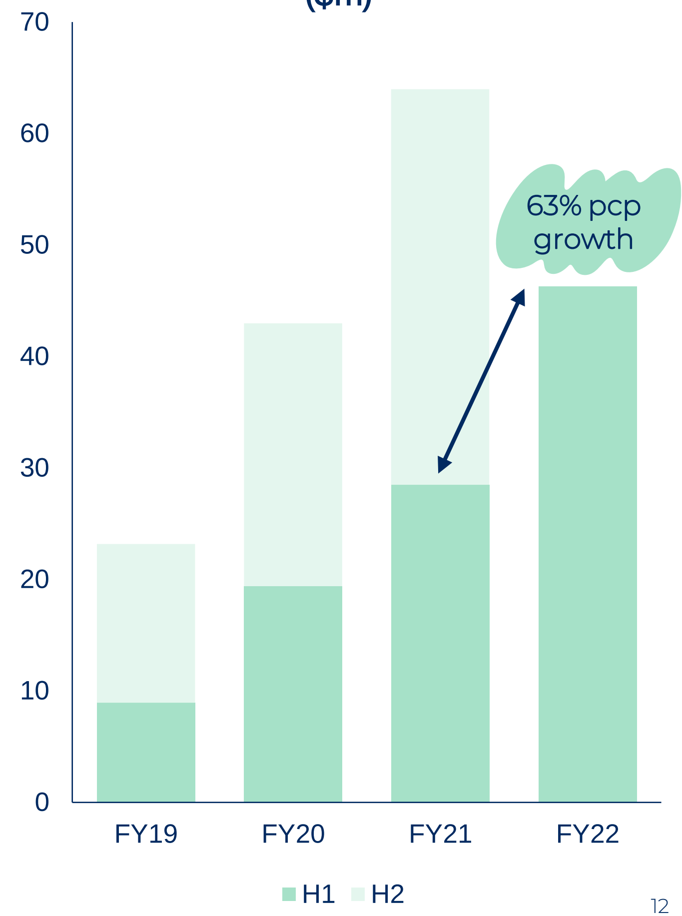
- Strong merchant uptake of our BNPL finance offering, which was launched at start of calendar 2021
  - BNPL now represents ~60% of renewable finance demand
- Onboarded >100 new merchant partners
  - Total merchant partners now over 800
- Continued delivery of the both the S.A. Home Battery Scheme and NSW Empowering Homes Program pilot
  - We have paid over $70m of subsidies to S.A. households, in addition to our lending, supporting installation of over 175MW of energy storage

↑ $114m
Loan book, up 60% on pcp

↑ 63%
H1 lending growth on pcp

↑ 15%
H1 origination # with batteries

Renewable finance lending by half ($m)



Renewable finance – opportunities

Plenti

We're implementing partnerships that will help Australian households save money and reduce their carbon footprint, whilst growing our presence in renewables.

Growth drivers underway

- Continued merchant adoption of our BNPL offering
- Win this month of finance partnership with a major energy retailer, following competitive tender process
- Continued penetration/adoption of home batteries
- Launching bundled energy (supply, storage, finance) solutions with energy retail partners, with first partnerships expected to commence in H2

EnergyAustralia

social® ENERGY

Renewables household finance market

378k solar installations annually[1]

8% estimated Plenti market penetration

Why Plenti?

"In an ever-changing environment, Plenti's technology-led application process and continuous innovation allows our business to deliver superior customer outcomes."

Ryan O'Donahue, Director, Precision Solar and Battery

"Working with Plenti is fantastic. Their portal, application process and customer service is great. Having a personal BDM who is working along with you to drive an outcome is what my team needs."

Jonathan Green, Director, Teho Solar

"A company is a product of its people. It's the people at Plenti making applications for our customers seamless and carefree. We consider Plenti an extension of our team."

Sagar Sood, Head of Growth & Strategy, Clipsal Solar, Schneider Electric Venture

"The team at Plenti are always available to support our sales team. The application process integrated within our CRM is seamless and easy for our customers. Always a pleasure to deal with Plenti!."

Daniel Lanzetta, Director - Smart Energy Answers

Notes:
1) Clean Energy Council, Clean Energy Australia Report 2021 . There were 378,451 solar installations in 2020, versus 287,504 in 2019, representing 32% growth
Renewable energy market size and market penetration based on Plenti's estimate of OEM and installer-led point-of-sale solar, inverter and home battery finance provided to consumers.

Personal lending – H1 performance

Plenti

We delivered strong H1 loan originations despite the impact of lockdowns on demand.

H1 highlights

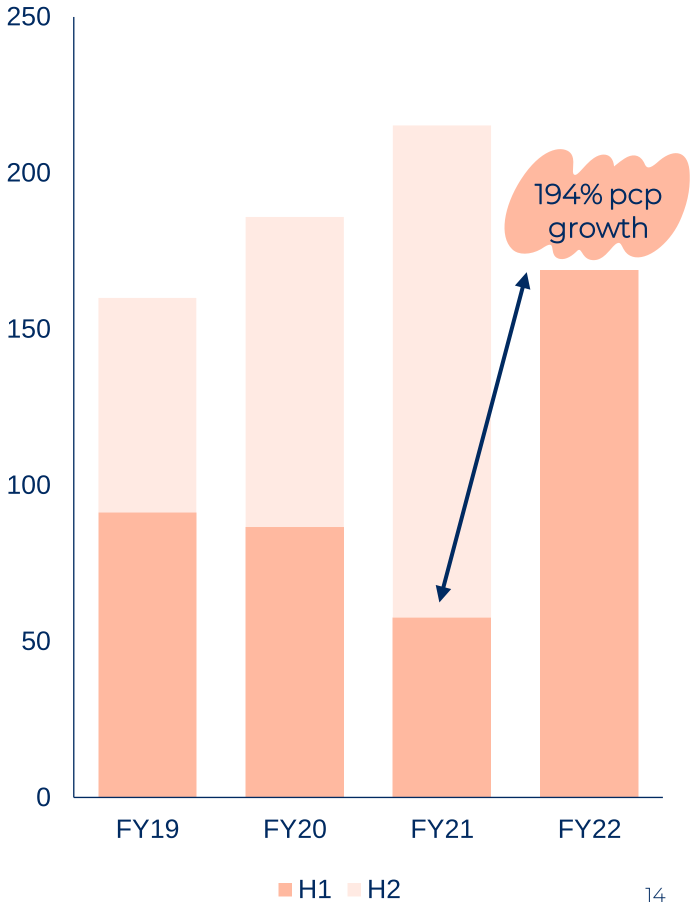
- Strong loan origination growth, including through lockdown periods
  - 7% growth in Q1 and again in Q2, despite lockdowns in NSW having a significant impact on demand in the state
  - Driven by market share gains in the broker channel, higher levels of repeat and cross-sell borrowers and ongoing shifts in consumer behaviour
- Executed preparations for Plenti's significant brand campaign

↑ **$337m** Loan book, up 55% on pcp

↑ **194%** H1 lending growth on pcp

↑ **18%** Lending existing customers

Personal lending by half ($m)



Note. Lending to existing customers statistic excludes legal fee loans and is up from 16% in 2H21.

Personal lending – opportunities

Plenti

We continued to drive a consumer-led shift to superior digital offerings.

Growth drivers underway

- Return of traditional loan purposes which have been impacted during lockdowns (e.g. travel, medical, weddings, etc.)
- Continued enhancement of customer cross-sell capabilities
  - Plenti has funded >85k unique borrowers and has >560k customer profiles in its ecosystem
- Our first significant brand campaign
- Remains a fragmented market with fintechs attracting customers and gain market share

Personal lending market

$12bn+ annual lending[1]

3% estimated Plenti market penetration

Why Plenti?

Professional , clear and quick

published 2 weeks ago

Excellent communications and clarity from the team in respect to my enquiry and then my subsequent loan approval. I was very pleased and all my questions were answered easily . Very professional outfit.

Transparency | Customer Service

Excellent

published 3 days ago

Excellent communication and so fast and easy to do. I applied and within 24 hours I got my loan approved and money in my account. I couldn't recommend Plenti enough!

Transparency | Customer Service

This is second loan, we were happy first time and come back

published 2 weeks ago

Customer service was great, all costs were up front, and the interest rate is the best lower than 99% of others. We are really very happy and satisfied with Plenti

Transparency | Customer Service

Our personal loan strengths

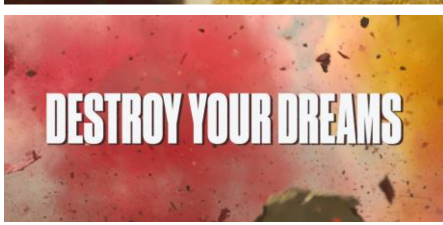
- Customer reach
- Customer experience
- Conversion efficiency
- Economics

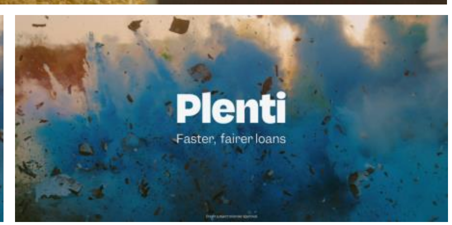
Note. Annual lending calculated from ABS 5601.0 Table 27 LTM to Sept 21. Estimated penetration is based on Plenti's share of estimated annual market loan originations..
Customer reviews on this page are recent reviews from ProductReview.com.au.

Brand development

Plenti

Our high impact **“Destroy your dreams. Make them real”** campaign is underway.





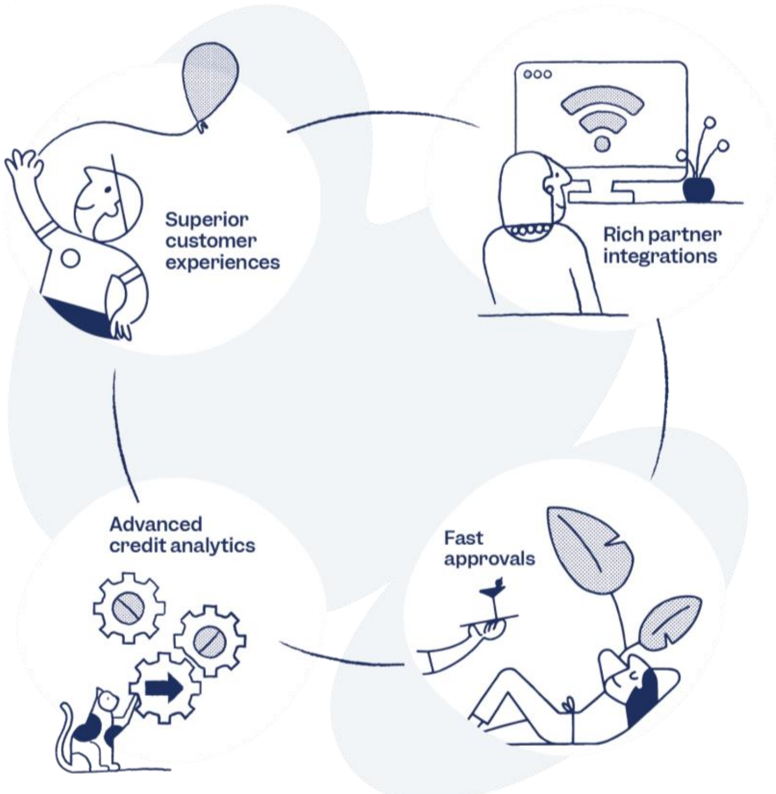
Campaign highlights

- Committed to building our brand and expanding our direct-to-consumer presence
- Edgy, punchy, fun campaign launched in November across digital media
  - Emphasises our purpose, which is to bring our customers’ big ideas to life
  - Deployed across YouTube, Pinterest, Facebook, Instagram and sponsored content
- Expected to support all lending verticals, but especially benefit our direct-to-consumer personal loan offering

Proprietary technology

Our technology underpins our competitive advantages and helps explain our superior growth and operational leverage.

Proprietary technology with a difference



Selected H1 highlights

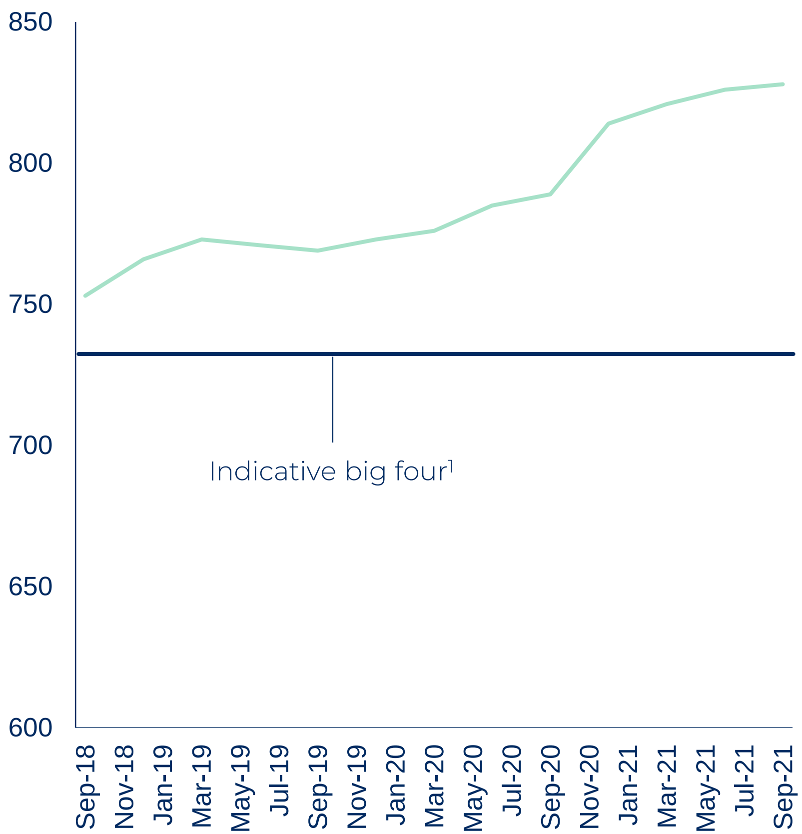
- Build of custom EV offerings for i) broker and direct channels, and ii) manufacturers
- Deployment of credit algorithm and automated credit technology, enhancing accuracy and efficiency
- Deployment of loan application, credit decisioning and loan settlement technology, accelerating customer end-to-end experience
- Deployment of commercial automotive loan, with industry-leading digital end-to-end processes
- Deployment of loan settlement and vendor payment enhancements
- Deployment of repeat borrower experience enhancements

Credit performance

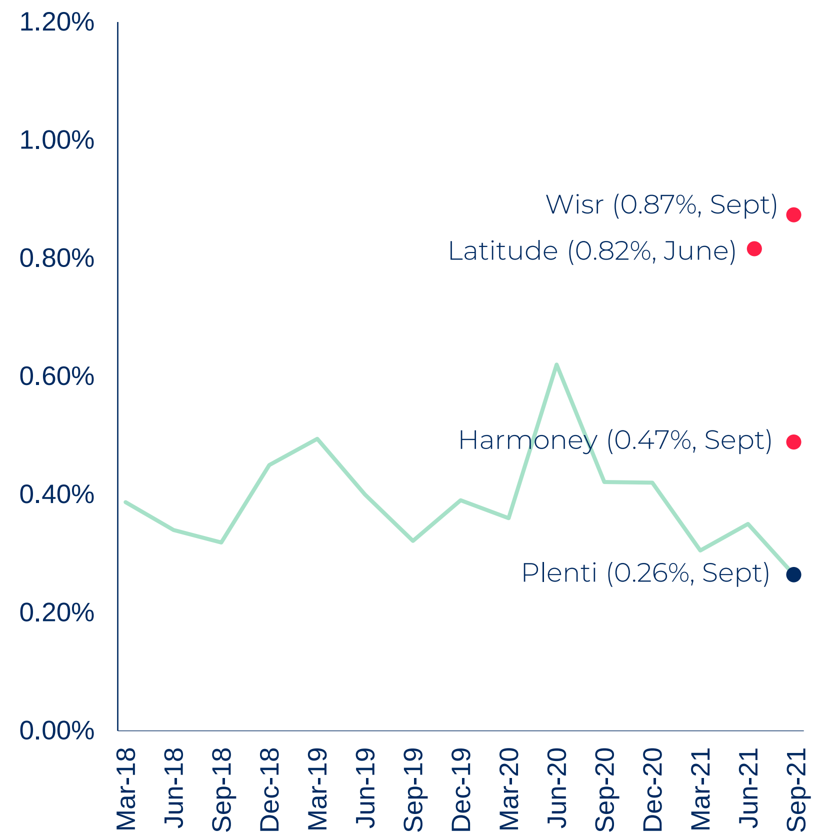
Plenti

We maintain a low-risk, prime loan portfolio, with market leading levels of arrears.

Average credit score on loan portfolio



90+ days arrears



Note:
1) Represents major bank simple average for consumer loan (predominantly personal loans and credit cards portfolios noting Westpac secured automotive loan arrears not disclosed) sourced from respective results presentations (as at 31 March 2021 except CBA which is at 31 December 2020)
2) Plenti 90+ days arrears calculated as total value of loans over 90 days in arrears but not yet written off divided by loan portfolio value. Reported arrears rate impacted by lender policy with respect to loan write-off. Other lender 90+ days arrears as reported in recent ASX releases. Plenti writes of auto loans at 120 days and other loans at 180 days, other lenders may have different write-off policies. Plenti unsecured 90+ day arrears were ~0.50% at 30 September 2021
Plenti's annualized net loss rate for the half year was 0.70%

Plenti

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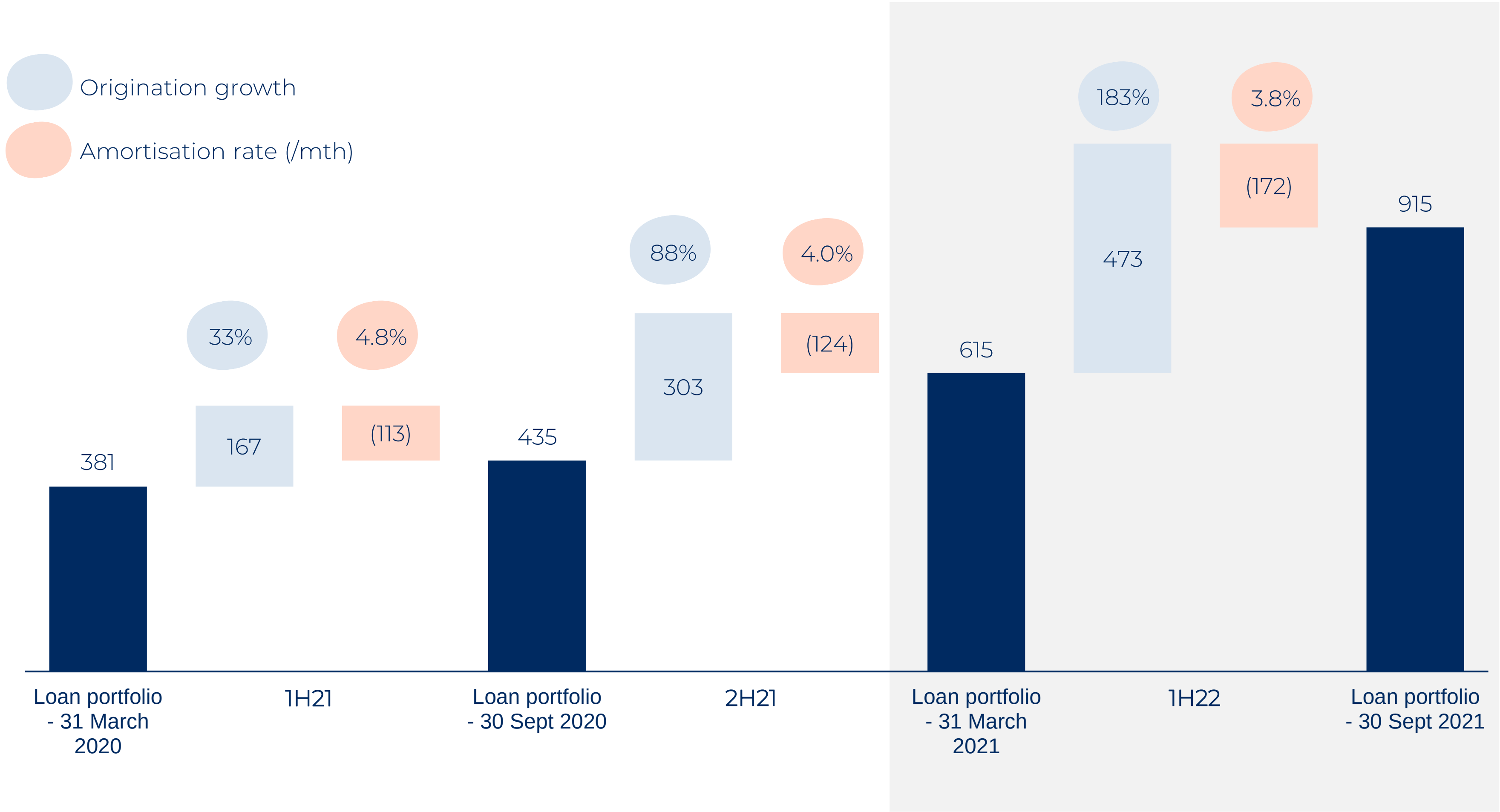
We delivered strong results 1H22 across growth, profit drivers and balance sheet efficiency.

Growth	**Loan portfolio**	183% origination growth driving 92% increase in average portfolio on pcp as loan amortisation slowed
	Revenue	Revenue up 43% on pcp to $37.2m, interest revenue up 53% on pcp
Profit drivers	**Margins**	37% improvement in funding rate on pcp and realised credit losses down to 0.7% of average loan portfolio
	Costs	Operating costs grew at 1/3 of origination and 2/3 of loan book growth on pcp
	Cash NPAT	Cash NPAT result of $(2.2)m – 56% improvement on 2H21
Funding	**ABS transaction**	$306m inaugural transaction completed in August, setting Plenti up for programmatic issuance
	Funding equity	Significant reduction in automotive warehouse equity requirements
	Corporate cash	$29.3m, flat on 31 March balance despite $300m portfolio growth

Originations and loan portfolio

Plenti

Accelerating originations and slowing amortisation drove strong growth in our loan portfolio.



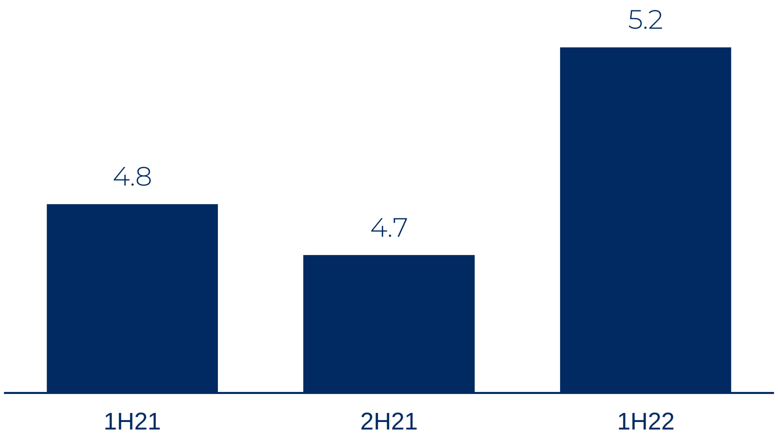
Note: 1) Amortisation rate calculated as ((opening loan portfolio + loan originations in period – closing loan portfolio) / average period loan portfolio / six) – see appendix for further details.

Margins

Plenti

Our NIM post credit losses expanded as a result of a material decline in funding costs and low credit losses.

NIM post credit losses (%)



(%)	1H21	2H21	1H22
Interest yield	12.1	10.5	9.7
Funding rate[1]	6.3	5.2	4.0
Realised loss rate	1.1	0.8	0.7

- NIM post credit-losses increased to 5.2% in the period
- Key driver of improvement was 1.2% reduction in funding rate due to growing share of securitised funding
  - ABS transaction contributed >100bps improvement for $300 million of loans but only impact ~1.5 months in half
  - September portfolio funding cost (post ABS) of 3.4%
- Reduction in interest yield primarily reflects shift to automotive and renewable loans
  - Average rate for new loans in Q2 FY22 of ~9.4%
- Declining loss rate reflects transition to lower risk automotive and renewable energy loans and benign credit environment

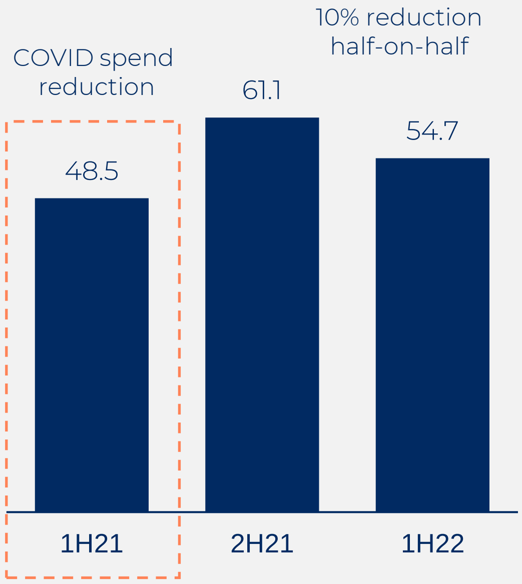
Notes:
1) Funding rate calculated as total funding costs / average funding debt. Other rates calculated as percentage of average loan portfolio

Operating leverage

Our cost ratios improved materially due to strong origination growth.

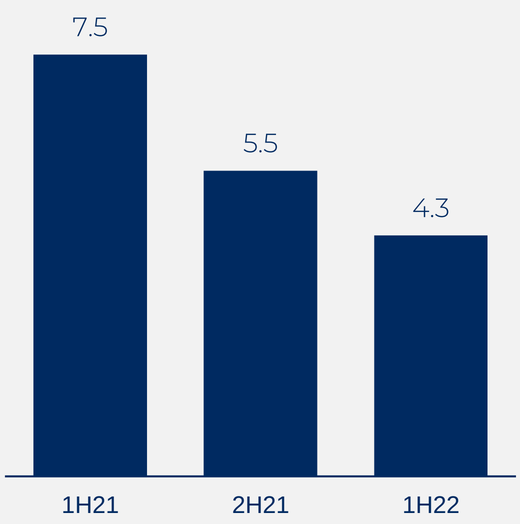
Operating cost[1]/income ratio (%)

- Cost / income reduced >10% from 2H21 despite revenue lagging loan origination growth
- 1H21 costs impacted by COVID – spend cutbacks and slower origination growth



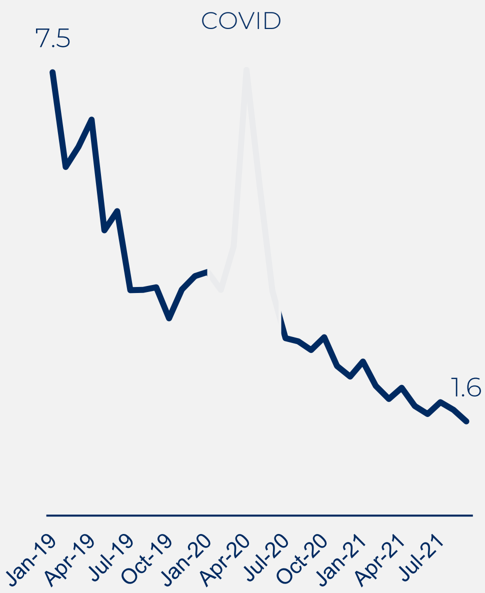
Operating cost[1]/originations ratio (%)

- Cost / originations continues to decline with scale
- Note that increased broker originations does accentuate



Employees/$1m originations

- Significant growth in originations relative to employee costs, our major cost line



Note: 1) Operating cost calculated as the sum of Sales & marketing, Product Development and General & administrative expenses.

P&L summary

Plenti

Our Cash NPAT improved by 58% from 2H21 to 1H22.

($m, 6 months ending 30 Sept, pro forma[1])	1H21	2H21	1H22	1H22 vs 1H21	1H22 vs 2H21
Interest revenue	23.9	26.8	36.6	53%	37%
Other income	2.1	0.4	0.6	(72)%	65%
Total revenue pre transaction costs	**26.0**	**27.2**	**37.2**	**43%**	**37%**
Transaction costs	(1.0)	(1.8)	(3.2)	227%	83%
Net income	**25.0**	**25.4**	**34.0**	**36%**	**34%**
Funding costs	(12.3)	(12.7)	(14.5)	18%	14%
Expense passed to unitholders	(0.1)	0.1	(0.2)	28%	nm
Customer loan impairment expense	(3.0)	(4.3)	(6.0)	97%	40%
Realised loan impairment expense	*(2.2)*	*(2.2)*	*(2.5)*	*16%*	*17%*
ECL provision expense	*(0.9)*	*(2.1)*	*(3.5)*	*307%*	*64%*
Sales and marketing expense	(4.0)	(5.6)	(7.3)	83%	30%
Product development expense	(2.5)	(3.0)	(3.3)	34%	9%
General and administration expense	(6.1)	(7.9)	(9.7)	59%	23%
Operations expense	*(2.2)*	*(3.7)*	*(4.6)*	*104%*	*23%*
Other overhead expense	*(3.9)*	*(4.2)*	*(5.2)*	*33%*	*24%*
Depreciation & amortisation	(0.4)	(0.4)	(0.5)	19%	25%
NPAT	**(3.4)**	**(8.5)**	**(7.5)**	**117%**	**(12)%**
Cash NPAT[2]	**(1.5)**	**(5.1)**	**(2.2)**	**49%**	**(56)%**

- Comparison of current period to 1H21 impacted by COVID – costs not comparable
- 2H21 vs 1H22 provides more meaningful comparison noting that revenue growth lags origination growth while costs have more direct relationship, which will suppress reported profit in periods of high growth
- Total revenue growth vs 2H21 of 37% was 1.6x growth in aggregate costs (ex-ECL)[3] of 23%
- Drove improvement in bottom line – Cash NPAT improved to $(2.2) million
- Detailed cost analysis set out in appendix

Note: 1) Refer to 1H21 results presentation for a reconciliation of pro forma to statutory results. 2) Refer to page 35 for a reconciliation between NPAT and Cash NPAT. 3) Costs calculated including all business costs – transaction costs, funding costs, operating costs and depreciation but excludes ECL

Balance sheet and cash flow

Plenti

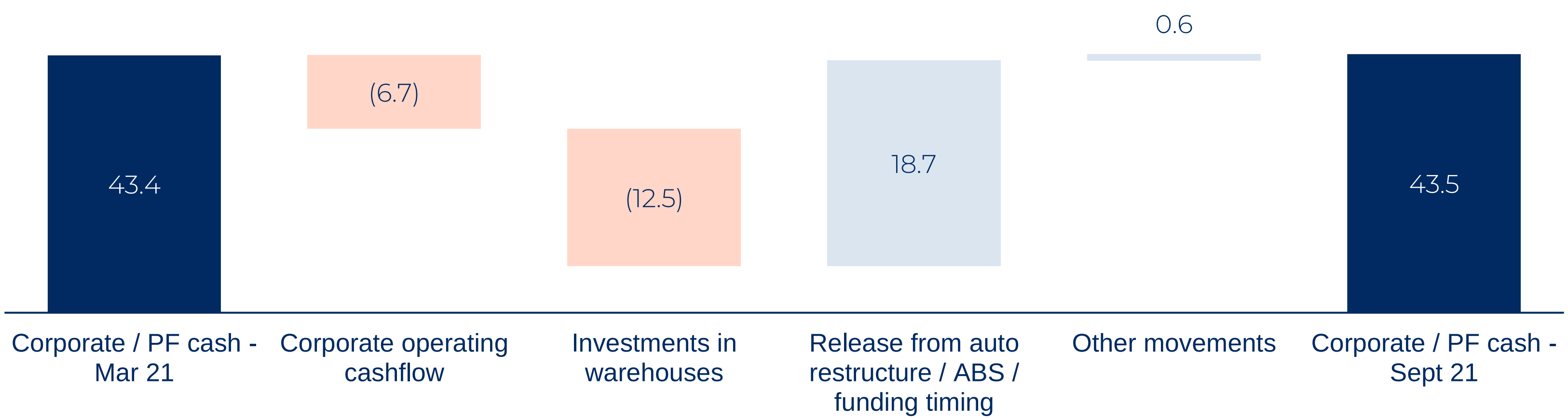
Our cash balance remained flat despite loan portfolio growth of ~$300m as a result of improved efficiency of securitised funding structures.

- Corporate cash remained flat between March and September despite significant growth in the loan portfolio
- Result achieved due to:
  - Reduced equity in ABS (0.5%) and refinance of $6.3m of commission notes previously funded by Plenti
  - Restructure of auto warehouse to materially reduce equity contribution (<2.5%)
- Significant growth in customer loan assets - $887.4m balance reflects $915.1m gross loan portfolio net of ECL provision ($16.3m) and deferred upfront fees ($11.4m)

Key balance sheet items

($m)	31 Mar 21	30 Sep 21
Cash and cash equivalents	87.9	98.4
Of which:		
- Corporate cash	*29.4*	*29.3*
- Provision Fund cash	*14.0*	*14.3*
Customer loans	591.6	887.4
Borrowings	629.5	946.7
Net assets	45.9	39.7

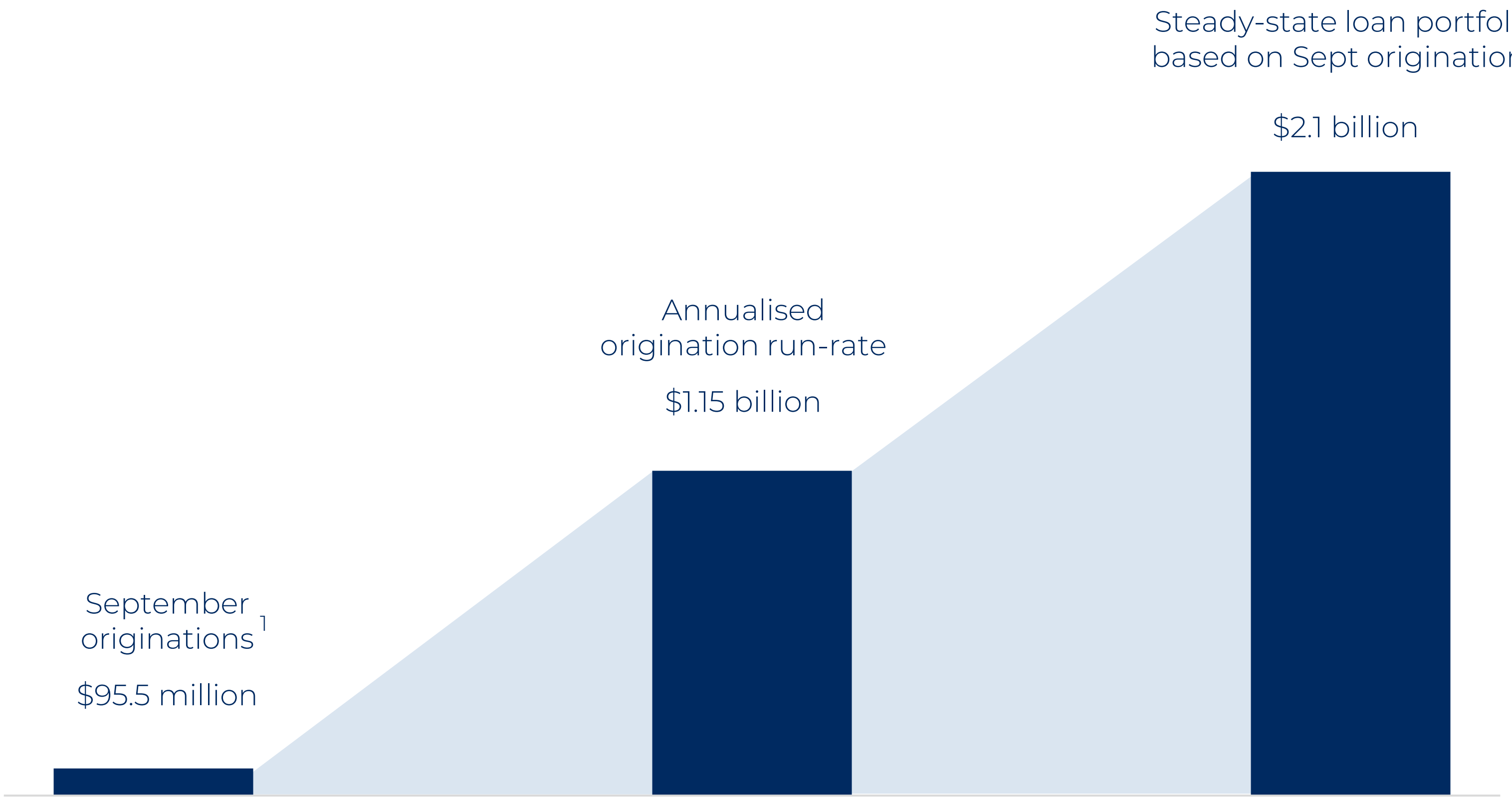
Corporate and Provision Fund cash – 31 March to 30 Sept 2021 ($m)



“Run-rate” analysis

Plenti

Exploring our steady state loan portfolio based on past origination levels can help provide perspective to how our loan portfolio grows and financials evolve.



Note. 1. September 2021 loan originations were $95.5m. September ‘run-rate’ loan portfolio calculated assuming September 2021 loan originations of $95.5m are maintained in a steady state with management portfolio amortisation assumptions applied.

Plenti

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Our financial priorities

Plenti

We have set clear financial priorities.

	March 2022 / 2H22
Growth	• Loan portfolio at 31 March 2021 > $1.25bn
Profitability	• 2H22 Cash NPAT > $1.0m
Efficiency	• 2H22 cost-to-income ratio <50% (in progress towards medium-term target of < 35%)

Additionally, we have set an ambition of reaching a $5 billion loan portfolio in calendar 2025

Plenti

Appendices

Our customer experience

With more 5 star reviews than any other consumer lender, we are recognised for providing outstanding customer experiences – ease, simplicity, speed, value – driving trust and adoption.

Outstanding value personal loan (2015 – 2020)

Outstanding value car loan (new and used, 2019 – 2020)

Expert's choice personal loan (2017-2019)

Gold award – personal loans (2020)

FinTech Leader of the Year, Fintech CTO/CIO of the Year & Excellence in Consumer Lending

Winner – personal loans (2018-2019)

Fintech Business Excellence Awards

Investment Innovator of the Year

Best P2P Personal Loan

Innovation Award, CoreData SMSF Service Provider Award

Financial Services Growth Company of the Year

Australian Tech Fast 50 Awards – 2019 & 2020

Asia Pacific Tech Fast 500 Awards - 2019 & 2020

Winner – InfoChoice Personal Loan Large Unsecured – Variable Rate

Winner – InfoChoice Personal Loan Unsecured – Variable Rate

Winner – InfoChoice Personal Loan Lender of the Year

Note: based on aggregate number of 5-star reviews across TrustPilot, ProductReview and Google Reviews

Cash flow

($m)	1H21	1H22
Operating cash flow		
Interest income received	24.2	42.8
Other income received	3.6	0.6
Interest and other finance costs paid	(12.3)	(14.2)
Payments to suppliers and employees	(13.3)	(33.5)
Net operating cash flow	**2.2**	**(4.3)**
Investing and financing cash flow		
Net increase in loans to customers	(56.0)	(301.2)
Net proceeds of borrowings	55.4	316.8
Net proceeds from issue of shares	50.5	0.0
Purchase of PPE	(0.0)	(0.4)
Other	(0.3)	(0.5)
Net investing and financing cash flow	**49.6**	**14.7**
Net increase in cash and cash equivalents	**51.7**	**10.4**

- Overall group operating cash outflow of $4.3m compared with inflow of $2.2m in 1H21
- Two key underlying drivers of the variance were
  - $1.5m Government R&D rebate received in 1H21 and not 1H22 (now received as future tax benefit)
  - $1.7m of JobKeeper payments received in 1H21
- Interest income is higher than in profit and loss as includes cash value of upfront loan fees, which are treated under the effective interest rate (EIR) method in the P&L
- Payments to suppliers exceeds P&L expenses primarily due to cash broker commission which are a also treated under the EIR method
- Total group operating cash flow of $(4.3)m comprised of $(6.7)m of corporate cashflow and $2.4m of Provision Fund cashflow

Balance sheet

($m)	31-Mar-21	30-Sep-21
Assets		
Cash and cash equivalents	87.9	98.4
Customer loans	591.6	887.4
Other assets	9.7	18.0
Total assets	**689.2**	**1,003.7**
Liabilities		
Trade payables	4.6	4.1
Borrowings	629.5	946.7
Other	9.1	13.3
Total liabilities	**643.3**	**964.0**
Net assets	**45.9**	**39.7**

Cash and cash equivalents breakdown

($m)	31-Mar-21	30-Sep-21
Corporate cash	29.4	29.3
Provision Fund cash	14.0	14.3
Cash held on trust	44.5	54.8
Total cash and cash equivalents	87.9	98.4

- Total cash position at half-year end of $98.4m includes $29.3m of corporate cash
- Provision Fund cash of $14.3m available to cover credit losses on the Retail Lending Platform
- Cash held on trust primarily relates to investor funds on Retail and Wholesale Lending platforms not yet matched to loans and drawn but unutilised warehouse funds
- Customer loans balance of $887.4m reflects $915.1m gross loan portfolio net of ECL provision ($16.3m) and deferred upfront fees ($11.4m)
- Increase in other assets predominantly reflects increased in prepaid rate commission asset and increased right of use asset arising from new Sydney premises lease
- Borrowings of $946.7m comprised $295.6.Xm of funds via lending platforms and $651.1m funds from warehouse ($361.4m) and ABS sources ($289.7m)

Key metrics

($m)	1H20	2H20	1H21	2H21	1H22
Loan originations ($m)	125.2	161.3	167.0	303.3	472.8
Average term of new originations (months)	53.7	55.9	62.5	61.8	64.8
Closing loan portfolio ($m)	306.0	380.9	435.1	614.6	915.1
Average loan portfolio ($m)	274.9	346.8	393.5	511.0	754.8
Average borrowings ($m)	269.8	341.3	389.1	490.7	724.2
Average interest rate (% of average gross loan portfolio)	13.3%	12.4%	12.1%	10.5%	9.7%
Average funding cost rate (% of average borrowings)	7.1%	6.5%	6.3%	5.2%	4.0%
Net charge off[1] (% of average closing loan portfolio)	2.7%	2.0%	1.1%	0.8%	0.7%
Loan portfolio amortisation rate[2] (% of closing loans, monthly)	4.8%	4.7%	4.9%	4.7%	4.7%
Loan portfolio amortisation rate[2] (% of average loans, monthly)	4.4%	4.2%	4.8%	4.0%	3.8%

Note:
1) Net charge-off rate calculated as actual loan receivables written off in the period net of loss recoveries divided by average loan portfolio value.
2) Calculated as change in closing loan portfolio less new loan originations for the period as a % of the previous period closing loan portfolio
3) Calculated as change in closing loan portfolio less new loan originations for the period as a % of the period average loan portfolio

Lending vertical metrics

($m)	1H20	2H20	1H21	2H21	1H22
Loan originations	**125.2**	**161.3**	**167.0**	**303.3**	**472.8**
Automotive	19.2	38.4	81.1	149.7	257.7
Renewable energy	19.4	23.6	28.5	28.7	46.3
Personal	86.6	99.3	57.5	125.0	168.8
Closing loan portfolio	**306.0**	**380.9**	**435.1**	**614.6**	**915.1**
Automotive	55.7	83.4	146.0	264.4	464.4
Renewable energy	38.2	54.6	71.2	86.1	113.8
Personal	212.1	243.0	217.8	264.1	336.9

NPAT to Cash NPAT reconciliation

($m)	1H21	2H21	1H22
NPAT (pro forma)	**(3.4)**	**(8.5)**	**(7.5)**
Add: movement in provision for expected losses	1.0	2.2	3.6
Add: share-based payments	0.6	0.9	1.2
Add: depreciation & amortisation	0.4	0.4	0.5
Cash NPAT (pro forma)	**(1.5)**	**(5.1)**	**(2.2)**

Cost analysis – transaction costs

Plenti

- Transaction costs primarily relate to recognition of upfront broker commission payments, treated under the effective interest rate method
- Transaction costs have historically been about 0.5% of the value of the average loan portfolio for a period
- From 1H21 these costs have increased as a proportion of the average portfolio, reflecting the acceleration of Plenti's automotive loan originations and the typically higher value of commissions payable in relation to automotive loans
- Compared with the average automotive loan book, the value of transaction costs in recent periods has remained more consistent

(6 month period)	1H20	2H20	1H21	2H21	1H22
Transaction costs	0.77	0.81	0.98	1.75	3.21
Transaction costs / avg . loan portfolio (ann.)	0.6%	0.5%	0.5%	0.7%	0.8%
Transaction costs / auto loan book (ann.)	nm	nm	1.8%	1.7%	1.8%

Cost analysis – operating costs

Plenti

- Sales and marketing costs are primarily sales and marketing team costs and digital marketing spend relating to loan originations in direct lending channels. These costs reduced materially in 1H21 as spend was constrained due to COVID and increased in 2H21 / 1H22 as Plenti invested in growth
- Product development relates primarily to product and engineering teams and platform hosting. These costs have increased in relatively consistent dollar increments as Plenti has grown its business and invested in its technology
- Operations expense relates to loan origination and maintenance costs. While Plenti continues to use technology to drive operating efficiency, this line does correlate to business growth
- Other overhead relates to the executive and support functions and ancillary business costs such as professional fees and travel. This expense has increased with investment in business capabilities as Plenti grows, including the establishment of the executive incentive scheme post IPO

(6 month period)	1H20	2H20	1H21	2H21	1H22
Operating costs					
Sales and marketing ($m)	4.5	5.6	4.0	5.6	7.3
Product development ($m)	2.3	2.4	2.5	3.0	3.3
General and administrative ($m)	4.6	5.6	6.1	7.9	9.7
Operations expense ($m)	*1.8*	*2.4*	*2.2*	*3.7*	*4.6*
Other overhead expense ($m)	*2.8*	*3.2*	*3.9*	*4.2*	*5.2*
Cost / total originations					
Sales and marketing	3.6%	3.5%	2.4%	1.9%	1.5%
Product development	1.8%	1.5%	1.5%	1.0%	0.7%
General and administrative	3.7%	3.5%	3.7%	2.6%	2.1%
Operations expense	*1.4%*	*1.5%*	*1.3%*	*1.2%*	*1.0%*
Other overhead expense	*2.2%*	*2.0%*	*2.3%*	*1.4%*	*1.1%*
Total op. cost growth / origination growth	0.5x	0.7x	(2.1)x	0.4x	0.4x

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