Plenti

18 MAY 2022

ASX RELEASE

Plenti Annual Report 2022

Plenti Group Limited (ASX:PLT) provides the attached Annual Report 2022.

Authorised for release by the Board of Plenti Group Limited.

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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 our 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.

For more information visit plenti.com.au/shareholders

Plenti

Building Australia's **best lender**

Annual Report
2022

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

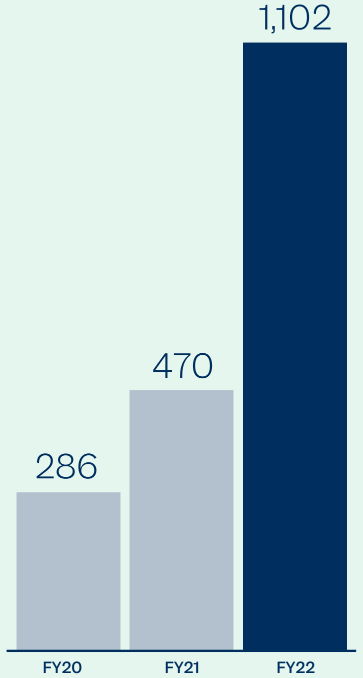
We're taking market share in **three large lending verticals**.

Our ambition is to reach a **$5bn** **loan portfolio** in 2025.

About Plenti

Plenti offers award-winning automotive, renewable energy, and personal loans, delivered by proprietary technology. We help creditworthy borrowers bring their big ideas to life. Since establishment in 2014, our loan originations have grown strongly, driven by the innovations we continually bring to market and our leading technology. Our growth has been supported by diversified loan products, distribution channels and funding, and is distinguished by our exceptional credit performance.

Loan originations by year ($m)



Our purpose

To bring our customers' **big ideas** to life

Our vision

Faster, **fairer loans** through smart technology

Our mission

Building Australia's **best lender**

About this report

This 2022 Annual Report for Plenti Group Limited (ACN 643 435 492) is issued on 18 May 2022.

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

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FY22 highlights

Operational highlights

Automotive

Exceptional growth through a leading customer experience, strong execution of plans and the launch of commercial and EV-specific finance.

Loan originations

$639.3m

▲177% on pcp

Renewable energy

Strong growth reflecting Plenti's market-leading loan offering, the strength and breadth of its partner network, and new partnerships with energy retailers.

Loan originations

$98.3m

▲72% on pcp

Personal

Strong growth fuelled by Plenti's market-leading loan offering, a consumer-led shift to superior digital capabilities and market share gains in the broker channel.

Loan originations

$364.7m

▲100% on pcp

Financial highlights

Cumulative lending since launch	Originations	Loan portfolio
$2.3bn	▲134%	$1.3bn

Revenue	90+ days arrears	Cash NPAT[2]
$88.5m	▼16% decrease	$0.5m

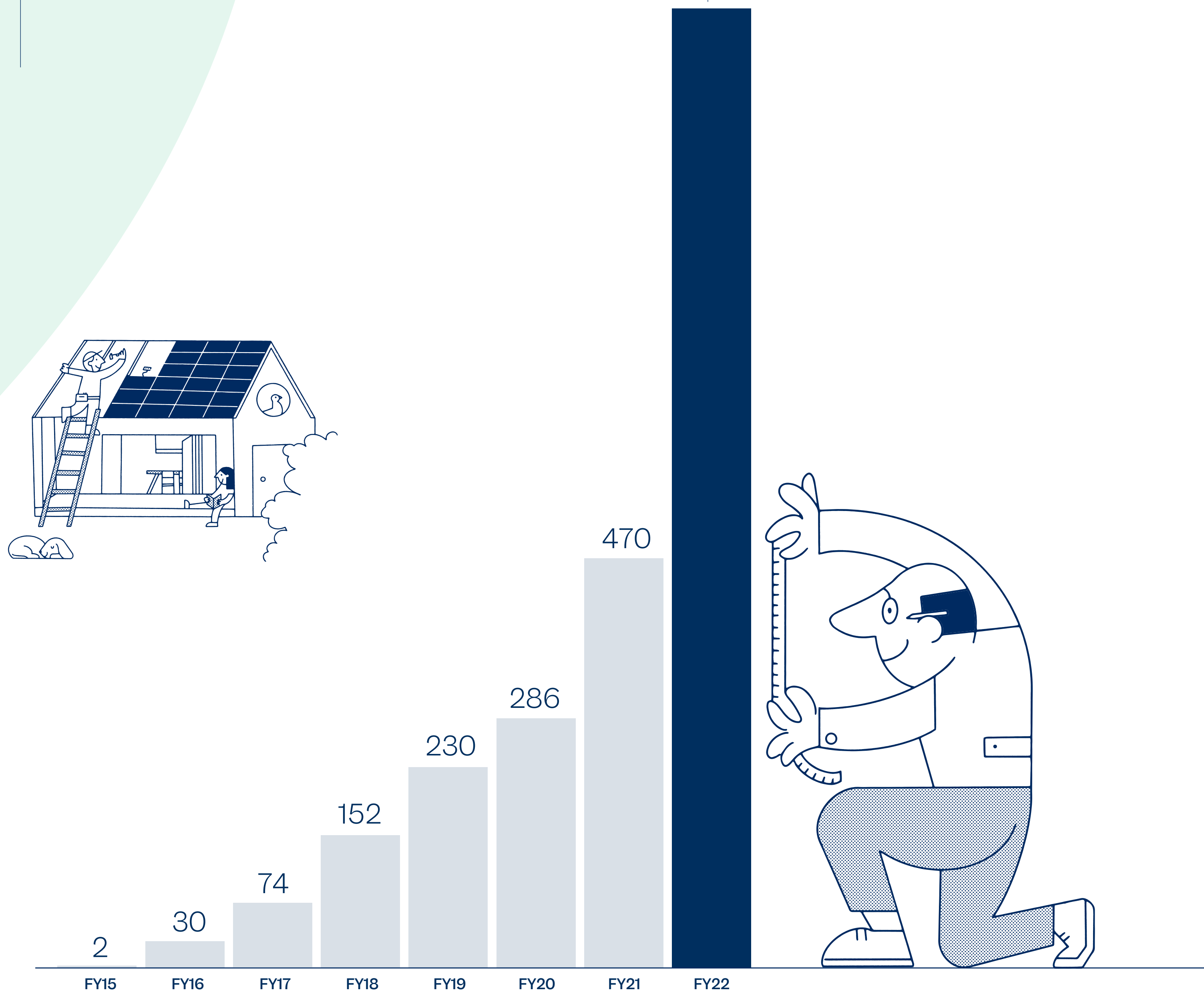
Our growth highlights

A **transformational** year strategically, operationally and financially.

Loan originations by year ($m)

$1.1bn

▲134% on pcp[1]



1. Previous corresponding period.
2. Net profit after tax.

Our journey so far

Since launching in 2014 with an ambition to deliver market-leading technology and shift finance from being a friction to a lubricant in the lives of Australians, Plenti has grown consistently to become Australia's largest fintech lender.

$870m
loans funded

>55,000
borrowers

PRE-IPO

2014
- Launched as Australia's first licenced peer-to-peer lender
- Introduced granular risk-adjusted pricing to Australian personal loan market
- Introduced innovative digital end-to-end borrower experience with unique 'RateEstimate' rate quote technology

2015
- Carsales invests **$10m**

2017
- Renewable energy lending launched – supported by **$20m** in CEFC funding
- Secured automotive lending launched – supported by funding from several banks

2018
- Adelaide office established
- Appointed exclusive administrator for Home Battery Scheme in South Australia
- **$100m** of funding secured from CEFC to support renewable energy lending in South Australia

2019
- First bank warehouse funding facility established for secured automotive loans, with initial **$50m** limit

2020
- Appointed exclusive administrator of Empowering Homes Program pilot by NSW Government
- Rebranded as Plenti from RateSetter
- Listed on the ASX in a **$280m** IPO

POST-IPO

2020

Automotive warehouse funding facility limit increased to **$275m**

Warehouse funding facility established for renewable and personal loans **$100m**

2021

Automotive loan for commercial customers launched with market-leading digital experience

Automotive warehouse funding facility limit increased to **$350m**

Renewable energy and PL warehouse facility doubled to **$200m**

Inaugural asset-backed security transaction completed **$306m**

Electric vehicle loan offering launched to help Australia transition to EV ownership

Second automotive warehouse established with dedicated EV-specific tranche

$2.3bn
loans funded

>100,000
borrowers

JAN–MAR 2022

Partnership with AGL established to accelerate home solar-battery uptake

Renewable energy and personal loan ABS transaction completed

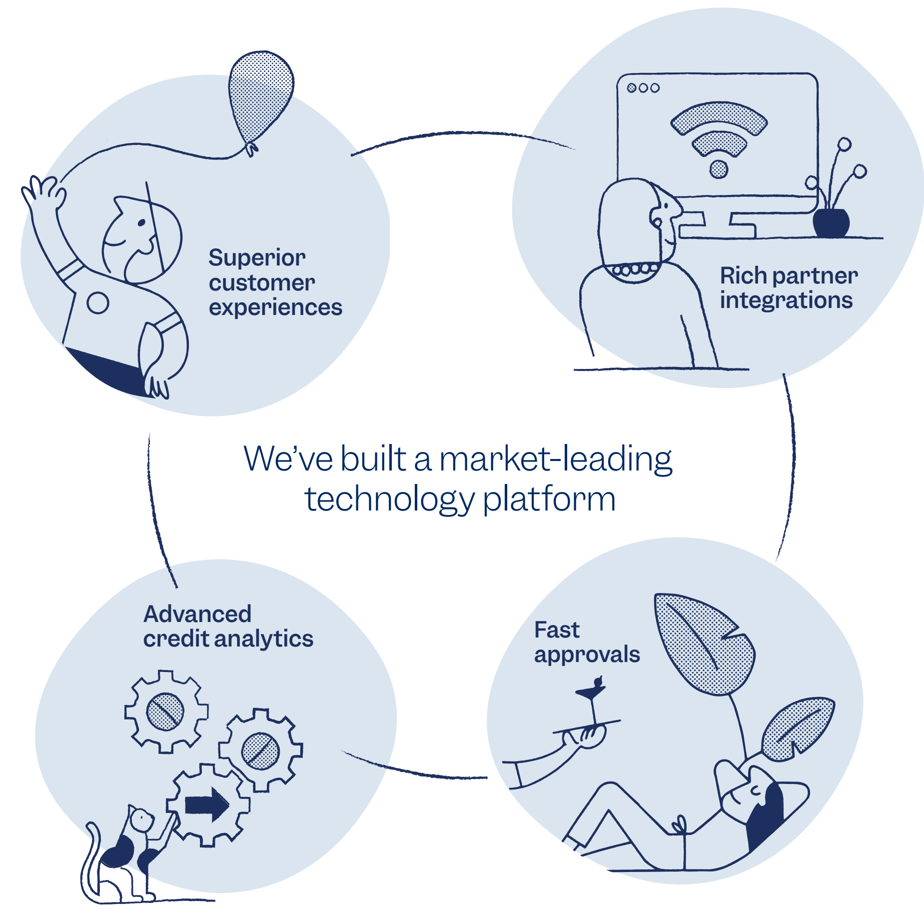
$280m

Cash NPAT profitability achieved

- Automotive
- Personal
- Borrowers/Investors
- Renewable Energy
- Achievements

Technology-led lending

Using technology to build Australia's best lender



Fast | Scalable | Efficient | Extensible

Our platform by numbers

45 Engineers, product managers and designers	>99.95% Uptime over the past 12 months	5 Deployments of new products and features per day
1.7m Web requests from customers and partners per day	Up to 80 Credit algorithms and rules evaluated per credit decision	5,000+ Payments processed per day

Chairman's message

In my letter to Plenti shareholders last year, I described the structural shifts the financial services industry was undergoing – large incumbents are changing their areas of focus, and digitisation in consumer finance is accelerating. A year on, it is exceptionally pleasing to present Plenti's strong performance as evidence of these structural shifts in action.

Favourable structural trends alone do not guarantee success however. Rather, trends must be coupled with strong execution. It is the successful execution of ambitious plans – from commercial partnerships, to marketing, to product development and technology enhancements, to advancements in funding – where I am most pleased with Plenti's performance. The Board set high expectations for what could be achieved during the year, and the whole business has collaborated to successfully deliver target outcomes (and more).

Plenti's mission to build Australia's best lender centres around delivering unrivalled customer experiences and by using technology to continually deliver innovations to our loan markets. Ownership of our own outstanding end-to-end technology platform is key to our ambition to build Australia's best lender and allows us to own and control our destiny. It has enabled Plenti to take market share by raising the bar in customer and partner experiences, and to respond quickly and efficiently to an ever-changing consumer and market environment.

Our successes over the last year are evident in our financial metrics. Most notably, Plenti grew loan originations by 134% and established Cash NPAT profitability in the financial year.

These metrics were achieved notwithstanding a focus throughout the year on putting in place capabilities and infrastructure required to achieve our medium-term loan portfolio target of $5 billion. In this regard, the Board and the executive team have focused on enhancing operational, human resource and risk management capabilities to match those of a larger business, providing a sturdy platform for future growth.

I am especially proud of Plenti's ESG capabilities and credentials, which were advanced further during the year. Plenti has long been committed to Australia's clean energy future through helping accelerate the uptake of household solar and battery systems, but this commitment stepped-up during the year when Plenti introduced its specialised electric vehicle loan offering in November, in support of our nation's necessary transition to electric vehicle ownership. Additionally, Plenti committed to becoming carbon neutral, and during the year undertook work to progress the business towards this milestone. The company has similarly continued focus on financial inclusion, consumer welfare, gender diversity (including gender pay gap assessment) and community financial empowerment.

Looking ahead, Plenti remains exceptionally well-placed to execute its strategic objectives, the core of which is to continue building market share in its core large lending verticals. These key verticals each present the potential to significantly grow loan originations, helping to underwrite our growth opportunity for many years to come.

Despite the imminent challenges lending businesses may face in the short term due to the changing interest rate environment, experience shows that while such changes can bring volatility, for prepared businesses they can also deliver opportunities for medium-term growth and margin development.

Since joining the Board in July 2020, I have seen the impact of innovations Plenti has delivered to the consumer lending environment, and I am excited to watch our plans for the year ahead continue to advance our market presence and impact.

Plenti, under the leadership of Daniel Foggo, has successfully attracted a senior management team of the depth and experience one would expect to see in a much larger financial services business. This team is the secret ingredient that will ensure we succeed in achieving our ultimate ambitions.

I am confident that our growth and profitability ambitions can be achieved to create long-term value for our business, our customers, and for our investors.

Mary Ploughman
Chairman

CEO's message

We established Plenti with a mission to build Australia's best lender.

Our belief at the start line was that by building a business with technology at its core, we could deliver exceptional customer experiences, and grow Plenti to become a meaningful player in Australia's financial landscape.

The speed and consistency of our growth since launching to customers in 2014, and our loan originations increasing ~134% to over $1.1 billion in the past year, gives me confidence that we are on the right track. It also lends strong support to our target of reaching a $5 billion loan portfolio in 2025.

Pleasingly, we have been able to achieve exceptional growth over the year while sailing with a relatively even keel. The technology-led nature of our business and the investments we continuously make in our operating capabilities have meant that despite servicing approximately twice as many customers as the prior year, we have been able to maintain market-leading delivery.

Our commitment to driving innovation in each of our three key lending verticals – automotive, renewable energy and personal loans – defines Plenti's culture and is reflected in our growth track record. During the year, our product and technology teams continued to raise the bar even higher. I am especially proud of the customer solutions we brought to life with our partners to make it easier for Australian households to support our environment by purchasing renewable energy systems and electric vehicles. I am also excited by the machine learning capabilities – which leverage the data we have generated from funding over 115,000 loans – we have integrated into our loan credit decisioning and pricing, further increasing our speed, efficiency and accuracy.

Plenti has always focused on attracting the best credit customers who, while eligible for finance from banks or other prime lenders, prefer the experience, speed, and value we offer. During the past year, we further enhanced the average credit profile of our portfolio of borrower, whilst again delivering exceptional credit outcomes, with credit losses representing only around 0.5% of our average loan portfolio.

The funding side of our business matured significantly during the year. We now have in place our most diverse and resilient funding yet, comprising our retail investor investment platform, wholesale investor investment platform, three bank-supported warehouse facilities, and our first asset-backed securities structures. Our inaugural ABS transaction of $306 million automotive loan receivables and our second ABS transaction of $280 million of renewable energy and personal loan receivables executed during the year helped us realise a key strategic priority by substantially lowering our funding costs. The reduction in funding costs achieved through these transactions was helped by the credit ratings provided by Moody's, reflecting the credit quality of our underlying borrowers.

As we enter the new financial year we will embrace future opportunities to further advance our funding strategy. We expect to grow our retail investment platform, which has become more valuable in a higher interest rate environment, given the funding cost benefits and flexibility it provides.

Our capital efficiency improved significantly during the year: we reduced the equity contributed to our warehouse facilities and ABS structures, while our corporate cash position increased materially when we entered a new corporate debt facility, providing a cost-effective, flexible and non-dilutive funding option for supporting our ongoing loan portfolio growth.

Whilst much has been achieved in the past year, I am most delighted with Plenti's transition to being Cash NPAT positive. At the start of the year, we set an ambition to achieve Cash NPAT positive months before June 2022, so it was pleasing to be able to upgrade this guidance twice during the year, and to have then delivered $0.5 million in Cash EBITDA for the full year. Our move to this profitability evidences, amongst other things, the operational leverage inherent in our technology-led business.

What we have accomplished over the past 12 months can be attributed to the dedication of Plenti's growing workforce – our 'Plentineers'. On behalf of the Board and our Executive Committee, I thank each Plentineer for the results I am so pleased to deliver in this report.

I also thank our Board for the invaluable advice and support they have provided across so many facets of our business.

Together, our team is striving every day to build a business and a legacy we can be proud of. Looking forward, and recognising our momentum, execution capabilities and market opportunities, I'm tremendously excited by Plenti as we advance our ambition to build Australia's best lender.

Daniel Foggo
CEO

Delivering on our strategy

A strategy intended to build a long-term, sustainable and profitable business delivering strong returns.

Plenti is building Australia's best lender, using smart technology to bring our customers' big ideas to life. Through leveraging our existing foundations and building on our competitive strengths, we are committed to building a long-term, sustainable and profitable business delivering strong returns for investors.

Plenti is successfully executing three strategic priorities to build Australia's best lender: establishing market leadership, extending our technology advantage, and optimising our funding structures.

Plenti's first strategic priority – to establish market leadership – reflects our ambition to continue growing loan originations, 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 continue to 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 $47 billion of lending each year.

Plenti's second strategic priority – extending our technology advantage – will facilitate continued growth by delivering even faster, simpler loans to our customers and partners. Continual product and technology improvements are a growth driver for the business, helping us take market share in each of the large lending verticals in which we operate. In the past year, key technology improvements have included the launch of new products (notably our commercial automotive loan and specialised electrical vehicle (EV) finance), rich integrations with existing and emerging referral partners, refinements to our application and settlement experiences, improved data and analytics infrastructure, and a new borrower portal to provide better service and grow the lifetime value of our customers. Additionally, the technology underpinning our next-generation credit decision and pricing models was advanced, supporting our growth, efficiency and profitability.

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

The business has established three dedicated warehouse funding facilities – two for automotive loans (one of which includes an EV-specific tranche) and another 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 is Plenti's original funding source and which has now attracted over 24,000 investors. During the year, Plenti completed two asset-backed securities transactions, which both reduced its funding costs and the equity it needed to commit to fund the underlying receivables.

Plenti intends to continue to build resilience by diversifying and deepening our funding platforms while continuing to optimise its cost of funding.

Plenti's effective execution of strategy can be seen in the 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

Continue to optimise funding structures

Maintain funding diversity and scalability

Optimise the costs of funding

Operational overview

Automotive lending

Secured automotive lending was Plenti's largest and fastest-growing vertical during the year, with loan originations of $639 million, up 177% on the prior year.

This growth was very deliberate, after many years of investment in developing a market-leading automotive loan application experience, building distribution capabilities through both digital and broker referral partners, establishing a highly effective sales team, building fast and efficient loan processing capabilities, and securing cost-effective and scalable funding sources.

This growth also reflects the significant structural changes that the $35 billion annual origination automotive finance market is undergoing, with:

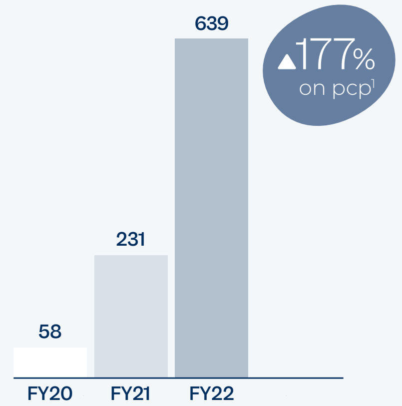
- Automotive loan brokers favouring lenders that can provide faster, simpler experiences and deeper technology integrations
- Several traditional lenders exiting direct participation in the automotive finance market
- The car-purchasing and financing journey increasingly moving online

Plenti's proprietary technology platform provided a significant market advantage relative to traditional lenders encumbered with legacy technology, allowing it to deliver market-leading approval, settlement and funding experiences across a broad range of distribution channels.

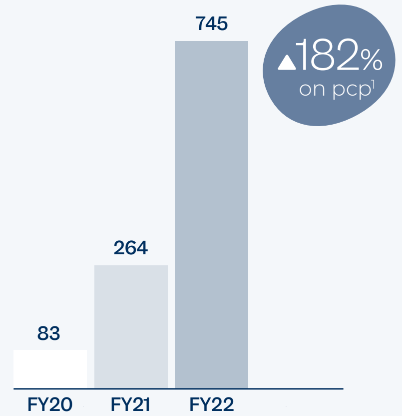
Several product advances were delivered over the year, including the launch of an automotive loan specific to commercial loan applicants, effectively doubling Plenti's automotive market opportunity, and the strategic entry into the electric vehicle finance market with a discounted EV-specific loan offering. Notably, Plenti also established an agreement to provide finance to the customers of an EV manufacturer, and become a preferred funder for a number of new online car dealer businesses.

The growth of Plenti's automotive lending was supported by the expansion of its funding capacity through the completion of a $306.3 million asset-backed securities transaction and through the establishment of a second automotive warehouse funding facility (including an EV-tranche) with Westpac as senior funder.

Loan originations ($m)



Closing loan book ($m)



>35%
New car loan originations

$745m
Loan book
▲182% on pcp

$35bn+
Annual lending[2]
3% estimated Plenti market penetration

1. Previous corresponding period.
2. 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

Renewable energy lending

Plenti is committed to helping Australian households transition to a clean energy future by helping finance the installation of solar panels and home batteries.

Renewable energy lending increased during the year by 72% to $98 million in loan originations, despite periods where system supply was constrained or eastern seaboard weather conditions restricted system installations.

Market factors which contributed towards this strong growth included:

- Continued growth in the installation of household solar systems across Australia, which reached 389,577 installations, up from 287,504 only two years prior in 2019
- Increasing household battery adoption, which both increases the size of the end finance market and increases the propensity for customers to utilise finance to purchase a renewable energy system given the higher cost
- Increased efforts from state and territory governments to promote and in some states subsidise the costs of renewable energy systems

Plenti successfully increased market share during the year by expanding its accredited referral partner network, and by driving broader adoption of its buy-now-pay-later finance offering, which was introduced in early 2021 and now accounts for over half of its renewable energy lending volumes.

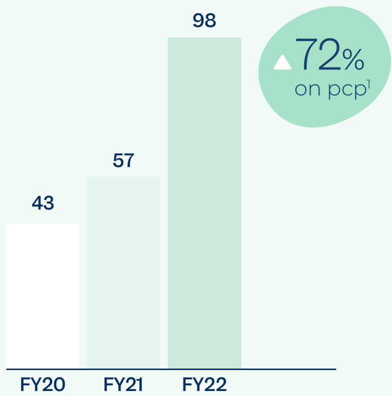
A key pillar of Plenti's growth strategy during the year was to develop partnerships with energy retailers with large customer bases to supply their customers with a 'bundled' energy solution. This 'bundled' offering helps make renewable energy systems more affordable by allowing customers to spread the cost of their renewable energy system over several years. Plenti then works with the energy retailer to allow the customer to combine their finance payment and their (substantially reduced) monthly power bill into one single payment.

Plenti successfully entered into a number of strategic partnerships with several large energy retailers during the year, including a bundled energy solution for Energy Australia customers, and an interest-free finance solution for AGL customers.

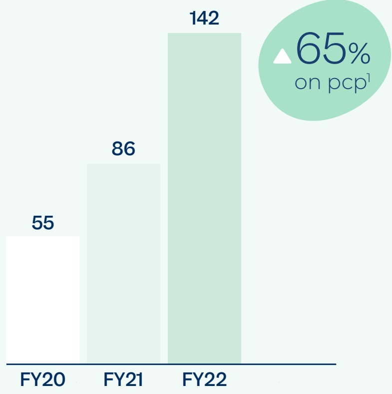
Plenti continued its delivery of Australia's two largest residential solar and battery schemes throughout the year: in South Australia, the $100 million Home Battery Scheme, and in New South Wales, the pilot for the Empowering Homes Program. These programs contributed to loan origination growth across the year and were reflective of Plenti's commitment to entering into strategic partnerships to accelerate broad-based uptake of renewable energy in Australia.

Since inception Plenti's renewable energy lending has delivered significant carbon savings, with the equivalent of 198,000 tonnes of emissions saved by South Australia's Home Battery Scheme through 17,500 home solar-battery systems installed; and 273,000 tonnes across the total renewable energy vertical since 2017.

Loan originations ($m)



Closing loan book ($m)



750 Partner network of renewable energy equipment vendors

$142m Loan book ▲65% on pcp

12% Originations with batteries

389k Households installing solar annually[2]
~10% estimated finance market penetration

1. Previous corresponding period.
2. Clean Energy Council Australia – Clean Energy Report 2022.

Personal lending

Personal loan originations during the year were $365 million, up 100% compared to the $182 million funded in the prior year, reflecting a recovery in market demand and Plenti's continued market share gains.

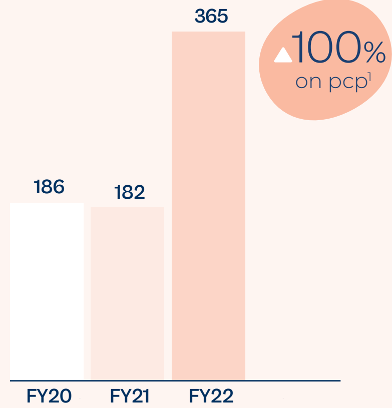
The personal loan market grew by around 60% in the year, following a significant reduction the year prior due to the impacts of COVID-19. This growth in demand was despite continued lockdowns in New South Wales and Victoria during the period. Demand increased across most major loan purposes, including unsecured loans for vehicles, home improvement and loan purposes that were most impacted by COVID-19 including travel, medical and wedding loans.

Plenti's lending growth also reflected its growth in market share, across both its direct-to-consumer lending and its lending to customers introduced by loan broker partners. Growth in direct-to-consumer lending was supported by Plenti's continued focus on leveraging the over 600,000 loan applicants or borrower profiles in its ecosystem, capitalising on the opportunities delivered by this substantial pre-existing acquisition base. Growth was especially strong in borrowers introduced by loan brokers, driven by the speed and ease of Plenti's offering to these partners.

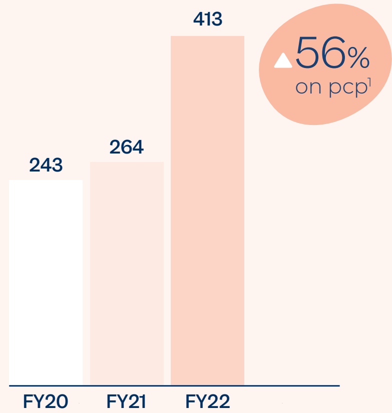
Market share gains were supported by the continued improvement in the digital experiences that Plenti offers its customers and referral partners. The speed, convenience and value that Plenti offers its customers has helped to set a new bar in personal lending in Australia.

Plenti further optimised its personal loan funding during the year through the completion of an ABS transaction for $280 million of personal loan and renewable energy receivables. This transaction substantially reduced Plenti's funding costs across the underlying receivables, whilst also allowing additional capital to be released back to the business.

Loan originations ($m)



Closing loan book ($m)



7,125 Partner network of accredited brokers
17 aggregators

$413m Loan book ▲56% on pcp

~600k Customers in ecosystem

$12bn Annual lending[2]
3% estimated market penetration

1. Previous corresponding period.
2. *ABS 5601.0* Table 27 LTM to Jun-20.

Operational overview

Credit performance

Since its establishment, Plenti has focused on funding creditworthy loan applicants who would otherwise be able to obtain finance from their bank. This focus has been driven in part by a desire to deliver predictable and profitable credit outcomes, and a desire to build a business of significant scale, recognising the prime borrower segments represent the largest part of Australia's lending markets.

This focus on creditworthy customers has been underpinned by Plenti's proprietary credit technology and diligent loan underwriting processes. Plenti has been a leader in Australia in employing risk-based pricing of its loans, helping to ensure the rate a borrower is charged on their loan is commensurate with the strength of their credit characteristics and their loan purpose. Plenti has also been focused on building credit decisioning technology which makes the application process faster and easier for the applicant, whilst using applicant and third-party credit data to assess whether a loan application should be approved and funded.

Plenti made substantial advancements in its credit pricing and decisioning technology during the year. This included working with a major credit bureau to perform a significant data review exercise, the introduction of machine learning capabilities to its credit engine, and preparations for being an early adopter of One Score, a more advanced credit score from Equifax, the credit bureau. In addition, Plenti continued to increase the proportion of loan applications automatically decisioned without need for human assistance.

The strength of Plenti's credit capabilities is evidenced by its loan portfolio credit performance.

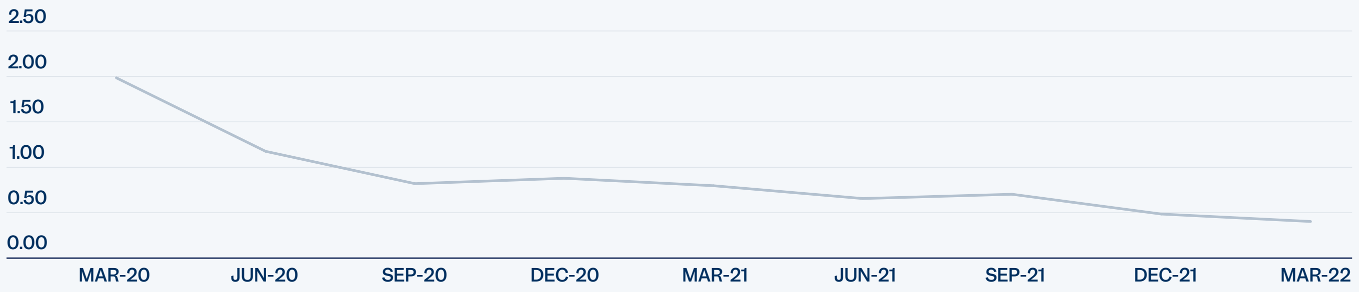
Plenti's credit performance has been especially strong over the last year, supported by continued enhancements to its credit pricing and decisioning technology, the continual shift in its loan portfolio towards secured automotive and renewable energy loans (which together increased from 57% to 68% of the loan portfolio during the period), as well as relatively low levels of unemployment. Net credit losses represented 0.54% of the $928 million average loan portfolio over the year.

The credit quality of Plenti's loan portfolio remained uncompromised despite its substantial growth in loan originations. This was evident in the weighted average Equifax credit score of 838 at the end of the period, compared to the portfolio average of 820 at the end of the prior year. This average credit score is materially above most peers.

90+ days arrears were 0.26% of the loan portfolio at year end, down from 0.31% at 31 March 2021, providing confidence about the continued strength of credit performance over coming months.

The proportion of borrowers who sought to enter loan deferrals or financial hardship arrangements was substantially below the prior year's experience, which were elevated due to COVID-19 impacts. Plenti sought to support such borrowers by employing a flexible approach to repayment arrangements where a borrower had experienced a change in circumstances negatively impacting their ability to meet their loan obligations for a period. Pleasingly, by the end of the period, the percentage of the portfolio in which underlying borrowers were under such an arrangement was only 0.26% of the loan portfolio.

Annualised net loss rate (%)



Note: Datapoints represent portfolio annualised net loss rate for the prior quarter.

Funding

Since inception Plenti has prioritised building fund diversity, depth, and resilience, to support the ongoing growth of its loan portfolio and optimise funding costs.

Plenti initially funded loans exclusively via the Plenti Lending Platform, the foundation of its retail investor-focused marketplace lending activities. It then introduced the Plenti Wholesale Lending platform to facilitate funding from institutional and government investors and in 2019 established its securitised funding program in recognition of the need for additional capital to support the growth of its rapidly expanding loan portfolio.

In the past year, Plenti has taken the next step in the maturity of its securitised funding program with the successful completion of two term asset-backed securitisations. The completion of these transactions, which attracted broad investor support, has established Plenti as an active participant in debt capital markets.

The first transaction, the *Plenti Auto ABS 2021-1*, was completed with a total value of $306.3 million. The very strong ratings outcome, as assessed by Moody's, reflected the excellent credit quality of the underlying borrowers funded by Plenti, with 87.5% of the notes issued rated Aaa. Supported by strong debt issuance markets, Plenti was able to materially reduce its cost of funds for these automotive receivables via this ABS transaction.

Plenti completed a second ABS transaction, the *Plenti PL-Green ABS 2022-1*, backed by renewable energy and personal loan receivables. The $280 million transaction included $65 million of notes green-certified under the Climate Bonds Standard. Despite market volatility caused by global geopolitical factors at the time of issue, it successfully attracted support from 14 domestic and international investors. As with the first ABS transaction, the *ABS 2022-1* also delivered material cost of funds benefits for underlying receivables.

In addition to Plenti's successful ABS transactions, a second automotive warehouse was established in the year which included a tranche providing preferential and highly efficient funding for EVs. The $250 million warehouse was supported by Westpac as senior debt funder and the CEFC as the mezzanine funder. This closely followed Plenti's launch of an innovative suite of EV finance offerings and tools to help make the transition to EV ownership easier and more affordable for Australians.

While growth in securitised funding activities was a focus during the year, the Plenti Lending Platform continues to play an important role in loan funding due to its relatively low cost, the flexibility it provides the business in driving forward with growth activities, and the equity capital efficiency it provides. Accordingly, Plenti is prioritising the expansion of this funding source during the year ahead.

Plenti was also pleased to establish a corporate funding facility during the year. The facility limit is linked to the size of Plenti's securitised loan portfolio, providing the ability to access more capital in line with loan book growth. The facility was initially drawn to $18 million.

Plenti successfully increased warehouse limits several times during the year, and at year end had total available warehouse facilities of $950 million, providing $350 million of funding headroom.

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

Warehouse funding

Description

- Warehouse funding program, commenced in December 2019

FY22 advancements

- Restructure automotive warehouse to materially reduce Plenti equity contribution
- New $250 million automotive warehouse established with EV-specific tranche: with Westpac as senior debt funder and CEFC providing mezzanine finance
- Demonstrated ability to recycle assets out of warehouses into term ABS deals

Asset-backed securitisation transactions

Description

- Term securitisation program to access institutional debt capital markets

FY22 Advancements

- $306.3 million inaugural ABS transaction completed covering secured automotive loan receivables
- $280 million renewable energy and personal loan ABS transaction completed

Plenti Lending Platform and Plenti Wholesale Lending Platform

Description

- Flexible funding platforms available to retail, institutional, government and wholesale investors respectively, funding a diverse range of loans including personal and renewable energy finance

FY22 advancements

- Attracted 1,000+ new investors to Plenti's Lending Platform bringing the total to 24,800 registered investors
- Substantial reduction in cost of funds

Environment, social and governance

Our establishment was in part driven by an ambition to enable borrowers and investors to participate in a more fair and equitable financial system. Intrinsically linked to this ambition is our commitment to the environment and community in which we operate.

Since launching to customers in 2014, we have funded the finance needs of more than 115,000 borrowers, with 65,000 personal loan borrowers encompassing debt consolidation borrowers who have saved an estimated $43 million in cumulative interest, compared to what they would have paid if they had obtained a personal loan from a bank lender. Additionally, we have paid investors in the Plenti Lending Platform over $74 million in interest, with each investor receiving all amounts of principal and interest due.

A key component of our commitment to supporting the environment are our household renewable energy finance activities. We continued our strategic government partnerships acting as exclusive administrator of Australia's two largest residential solar and battery schemes: in South Australia, the $100 million Home Battery Scheme, and in New South Wales the pilot for the Empowering Homes Program. These contributed to our growth in renewable energy lending which, since inception, has helped save the estimated equivalent of 273,000 tonnes of CO_2 emissions.

During the year, we brought together our renewable energy finance capabilities with our automotive finance expertise to launch a dedicated EV loan offering, which is supported by the CEFC as mezzanine finance provider in a newly established automotive warehouse facility. It is our ambition to play a key role in helping Australians transition to EV ownership by providing cost-effective EV financing, including by working with EV manufacturers to make it easier for customers to cover the cost of the purchase of an EV.

During the year, we increased our focus on providing a fast-paced, rewarding, and innovative workplace. Our market-leading engagement scores reflect our commitment to providing employees with not just competitive remuneration, but career development in an environment that is diverse and purpose-led.

Additionally, we continued our community partnership with Good Return in line with our support for furthering financial independence.

Our sustainable business priorities are outlined in the facing table.

Renewable energy lending has helped save, over the year, the equivalent of

273,000

t/CO_2

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.

Material issue	Issues considered	FY22 focus and progress
Environment		
Impact of business activities on our environment	Ability to enhance Australia's clean energy future through business activities	■ Ambition to accelerate the uptake of renewable energy in Australian households and be a pioneer globally in establishing EV finance as an investment class – Funded 10,371 loans to households installing solar systems and/or battery systems ■ Ambition to accelerate Australia's transition to EV ownership – Introduced EV-specific loans and services to make the purchase of EVs easier and more affordable, with loan rates discounted by at least 0.5% and the purchase of charging infrastructure made easier through the introduction of an innovative EV loan top-up feature – Secured Clean Energy Finance Corporation (CEFC) funding to support the provision of discounted rates to EV finance customers ■ Ambition to facilitate greater wholesale investor investment into green assets – Issued a personal loan asset-based securities transaction with ~25% of loans Climate Bond Certified – Established a warehouse facility in Q3 FY22 with an EV-specific tranche, with pricing structured to incentivise Plenti to ensure half of the receivables in the warehouse facility are for electric vehicles – Continued administration of two state governments' schemes to drive household uptake of solar and battery technology including for lower income households
Carbon footprint	Ability to offset carbon emissions resulting from business activities and to reduce carbon emissions over time	■ Commitment to becoming carbon neutral: – Commenced work to better understand direct carbon emissions ■ Established a process for Scope 1 and Scope 2 carbon emissions measurement ■ Committed to acquiring the recognised certifications for greater transparency and meaningful environmental outcomes
Waste and recycling	Ability to reduce waste and maximise recycling	■ Seek to operate a paperless office to the greatest extent possible ■ Provide on-site recycling facilities to minimise waste-to-landfill volumes ■ Engaged with office building managers to better understand owners' climate action intentions and NABERS[1]-rated efficiency performance: – Sydney office: 4-star energy rating and 2.5 water rating – Adelaide office: NABERS exemption during reporting period due to re-development related vacancy
Supply chain	Ability to influence suppliers' environmental impact through consideration of their environmental protection credentials when evaluating potential service providers	■ Increased use of technology providers with robust environmental credentials including commitments to renewable energy use and/or carbon neutrality: – Primary provider Amazon Web Services has goal of 100% renewable energy-powered operations by 2025 – Key provider Microsoft is carbon neutral since 2012 with commitment to carbon negative status by 2030 ■ Updated energy plans to 100% carbon neutral energy sources
Social		
Financial inclusion and consumer welfare	Support of consumer financial access and inclusion	■ Pioneering provision of access for retail investors to consumer credit, historically only available to banks and institutional investors – Additional 1,200 investors registered to invest via the Plenti Lending Platform, bringing the total number of registered investors to 24,800 ■ Seek to provide a more flexible approach to lending than traditional lenders, to better serve the community of people with finance needs, while maintaining industry-leading credit performance ■ Member of multiple industry bodies, signatory, and active contributor to the development of relevant industry codes of practice to help raise industry standards and improve consumer outcomes, including: – Australian Finance Industry Association – Fintech Australia – Smart Energy Council

1. National Australian Built Environment Rating System (NABERS).

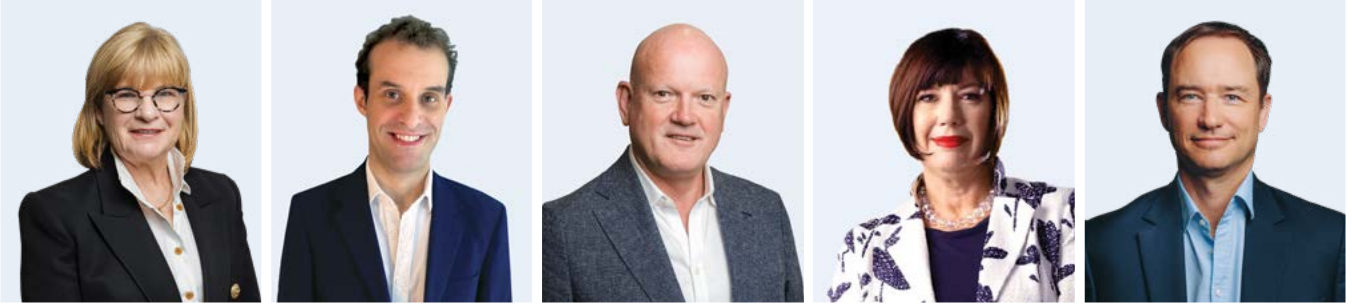
Environment, social and governance

Material issue	Issues considered	FY22 focus and progress
Social continued		
Workforce diversity	Attraction and retention of a diverse workforce to support business performance and more accurately reflect the community in which we operate	▪ Set diversity and inclusion targets including: – Evolve workforce gender representation to 40/40/20 – Maintain Board's female representation at 40% ▪ Plenti's Board of Directors endorsed the establishment of a Diversity and Inclusion Council to drive organisation-wide diversity agenda
Gender diversity	Gender diversity to support business performance and gender equality	▪ Industry-leading female representation at Board level: – Female Chairman since 2020 – one of 18% of ASX-listed companies – 40% female representation, including Chairman
Employee mental health	Employer responsibility to support staff wellness and mental health	▪ Provide access to an employee assistance program (EAP), offering access to wellness information and support on a no-cost and confidential basis as well as access to dedicated well-being coaches and therapists ▪ Continual EAP communication supporting continued workplace challenges related to COVID-19 ▪ Regular company-wide, team-specific, and activity-specific initiatives to maintain inter-personal connection and promote mental well-being during prolonged lockdowns
Employee environment and benefits	Employer responsibility to provide staff with a safe, comfortable, and enjoyable work environment, whilst also helping each employee achieve their potential	▪ Significant investments in the working environment of staff: – Provided office equipment to staff working from home during lockdowns – Invested in Sydney office refurbishment to provide an improved working environment – Entered into a new lease in Adelaide to provide an improved working environment ▪ Enhanced employee benefits program including: – Increased investment in employee training and education, including the initiation of an ongoing program with a specialist leadership training firm for staff in leadership positions – Initiated a daily employee recognition award – Extended primary carer leave to 14 weeks paid leave and 2 weeks for secondary carer – Provided paid leave for staff to obtain COVID-19 vaccinations
Community financial empowerment	Financial literacy and capability in recognition of socio-economic imbalance, particularly in communities in developing settings Access to finance that enables critical quality-of-life improvements	▪ Continued partnership with Good Return, a not-for-profit organisation that delivers development programs and improved access to financial services
Data security and financial crime	Financial services' responsibility to keep customer data secure Contribution to the ongoing fight against financial crime	▪ Invested in data security and opposing financial crime, including: – Adopted additional security measures for real-time detection and management – Maintained membership of Equifax's Fraud Focus Group and contributed to the related Shared Fraud Database – Became a Network Partner of the Australian Cyber Security Centre

Material issue	Issues considered	FY22 focus and progress
Hardship and vulnerable customers	Legal and moral responsibility of retail financial services to assist customers suffering financial hardship	▪ Delivered a comprehensive range of assistance measures for customers suffering financial hardship including as a consequence of COVID-19 impacts ▪ Enhanced training for customer-facing employees to build capabilities in identifying, supporting, and referring customers suffering financial hardship ▪ Partnered with Way Forward, a not-for-profit debt counselling service to support consumers
Modern slavery	The responsibility of businesses to ensure that their operations and supply chains are free from coerced or abusive labour	▪ Updated supplier eligibility criteria to exclude businesses without appropriate controls to assess and address modern slavery risks ▪ Sought and obtained periodic declarations from suppliers deemed at risk of coerced labour that relevant auditing and assurance activities have been undertaken, including service providers operating outside Australia ▪ Commenced development of Modern Slavery reporting framework to meet requirements under *Modern Slavery Act 2018*
Governance		
Overall governance frameworks	ASX Corporate Governance Principles and industry best practice	▪ Recruited a General Counsel and Company Secretary with ASX50 experience to bolster internal governance capabilities and resourcing ▪ Listed on the ASX in September 2020, complying with ASX corporate governance principles and all other applicable regulatory requirements ▪ Frameworks in place to meet legal, regulatory and Australian Financial Services Licence and Australian Credit Licence obligations
Company values and ethics	The importance of having a culture where strong governance, risk management and compliance policies, processes and actions are understood and prioritised	▪ Company values guide decision-making requirements of directors, senior executives, and employees – A key Plenti value is to 'Do what's right' which instils a culture of doing what is right by borrowers and lenders, and by applicable legal and regulatory requirements ▪ Conduct regular compliance training both on a company-wide and targeted level
Compliance and reporting	The importance of financial service businesses in complying with their legal and regulatory obligations for the benefit of stakeholders	▪ Comprehensive compliance plan in place to help ensure all legal and regulatory obligations are met ▪ External compliance committee in place providing an objective measure of existing compliance risks and independent assessment of emerging risks ▪ Enhanced our Quality Assurance team to monitor adherence to processes and procedures including compliance ▪ Conduct regular audits to ensure compliance with all legal and regulatory requirements as a responsible financial service business
Enterprise risk management	The governance, legal, regulatory, operational, and other non-financial risks associated with operating a diverse, regulated financial services business	▪ Established risk management framework, including risk appetite statement, risk strategy, risk management policy, risk register and controls ▪ Strengthened risk management capabilities, recruiting a General Counsel with ASX50 experience; enhanced resources and capabilities within the legal and compliance function and appointed a Privacy Officer ▪ Reviewed and updated Anti-Money Laundering and Counter Terrorism Policy and Program ▪ Recruited a new Head of Operations to help manage operating risks

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 Qualitas Ltd Boards, and Chairman on Pitcher Partners' Board. 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 has over 20 years' experience in law, financial services and growth companies with Ashurst, Royal Bank of Scotland plc, Laxfield Capital, RateSetter and Metro Bank plc. Peter previously served as a Non-Executive Director of George Banco Limited. Peter co-founded and currently serves as an Executive Director of Hexla Limited, a clean energy business focused on carbon neutral hydrogen production.

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 HEAL Partners, RealVC GP Pty Ltd, RealVC Management Pty Ltd and Chairman of each of 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 Data#3 Limited and as the Non-Executive Chair of Jumbo Interactive Limited. Susan is also currently an Advisory Board Member of Diligent Corporation. 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.

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, and was named FinTech CTO/CIO of the year at the inaugural Australian Fintech Awards in 2016. 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 April 2014 and in April 2018 was appointed to his current position as Chief Commercial Officer responsible for key commercial relationships. 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, Company Secretary and Executive for People and Culture

Georgina joined Plenti in April 2021 in her current position as General Counsel, Company Secretary and Executive for People and Culture. Prior to joining Plenti, Georgina was the General Counsel and Company Secretary at Ampol Limited. Georgina has over 20 years' legal experience advising on mergers and acquisitions, commercial, competition and corporate legal issues. 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 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

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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', 'Plenti' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 March 2022.

Directors

The following persons were appointed directors of Plenti Group Limited on 12 August 2020 and remained a director during the whole of the current 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 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 Platform) and the funding of loans via the Group's warehouse and ABS securitisation programs.

Dividends

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

Review of operations

Plenti delivered strong financial and operational results for the year ended 31 March 2022, with highlights including:

- Record loan originations of $1,102 million, up 134% year-on-year
- Record closing loan portfolio of $1,300 million, up 111% year-on-year
- Record revenue of $88.5 million, up 67% year-on-year, with interest income up 72%
- Achieved full year Cash NPAT profitability
- Introduced important new automotive loan offerings with launch of commercial automotive loans and electric vehicle specific loans
- Drove broader adoption of renewable energy "buy-now, pay-later" finance offering, and entered into financing partnerships with several large energy retailers
- Deployed significant enhancements to proprietary technology platform, consistent with strategy of extending technology advantages
- Deepened and further diversified loan portfolio funding with successful completion of two ABS transactions and establishment of second auto warehouse, focused on funding EVs, whilst continuing to optimise funding costs
- Evidenced the operating leverage inherent in technology-led business model through driving a material reduction in cost-to-income ratio
- Delivered market-leading credit performance with 0.5% net loss rate and low 90+ day arrears of 26bps at period end
- Established corporate debt facility to help ensure capital available to support further business growth

For the year ended 31 March 2022, the Group reported Cash NPAT, the Group's preferred measure of earnings, of $496,000 (2021: loss of $6,572,000).

On a statutory basis, the Group reported a net loss after tax for the period of $6,315,000 (2021: $15,092,000), a 58% improvement on the prior year. The statutory results for 2021 were impacted by several material non-recurring items, including costs relating to the IPO of Plenti shares on the ASX and one-off benefits, primarily COVID-19 related government subsidy payments. Accordingly, the pro forma results for the year provide a more meaningful basis to report on business performance. No pro forma adjustments were required for the current year. On a pro forma basis, for the year ended 31 March 2022 the Group reported a net loss after tax of $6,315,000 (2021: $11,910,000), an improvement of 47% on the prior year.

Earnings per share ('EPS') of (3.73) cents on a statutory basis improved 633 cents on the prior year of (10.06) cents.

Directors' report

The table below sets out the financial results for the current year compared to the prior year pro forma results.

	2022 $'000	2021 $'000	Change $'000	Change %
Interest revenue	87,272	50,744	36,528	72%
Other income	1,234	2,381	(1,147)	(48%)
Total revenue before transaction costs	**88,506**	**53,125**	**35,381**	**67%**
Transaction costs	(10,864)	(2,736)	(8,128)	297%
Loan funding costs	(31,959)	(24,978)	(6,981)	28%
Expense passed to unitholders	(140)	(37)	(103)	278%
Customer loan impairment expense				
Realised impairment losses	(5,047)	(4,350)	(697)	16%
ECL movement	(7,237)	(2,962)	(4,275)	144%
Sales and marketing expense	(13,769)	(9,660)	(4,109)	43%
Product development expense	(7,719)	(5,521)	(2,198)	40%
General and administrative expense				
Operations	(10,147)	(5,969)	(4,178)	70%
Business overhead	(11,229)	(8,039)	(3,190)	40%
Corporate funding costs	(94)	(38)	(56)	147%
Depreciation and amortisation	(1,028)	(745)	(283)	38%
Total expenses	**(88,369)**	**(62,299)**	**(26,070)**	**42%**
Net loss before income tax expense	**(10,727)**	**(11,910)**	**1,183**	**(10%)**
Income tax benefit	4,412	–	4,412	–
Net loss after income tax expense	**(6,315)**	**(11,910)**	**5,595**	**(47%)**
Cash NPAT[3]	**496**	**(6,572)**	**7,068**	**(108%)**

Notes:
1. Pro forma adjustments (if applicable) have not been audited.
2. A reconciliation to the statutory result and details of the pro forma adjustments is set out on pages 29 and 30 under 'Statutory to pro forma reconciliation'.
3. Refer to page 30 for calculation of Cash NPAT.

Total revenue before transaction costs increased 67% from the prior year, with interest revenue increasing by 72%. Other income decreased from $2.4 million in the prior year to $1.2 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 by strong growth in all three of the Group's lending verticals, with automotive loan originations up 177%, renewable energy loan originations up 72% and personal loan originations growing by 100%.

Transaction costs, which recognise amortisation of commissions paid on loan originations, increased to $10.9 million in 2022 (2021: $2.7 million) with the material increase reflecting growth in the total lending activities and particularly growth in automotive lending, which carries higher commissions on average.

Loan funding costs increased by 28% as a result of the larger loan portfolio size. The proportionately smaller increase in funding costs compared with average loan book growth and revenue growth reflected improvements in funding costs achieved in the year by the Group, notably through increased use of securitised funding sources. Realised loan impairments also grew at a relatively lower rate of 16% against the prior year, reflecting a strong credit performance across the portfolio, supported by the continued shift in the portfolio towards lower credit risk automotive and renewable energy loans.

Sales and marketing expense increased 43% to $13.8 million, with greater investment in digital loan acquisitions and an initial investment of approximately $1 million in brand marketing. Product development expense increased 40% to $7.7 million as Plenti continued to invest in its technology platform. General and administrative (operations) expenses increased 70% driven by higher origination volumes and the Group investing in the people and infrastructure to support a substantially larger loan portfolio. General and administrative (business overheads) increased 40%.

The income tax benefit of $4.4 million reflects the recognition of some of the Group's carried forward tax losses to offset a deferred tax liability in relation to hedging gains on interest rate swaps that are hedge accounted for in other comprehensive income (i.e. the hedging gains are not reflected in net loss before income tax). Given that the hedging gains should reduce to close to zero over the life of the hedge, the recognised tax benefit should be viewed as a timing difference as it will unwind over the life of the swaps.

Loan originations and portfolio	2022	2021	Change %
Originations ($'000)	1,102,275	470,387	134%
Loan portfolio (period end) ($'000)	1,299,750	614,635	111%
Loan portfolio (average) ($'000)	927,855	452,239	105%
Average monthly amortisation rate (%)	3.7	4.4	(14%)
Average term of originations (months)	65	62	5%
Number of originations	43,512	21,799	100%
Average value of loan originations	25,333	21,578	17%

Loan originations of $1,102 million for the year, an increase of 134% on the prior year, saw the total loan portfolio grow to $1,300 million at 31 March 2022. This represented a 111% increase on the loan portfolio at 31 March 2021.

Growth in the overall loan portfolio was also positively impacted by the loan amortisation rate (rate at which loans pay back). The monthly loan amortisation rate reduced 14% during the period from 4.4% to 3.7%. The primary driver of this change was the higher proportion of automotive loans in the loan portfolio, as these loans typically have longer terms and lower principal pre-payment rates than personal loans.

The average term of loan originations increased in the period from 62 to 65 months driven by a higher proportion of automotive loans which have higher average loan terms compared to personal loans.

Loan origination growth was driven by both an increase in the number of loan originations during the year, as well as the average loan amount. Growth in automotive loan originations, which tend to have a higher average loan sizes, was the primary driver of the 17% increase in average loan amount.

Loan origination by channel	2022	2021	Change %
Automotive originations ($'000)	639,304	230,827	177%
Renewable originations ($'000)	98,261	57,139	72%
Personal loan originations ($'000)	364,710	182,421	100%

Automotive originations grew 177% over the prior year. This reflected continued market share gains driven by the Group's technology platform and service proposition. Growth was supported by the launch of Plenti's commercial automotive loan offering in May 2021 and EV loan offering in November 2021. Commercial automotive lending contributed $44.7 million in the period, having grown consistently quarter on quarter since its launch.

Renewable energy finance originations grew 72% over the period. The primary driver of this growth was the uptake by installer partners of Plenti's interest free "buy-now, pay-later" offering, which was introduced early in the 2021 calendar year. Originations in the later part of the year were supported by the Group's strategy of partnering with retail energy companies to provide their customers with finance to support the purchase of solar and battery systems.

Personal loan originations doubled from the prior year. Several factors contributed to this strong result, including the personal loan market recovering strongly after the prior year where demand was impacted by the COVID-19 pandemic. Personal lending growth in 2022 was also supported by the Group having a warehouse facility available to fund personal loans from January 2021. The warehouse funding allowed the Group to offer loans with terms of up to seven years rather than the previous five-year maximum. Increased investment in digital advertising in 2022 and strong execution by personal lending broker sales team also helped drive the uplift in lending.

Directors' report

Product margin and funding costs	2022	2021
Average interest rate (%)	9.4	11.2
Transaction costs/average loan portfolio (%)	1.2	0.6
Average funding rate (%)	3.6	5.7
Funding debt (period end) ($'000)	1,288,606	587,313
Funding debt (average) ($'000)	898,518	438,010

Interest revenue in the Group's financial statements represents interest and origination fees on loans, treated under the effective interest rate method, as well as interest earned 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 9.4% in the year, from 11.2% 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 the relatively strong expected credit performance and longer term of these loans. In the first six months of the year, customer rates also reduced, particularly in personal lending, reflecting a decline in loan funding costs for most lenders in the period and preceding periods. In 2H22 customer rates stabilised and then started to increase in response to the rising funding cost environment.

Transaction costs as a percentage of the loan portfolio increased to 1.2% in 2022 from 0.6% in the prior year. The primary driver of this increase was growth in automotive lending, as automotive loans tend to carry higher rates of commission (paid to referring brokers or referral partners) than renewable energy and personal loans.

The average funding rate paid by the Group reduced from 5.7% to 3.6%, largely reflecting an increase in the proportion of funding provided by securitised funding structures. Introduction of warehouse funding for renewable energy and personal loans from early calendar 2021 saw a material reduction in funding costs for these loans. The execution of two asset-backed securitisation ('ABS') transactions in the year, whereby loans held in Group warehouses were sold into term debt transactions, also contributed to the reduction in funding costs. The Plenti Auto ABS 2021-1 in August 2021 achieved a particularly strong funding result with 87.5% of the notes sold rated Aaa by Moody's and a weighted average note margin at inception of 0.97%. Alongside the improved funding from securitised funding structures, the Group also saw average funding costs via the Plenti Lending Platform continue to reduce.

Market interest rates, which have been relatively low since early calendar 2020, started to rise from October 2021, with a rapid increase experienced in March 2022. Because the Group hedges floating interest rate exposures each month, the funding cost and therefore the net interest margin on loans originated is locked in for term each month. Accordingly, market interest rate movements do not impact margins on the existing loan portfolio but are reflected in margins on the current month's loan originations. While the average net interest margin on new originations in 2H22 was reduced due to the lag between funding costs increasing and borrower rates being increased, the Group's overall net interest margin was relatively stable half-on-half due to the funding cost reductions achieved through the ABS and Plenti Lending Platform benefits outlined above. The Group's overall average funding rate for 2H22 was 3.3%, below the 4.0% cost in 1H22.

Credit performance	2022	2021
Loan impairment – net charge off ($'000)	5,047	4,350
Loan impairment – provision movement ($'000)	7,437	2,961
Provision rate (%)	1.5	2.1
Net charge off to interest revenue (%)	5.8	8.6
Net charge off to average loan portfolio (%)	0.5	1.0

Total realised loan impairment expense increased 16% compared with the prior year, representing a reduction in the net charge off rate on the average loan portfolio from 1.0% to 0.5%. 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 loss rates than personal loans. The second was from the economy-wide strength in consumer credit due to government support payments, strong employment and reduced consumer discretionary spending during lockdowns.

The Group's expected credit loss ('ECL') provision at 31 March 2022 was $20.1 million, representing 1.5% of the total loan portfolio at that date. This compares with $12.9 million, or 2.1% of the loan portfolio, at 31 March 2021. The ECL value at March 2022 has been impacted by a number of factors. The first was the increase in the total value of the Group's loan portfolio through 2022 which, all other things being equal, increases the value of the ECL. This was offset by the shift in the loan portfolio to lower risk automotive and renewable loans, which attract lower provision rates. Additionally, at 31 March 2021 and 30 September 2021, the Group recognised a $1.2 million provision relating to the potential impact of COVID-19 on the economy and potential future loss rates. At 31 March 2022 this provision has been reduced to zero on the basis that the provision was unwarranted given the substantial normalisation of Australian society and the economy in 2022 and reduced risk of further pandemic-related lockdowns or other economic disruptions, as well as ongoing benign credit conditions.

Management has continued to implement a floor provision rate for Cycle 0 (current receivables) over the next 12 months that is higher than the level modelled based on actual losses over the past 24 months. This position has been taken because management believe that due to broader macroeconomic factors, loss rates over this historic period have been lower than can be expected going forward. In addition, while economic risks from COVID have reduced, management has maintained a general economic overlay adjustment which increases the provision above the base level modelled to account for risks arising from economic factors such as rapid inflation and a rising interest rate cycle.

Pro forma operating metrics	2022	2021
Overall cost-to-income ratio	48.5%	54.8%
Sales and marketing expense to revenue ratio	15.6%	18.2%
Product development expense to revenue ratio	8.7%	10.4%
General and administrative expense to revenue ratio	24.2%	26.4%
Overall cost-to-originations ratio[1]	3.9%	5.8%

Note:
1. The ratio presented for 2021 excludes the period for April and May 2020 as COVID-19 impacts during those months distorts the analysis. The ratio is 6.8% if all months in the 2021 period are included.

Plenti's operating cost-to-income ratio was 48.5% in the year, down from 54.8% in the prior year (2021 on a pro forma basis). Notably, the cost-to-income ratio declined significant during the year as revenue growth accelerated, reducing from 54.7% in the first half of the year, to 43.6% in the second half of the year.

This reduction in the cost-to-income ratio over the period was more significant when contrasted to the second half of 2021, when the ratio was 61.1%, noting that the cost-to-income ratio in the first half of 2021 of 48.5% was artificially low due to the Group materially reducing investment in marketing and business expenses more generally at the onset of the COVID-19 pandemic. The reduction in the cost-to-income ratio between the second half of 2021 and 2022 was 17.4%.

Sales and marketing expense increased to $13.8 million from $9.7 million in 2021. The most significant driver of the increase was higher investment in customer acquisition in digital loan channels, reflecting a return to more normal investment against the COVID impacted 2021 year, and additional investment to support loan originations growth. Plenti also undertook its first brand marketing campaign in 2022, with a total investment of approximately $1.0 million.

Product and development expense was $7.7 million, an increase of 40% on the prior year. The primary driver of the increase was investment in product and technology staff corresponding to both a larger team to support further enhancement of the Group's proprietary technology platform as well as rising salaries for technology related roles.

General and administrative expense ('G&A') increased to $21.4 million (2021: $14.0m). Within this, G&A (operations) increased 70% to $10.1 million. This expense line includes loan origination processing, underwriting, settlement and ongoing loan servicing and therefore increases according to loan origination growth (which was 134% in 2022). G&A (other overheads) increased 40% to $11.2 million. This expense line includes support functions and the executive team. The majority of the increase in costs related to personnel costs, including share-based payments, noting that there was an extra six months of STI and an extra year of LTI expensed through the current year relative to 2021.

Management believe that, in addition to a cost-to-income ratio, it is also instructive to report a cost-to-origination ratio, which reduced to 3.9% from 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 upfront commission expenses are treated under the effective interest rate method, has supported an improvement in this ratio, in addition to broader operating leverage in the business.

Directors' report

	2022 $'000	2021 $'000	Change $'000	Change %
Balance sheet				
Assets				
Cash and cash equivalents	159,168	87,923	71,245	81%
Customer loans	1,269,370	591,590	677,780	115%
Other assets	40,682	9,686	30,996	320%
Total assets	**1,469,220**	**689,199**	**780,021**	**113%**
Liabilities				
Trade payables	5,450	4,635	815	18%
Borrowings	1,391,610	629,484	762,126	121%
Other liabilities	19,486	9,135	10,351	113%
Total liabilities	**1,416,546**	**643,254**	**773,292**	**120%**
Net assets	**52,674**	**45,945**	**6,729**	**15%**

Cash and cash equivalents of $159.2 million is comprised of three components. Corporate cash of $40.0 million (2021: $29.4 million), Provision Fund cash of $14.3 million (2021: $14.0 million) and $104.9 million (2021: $44.5 million) held in the Warehouse and ABS facilities or the Plenti Lending Platforms.

The Group's corporate cash balance increased as a result of the Group's ability to establish a corporate debt funding facility and also reduce its proportionate funding contribution into its securitisation facilities. In March 2022, the Group successfully secured a corporate debt facility, which was drawn to $18 million. This facility is structured to be capable of increasing as the Group's loan portfolio expands. Corporate cash also increased due to funds held in corporate loan collection accounts, which are in due course passed on to securitised funding vehicles. Funds in these accounts have grown significantly as loan originations increase, with a balance at 31 March 2022 of $8.1 million (2021: $1.3 million).

Provision Fund cash, which is used to cover losses on the Plenti Lending Platform, has remained consistent with the prior year balance.

Customer loans increased 115% from 31 March 2021, driven by record origination volumes of $1.1 billion for the year. Gross customer loans outstanding were $1.3 billion at 31 March 2022 of which $744 million (2021: $264 million) were automotive loans, $413 million (2021: $264 million) were personal loans and $142 million (2021: $86 million) were renewable energy loans. This was slightly offset by an increase in the ECL provision at 31 March 2022 driven by the increase in the loan portfolio.

Other assets is comprised of derivative assets, prepayments, capitalised rate commissions and securitisation establishment costs, trade receivables, PPE, right-of-use assets, intangibles and other assets. The largest component of the year-on-year change is a $14.0 million increase in the derivative asset position, reflecting the mark-to-market value of interest rate swaps entered into by the Group. As medium-term market interest rates have risen in late calendar 2021 and early 2022, the value of historic swaps has increased significantly. The remainder of the increase relates to an increase in prepaid commission expenses in line with the growth in automotive loan originations, establishment costs associated with securitisation structures and increased right-of-use assets with the initiation of a new lease agreement for the Sydney head-office.

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. The increase in trade payables is driven by monthly commission payments payable to brokers and aggregators.

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

Other liabilities represents lease liabilities, provisions and accruals. The increase is mainly due to increases in payroll liabilities, accrued interest payable on warehouse borrowings and increased lease liabilities relating to the new lease for the Sydney head-office.

	2022 $'000	2021 $'000	Change $'000	Change %
Funding				
Borrowings				
Plenti Lending Platform	226,052	300,152	(74,100)	(25%)
Wholesale Lending Platform	31,790	48,082	(16,292)	(34%)
Warehouse facilities and ABS Trusts	1,115,768	281,250	834,518	297%
Corporate borrowings	18,000	–	18,000	–
Total borrowings	**1,391,610**	**629,484**	**762,126**	**121%**

Plenti benefits from having established several loan funding platforms. At the end of the period, $1.1 billion of funding came from the warehouses and ABS trusts, while $258 million of loan funding came from the Plenti Lending Platforms.

During the year, the Group added a new warehouse facility to fund EV and other auto loans. Additionally, the group completed an ABS transaction for automotive loans and an ABS transaction for personal and renewable energy loans, both of which provided further funding cost benefits to the Group.

At 31 March 2022, the Group had a total of $20.0 million (2021: $15.5 million) invested in subordinated notes in warehouse and ABS structures. This value is not shown on the face of the balance sheet as it is eliminated in the consolidated Group accounts.

The value of loans funded by the Plenti Lending Platform and the Plenti Wholesale Lending Platform decreased during the year, however, the Group expects to increase the funding sourced from the Plenti Lending Platform over coming years, given the diversity and low cost funding this provides, as well as the importance this platform represents to both Plenti's employees and its customers.

	2022 $'000	2021 $'000	Change $'000	Change %
Cash flow				
Interest income received	97,444	53,761	43,683	81%
Other income	1,234	4,102	(2,868)	(70%)
Interest and other finance costs paid	(32,698)	(25,136)	(7,562)	30%
Payments to suppliers and employees	(69,890)	(35,649)	(34,241)	96%
Cash flows used in operating activities	**(3,910)**	**(2,922)**	**(988)**	
Net increase in loans to customers	(684,724)	(237,441)	(447,283)	188%
Other investing activities	(1,150)	(118)	(1,032)	875%
Cash flows used in investing activities	**(685,874)**	**(237,559)**	**(448,315)**	
Net proceeds from issue of shares	–	50,498	(50,498)	(100%)
Proceeds from borrowings	908,704	429,428	479,276	112%
Repayment of borrowings	(165,013)	(193,047)	28,034	(15%)
Proceeds from corporate borrowings	18,000	–	18,000	–
Repayment of lease liabilities	(662)	(503)	(159)	32%
Cash flows from financing activities	**761,029**	**286,376**	**474,653**	
Net increase in cash	**71,245**	**45,895**	**25,349**	

Directors' report

	2022 $'000	2021 $'000	Change $'000	Change %
Reconciliation of net loss after tax to cash flow from operating activities:				
Pro forma net loss after tax	**(6,315)**	**(15,092)**	**8,777**	**58%**
Add back: loan impairment expense	12,284	7,100	5,184	73%
Add back: share-based payments	2,751	3,942	(1,191)	(30%)
Add back: depreciation and amortisation	1,028	745	283	38%
Add back: IPO costs	–	2,327	(2,327)	(100%)
Add back: other non-cash items	47	544	(497)	(91%)
Deduct: tax benefit on unrealised hedging gain	(4,412)	–	(4,412)	–
Movement in working capital	(9,293)	(2,488)	(6,805)	274%
Cash flow used in operating activities	**(3,910)**	**(2,922)**	**(988)**	

Group cash outflow from operating activities includes operating cash inflows in relation to the Provision Fund. The net operating cash inflows of the Provision Fund was $4.0 million (2021: $7.3 million). Cash outflow from operating activities for the Group excluding the Provision Fund cash inflows (corporate cashflows) would be $7.9 million (2021: $10.2 million).

Net cash outflow from operating activities excluding the Provision Fund cash flows improved by $2.3 million. This was largely driven by the increase in interest income received, while interest and finance costs were lower due to the shift to warehouse and ABS funding facilities. This was partially offset by lower fee and other income due to the absence of the government R&D rebate of $1.5 million (now received as a future tax benefit) and JobKeeper income of $1.7m which contributed to the cash inflow in 2021. The increase in payments to suppliers is largely due to higher commissions paid to brokers due to the growth in automotive lending. Broker commission payments are treated under the effective interest rate method in the profit or loss and hence cash payments will exceed the reported expense when the business is growing rapidly.

Net cash outflow from investing activities increased to $685.9 million reflecting the significant growth in originations volume during the year. Also, during the year, the Group spent approximately $0.9 million to refurbish and expand its Sydney head-office.

Net cash inflow from financing activities increased to $761.0 million, due to proceeds from increased funding from the securitisation vehicles. The Group also received $18 million in corporate debt funding in March 2022.

Statutory to pro forma reconciliation

There were no pro forma adjustments to the current year results.

The table below sets out the pro forma adjustments applied to the prior year results 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.

	2021 Statutory $'000	2021 Pro forma adjustments $'000	2021 Pro forma $'000
Revenue			
Interest revenue	50,744	–	50,744
Other income	2,381	–	2,381
Revenue before transaction costs	**53,125**	**–**	**53,125**
Transaction costs	(2,736)	–	(2,736)
Expenses			
Funding costs	(25,524)	508	(25,016)
Expenses passed to unitholders	(37)	–	(37)
Loan impairment expense	(7,100)	(212)	(7,312)
Sales and marketing expense	(8,920)	(740)	(9,660)
Product development expense	(5,268)	(253)	(5,521)
General and administrative expense	(17,887)	3,879	(14,008)
Depreciation and amortisation	(745)	–	(745)
Total expenses	**(65,481)**	**3,182**	**(62,299)**
	(15,092)	**3,182**	**(11,910)**

Directors' report

Summary of pro forma adjustments

Further details in relation to the individual elements of the pro forma adjustments included on previous page can be obtained from the 31 March 2021 annual report.

Pro forma net loss after income tax to Cash NPAT reconciliation

In addition to the statutory results presented on previous page, the Group also assesses profitability based on a 'Cash NPAT' measure, which is calculated as set out below. Management believes that Cash NPAT is particularly useful to understand given that it reverses out the impact of the non-cash ECL provision expense in a period. The ECL expense will generally be higher when loan book growth has been significant and lower in a period during which there is limited loan book growth – so statutory profit can be lower despite value accretive loan portfolio growth for the Group, all other things being equal.

In 2022, the tax benefit of hedging gains has also been removed from the Cash NPAT calculation. The tax benefit is a non-cash benefit relating to recognition of carried forward tax losses to offset a deferred tax liability, hedging gains on interest rate swaps. Given that the hedging gains should reduce over time and the tax benefit will therefore also unwind, this value is not considered reflective of the actual performance of the Group in the period.

	Consolidated	
	2022 $'000	2021 $'000
Pro forma loss after income tax	(6,315)	(11,910)
Add back:		
ECL provision (excluding ECL provision expense passed to unitholders)	7,444	3,148
Share based payments expense	2,751	1,445
Depreciation and amortisation expense	1,028	745
Tax benefit on hedging gains	(4,412)	–
Cash NPAT	**496**	**(6,572)**

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

On 10 May 2022, Plenti Pty Limited entered into a five-year lease for Level 7, 89 Pirie Street, Adelaide SA 2000, effective 1 May 2022, with the option to extend for a further five years. The value of the right-of-use asset and lease liability to be recognised is $1,115,000.

On 17 May 2022, Plenti successfully completed an extension of the Plenti Funding Trust No 2 until June 2023.

No other matter or circumstance has arisen since 31 March 2022 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 Prospa Group Ltd and Qualitas Ltd Boards, and Chairman on Pitcher Partners' Board. 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:
Propsa Group Limited (ASX:PGL) since March 2021

Qualitas Ltd since October 2021

Pitcher Partners since September 2021

Former directorships (last three years):
TF Global Markets (Aust) Limited (retired July 2021)

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

Interests in shares:
40,000 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

Daniel Foggo

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

Experience and expertise:
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.

Other current directorships:
None

Former directorships (last three years):
None

Special responsibilities:
None

Interests in shares:
2,329,161 ordinary fully paid shares

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

Interests in rights:
571, 321 rights to acquire ordinary fully paid shares

Contractual rights to shares:
None

Directors' report

Susan Forrester AM

Independent Non-Executive Director
BA, LLB (Hons), 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 currently serves as Non-Executive Director of Data#3 Limited and as the Non-Executive Chair of Jumbo Interactive Limited. Susan is also currently an Advisory Board Member of Diligent Corporation. 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:
Data#3 Limited (ASX: DTL) since March 2022

Jumbo Interactive Limited (ASX:JIN) since October 2020

Former directorships (last three years):
Xenith IP Group Limited (resigned August 2019), National Veterinary Care Limited (de-listed on April 2020), Viva Leisure Limited (resigned December 2020), G8 Education Limited (ASX:GEM) (resigned May 2021), and Over the Wire Ltd (ASX:OTW) (retired March 2022)

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

Interests in shares:
425,000 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 KPMG Australia and Michael Cassel Group Holdings Pty Ltd, Partner at Asia Principal Capital Pty Limited, Investment Partner at HEAL Partners, RealVC GP Pty Ltd, RealVC Management Pty Ltd and Chairman of each of 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

Other current directorships:
None

Former directorships (last three years):
ActivePipe Group Pty Ltd (resigned February 2022)

Special responsibilities:
Member of the Audit and Risk Committee, 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 (with Honours)

Experience and expertise:
Peter has over 20 years' experience in law, financial services and growth companies with Ashurst, Royal Bank of Scotland plc, Laxfield Capital, RateSetter and Metro Bank plc. Peter previously served as a Non-Executive Director of George Banco Limited. Peter co-founded and currently serves as an Executive Director of Hexla Limited, a clean energy business focused on carbon neutral hydrogen production.

Other current directorships:
None

Former directorships (last three years):
Retail Money Market Ltd (resigned December 2021)

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 here are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

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

Company secretaries

David Hwang has held the role since 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 public notary.

Benjamin Milsom resigned as company secretary in May 2021.

Georgina Koch was appointed company secretary on 6 May 2021. Prior to joining Plenti, Georgina was General Counsel and Company Secretary at Ampol Limited. Georgina has over 20 years' legal experience advising on commercial, competition and corporate legal issues and held senior roles at 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.

Directors' report

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 31 March 2022, and the number of meetings attended by each director were:

	Full Board		Nomination and Renumeration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Mary Ploughman	14	14	5	5	4	4
Daniel Foggo	14	14	5	5	4	4
Susan Forrester AM	13	14	5	5	4	4
Martin Dalgleish	14	14	5	5	4	4
Peter Behrens	14	14	1	5	4	4

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

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 capable of delivering 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, short term incentive and long term incentive 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 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. A benchmarking exercise was undertaken by the Company in early 2022 to ensure executive remuneration remains appropriate and in line with market.

The reward framework is designed to align executive reward with shareholders' interests. The Board have 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.

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 (STI)
- at risk long-term performance incentives (LTI)

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 and in respect of options issued in 2022 as described on the following pages. All pre-IPO options will expire on 31 May 2022, being the last exercise date for these options.

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 program is designed to align the targets of the business with the performance hurdles of executives within an annual performance cycle. 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 some of their direct reports
Reward construct	▪ The STI 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 ~9 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 hurdle in relation to there being no compliance breaches which have a material financial or reputational impact on the Group
Board discretion	▪ All STI 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. In respect of the FY21 year the award was on a pro-rata basis for the period of the year for which it operated – hence the FY21 was 50% of a full year potential award. From FY22 onwards the STI award is for a full year.

In respect of the STI for FY22, the performance criteria and outcomes were as follows:

Criteria	Weighting	KPI result	Award
Group performance measures			
– Growth in total loan origination volumes versus prior comparable period	35%	134%	100%
– Cash NPAT	15%	$0.5m	100%
Individual performance measures	50%	Various	Various

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. Share rights are awarded to executives over a period of three years based on their continued tenure with the Group and specified performance thresholds.

All 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 LTI award for an executive in a given year is set as a percentage of their base salary ▪ The LTI 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 two years (first performance period) and the remaining 50% after three years (second performance period) dependant on the extent to which the vesting conditions for that award series has been met at the end of each performance period
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 LTIP are subject to a gateway hurdle in relation to there being no compliance breaches which have a material financial or reputational impact on the Group
Board discretion	▪ All LTI awards are subject to a general Board discretion, including in relation to general compliance and appropriate conduct of business

In respect of the LTI granted in FY21, the performance hurdles and outcomes in respect of the first performance period ending 31 March 2022 were as follows:

Criteria	Weighting	KPI result	Award
– Revenue growth – compound annual growth rate above FY20 year	20%	46.0%	100%
– Cost-to-income ratio – improvement in ratio in most recent financial year from FY20 year	10%	Reduction from 59.0% to 48.3%	100%
– Strategic development hurdles – execution of key elements of the Group's funding strategy and delivery of positive operating cashflows (pre variable rate commissions)	20%	Funding – met Cashflow – not met	50%

The above results in respect of the FY21 LTI will result in vesting of 90% of rights related to achievement of performance hurdles for the first performance period.

In respect of the LTI award granted in FY22, the applicable performance hurdles are as follows:

Revenue growth – compound annual growth rate on FY21 year revenue	20%
Cost-to-income ratio – improvement in ratio in most recent financial year from FY21 year	20%
Strategic development hurdles – execution of key elements of the business strategy plan and annual business plan	10%

Voting and comments made at the Company's 2021 Annual General Meeting ('AGM')

At the 2021 AGM, 99.97% of the votes received supported the adoption of the remuneration report for the year ended 31 March 2021. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Directors' report

Employee option issue

During the FY22 year, the Group undertook an issue of options to a number of employees across the business. The options were issued with an exercise price of $1.825 and vest in equal tranches over two, three and four years. The intention of the option issue was to provide exposure to the performance of the Plenti share price to a broader group of Group employees and align their interests with those of Plenti shareholders. The issue of options vesting over multiple years was also intended to help retain those employees in the business. A total of 4.19 million options were issued to employees, of which 685,000 were issued to key management personnel.

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

And the following persons:

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

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
2022	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled share rights $	Equity-settled share options and rights $	Total $
Non-Executive Directors:								
Mary Ploughman	178,808	–	–	17,881	–	–	–	196,689
Susan Forrester AM	92,321	–	–	9,232	–	–	–	101,553
Martin Dalgleish	86,487	–	–	8,649	–	–	–	95,136
Peter Behrens	86,487	–	–	–	–	–	–	86,487
Executive Directors:								
Daniel Foggo[1]	354,940	55,913	–	41,085	11,833	202,767	366,248	1,032,786
Other Key Management Personnel:								
Miles Drury	354,940	58,398	–	41,334	–	175,193	320,606	950,471
Benjamin Milsom	278,429	41,797	–	32,023	9,333	125,391	249,671	736,644
Glenn Riddell	278,429	48,510	–	32,694	9,333	145,530	249,671	764,167
	1,710,841	**204,618**	**–**	**182,898**	**30,499**	**648,881**	**1,186,196**	**3,963,933**

Note:

1. The number of share rights to be issued to Daniel Foggo as part of the FY21 STIP and FY22 LTIP were calculated on the same basis as other executives, using the 20-day volume weighted share price up to and including 25 May 2021. However, these rights were not issued until 26 August 2021 due to the requirement to receive shareholder approval at the Group's AGM for issue of share rights to a director. Under the practical guidance of *AASB 2 – Share-based Payment*, if an arrangement is subject to a shareholder approval process, the appropriate recognition date is the date on which approval was granted. For the purpose of Mr Foggo's rights, the appropriate recognition date was 24 August 2021 as this was the date of shareholder approval at the Annual General Meeting. The increase in the Group's share price between May and August results in a higher share-based payment expense to be recognised in respect of Mr Foggo's rights.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
2021	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled share rights $	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	11,667	91,875	130,120	540,824
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	8,333	65,625	287,373	636,508
Glenn Riddell	229,428	21,875	–	23,874	8,333	65,625	287,373	636,508
	1,345,805	**105,000**	**–**	**129,369**	**28,333**	**315,000**	**1,372,495**	**3,296,002**

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 – June 2020 in response to the uncertainty caused by the COVID-19 pandemic, Daniel Foggo elected to receive no salary during this period.

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

	Fixed remuneration		At risk – STI		At risk – LTI	
Name	2022	2021	2022	2021	2022	2021
Non-Executive Directors:						
Mary Ploughman	100%	42%	–	–	–	58%
Susan Forrester AM	100%	100%	–	–	–	–
Martin Dalgleish	100%	50%	–	–	–	50%
Peter Behrens	100%	42%	–	–	–	58%
Executive Directors:						
Daniel Foggo	40%	53%	25%	23%	35%	24%
Other Key Management Personnel:						
Miles Drury	42%	47%	25%	16%	33%	37%
Benjamin Milsom	43%	41%	23%	14%	34%	45%
Glenn Riddell	42%	41%	25%	14%	33%	45%

Directors' report

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.

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

	STI paid/payable	STI paid/payable	STI forfeited	
Name	2022	2021	2022	2021
Executive Directors:				
Daniel Foggo	90%	100%	10%	–
Other Key Management Personnel:				
Miles Drury	94%	100%	6%	–
Benjamin Milsom	85%	100%	15%	–
Glenn Riddell	99%	100%	1%	–

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 $355,000 per annum plus superannuation. Daniel is also eligible to earn a short term incentive of up to 70% of salary during each financial year 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 $355,000 per annum plus superannuation. Miles is also eligible to earn a short term incentive of up to 70% of salary during each financial year 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 $280,000 per annum plus superannuation. Ben is also eligible to earn a short term incentive of up to 70% of salary during each financial year 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 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 $280,000 per annum plus superannuation. Glenn is also eligible to earn a short term incentive of up to 70% of salary during each financial year 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 2022 are set out below:

Name	Date	Share rights	Issue price	$
Daniel Foggo[1]	26 August 2021	401,782	$1.5362	617,234
Miles Drury	1 June 2021	401,782	$1.1122	446,875
Benjamin Milsom	1 June 2021	310,749	$1.1122	345,625
Glenn Riddell	1 June 2021	310,749	$1.1122	345,625

Note:
1. As noted on page 38, share rights issued to Daniel Foggo were issued on a later date than other KMP due to the requirement to receive shareholder approval for their issue. Pursuant to AASB2 the value of the rights in the Group's accounts is recognised at the approval date, resulting in a different value to that used for other KMP.

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
Miles Drury	38,333	1 October 2021	November 2023	November 2023	$1.8250	$0.229
Miles Drury	38,333	1 October 2021	November 2024	November 2024	$1.8250	$0.308
Miles Drury	38,334	1 October 2021	November 2025	November 2025	$1.8250	$0.376
Benjamin Milsom	95,000	1 October 2021	November 2023	November 2023	$1.8250	$0.229
Benjamin Milsom	95,000	1 October 2021	November 2024	November 2024	$1.8250	$0.308
Benjamin Milsom	95,000	1 October 2021	November 2025	November 2025	$1.8250	$0.376
Glenn Riddell	95,000	1 October 2021	November 2023	November 2023	$1.8250	$0.229
Glenn Riddell	95,000	1 October 2021	November 2024	November 2024	$1.8250	$0.308
Glenn Riddell	95,000	1 October 2021	November 2025	November 2025	$1.8250	$0.376

Note:
1. Options issued in October 2021 will vest five trading days following the release of the Group's half-year results for each of FY24, FY25 and FY26. This is expected to be in mid to late November in each of 2023, 2024 and 2025. Options that vest must be exercised within two days of the vesting date or they lapse

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 2022 are set out below:

Name	Number of options granted during the year 2022	Number of options granted during the year 2021	Number of options vested during the year 2022	Number of options vested during the year 2021
Mary Ploughman	–	300,000	–	300,000
Martin Dalgleish	–	150,000	–	150,000
Peter Behrens	–	150,000	–	150,000
Miles Drury	115,000	150,000	–	450,000
Benjamin Milsom	285,000	–	–	580,002
Glenn Riddell	285,000	–	–	580,002

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:

	Balance at the start of the year	Additions during the year	Disposals/ other	Balance at the end of the year
Ordinary shares				
Mary Ploughman	20,000	20,000	–	40,000
Daniel Foggo[1]	2,121,857	207,304	–	2,329,161
Susan Forrester AM	400,000	25,000	–	425,000
Martin Dalgleish	846,112	–	–	846,112
Peter Behrens	1,337,124	–	–	1,337,124
Miles Drury	200,530	41,304	–	241,834
Benjamin Milsom[2]	75,150	29,503	–	104,653
Glenn Riddell[3]	132,000	29,503	–	161,503
	5,132,773	**352,614**	**–**	**5,485,387**

Notes:
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. Benjamin Milsom 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.
3. 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.

Directors' report

Share right holding

The number of share rights in relation to ordinary shares in the Company held during the financial year by each director and other key management personnel of the Group, is set out below:

Name	Balance at the start of the year	Issued during the year	Exercised during the year	Balance at the end of year	End of year balance – vested
Daniel Foggo	210,843	401,782	(41,304)	571,321	nil
Miles Drury	210,843	401,782	(41,304)	571,321	nil
Benjamin Milsom	150,602	310,749	(29,503)	431,848	nil
Glenn Riddell	150,602	310,749	(29,503)	431,848	nil

Note:
Share rights vesting in relation to the FY21 LTI performance period ending 31 March 2022 vest post the end of the financial year and therefore are not reflected as vested rights in the table above.

Option holding

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

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year	Balance exercisable at the end of the year
Mary Ploughman	450,000	–	–	–	450,000	450,000
Daniel Foggo	210,000	–	–	–	210,000	210,000
Martin Dalgleish	150,000	–	–	–	150,000	150,000
Peter Behrens	150,000	–	–	–	150,000	150,000
Miles Drury	450,000	115,000	–	–	565,000	450,000
Benjamin Milsom	690,000	285,000	–	–	975,000	690,000
Glenn Riddell	690,000	285,000	–	–	975,000	690,000
	2,790,000	**685,000**	**–**	**–**	**3,475,000**	**2,790,000**

This concludes the remuneration report, which has been audited.

Share rights on issue

Grant date	Expiry date	Number of rights
17 September 2020	15 September 2030	210,843
1 October 2020	29 September 2030	512,047
8 December 2020	6 December 2030	173,104
1 June 2021	30 May 2031	1,372,340
26 August 2021	24 August 2031	360,478
		2,628,812

Shares issued on exercise of share rights

Date share rights granted	Number of shares issued
1 June 2021	190,277
26 August 2021	41,304
	231,581

Shares under option

There were no unissued ordinary shares of Plenti Group Limited under option outstanding at the date of this report.

Grant date	Expiry date	Exercise price	Number under option
16 October 2015	31 May 2022	$0.5000	630,000
14 March 2016	31 May 2022	$0.5000	390,000
1 April 2016	31 May 2022	$0.5000	120,000
31 March 2017	31 May 2022	$0.8250	810,000
9 June 2017	31 May 2022	$0.8250	280,000
20 September 2017	31 May 2022	$0.9567	120,000
22 January 2018	31 May 2022	$0.9567	30,000
1 April 2018	31 May 2022	$0.9567	750,000
5 May 2018	31 May 2022	$0.9567	270,000
1 August 2018	31 May 2022	$1.3333	60,000
3 September 2018	31 May 2022	$1.3333	120,000
3 December 2018	31 May 2022	$1.3833	120,000
6 May 2019	31 May 2022	$1.3833	840,000
1 June 2019	31 May 2022	$1.3833	360,000
1 August 2019	31 May 2022	$1.3833	120,000
1 December 2019	31 May 2022	$1.3833	439,998
2 December 2019	31 May 2022	$1.3833	210,000
13 January 2020	31 May 2022	$1.3833	2,190,000
19 February 2020	31 May 2022	$1.3833	240,000
20 March 2020	31 May 2022	$1.3800	30,000
31 March 2020	31 May 2022	$1.3800	300,000
8 July 2020	31 May 2022	$1.3800	390,000
22 July 2020	31 May 2022	$1.3800	600,000
1 October 2021[1]	November 2024	$1.8250	1,300,994
1 October 2021[1]	November 2025	$1.8250	1,300,994
1 October 2021[1]	November 2026	$1.8250	1,301,012
10 December 2021[1]	November 2024	$1.8250	13,333
10 December 2021[1]	November 2025	$1.8250	13,333
10 December 2021[1]	November 2026	$1.8250	13,334
14 January 2022[1]	November 2024	$1.8250	21,666
14 January 2022[1]	November 2025	$1.8250	21,666
14 January 2022[1]	November 2026	$1.8250	21,668
			13,427,998

Note:
1. These options will vest five trading days following the release of the Group's half-year results for each of FY24, FY25 and FY26. This is expected to be in mid to late November in each of 2023, 2024 and 2025. Options that vest must be exercised within two days of the vesting date or they lapse.

Directors' report

Shares issued on the exercise of options

The following ordinary shares of Plenti Group Limited were issued during the year ended 31 March 2022 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	136,668
1 April 2016	$0.5000	62,858
31 March 2017	$0.8250	29,999
9 June 2017	$0.8250	7,500
23 November 2017	$0.9566	27,531
13 January 2020	$1.3833	3,140
		267,696

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

17 May 2022
Sydney

Auditor's independence declaration

Grant Thornton

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Auditor's Independence Declaration

To the Directors of Plenti Group Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Plenti Group Ltd for the year ended 31 March 2022, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the *Corporations Act 2001* 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, 17 May 2022

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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 17 May 2022. 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 2022

	Note	Consolidated 2022 $'000	Consolidated 2021 $'000
Revenue			
Interest revenue	4	87,272	50,744
Other income	5	1,234	2,381
Revenue before transaction costs		**88,506**	**53,125**
Transaction costs		(10,864)	(2,736)
Net income		**77,642**	**50,389**
Expenses			
Loan funding costs		(31,959)	(25,586)
Expense passed to unitholders		(140)	(37)
Customer loan impairment expense		(12,284)	(7,100)
Sales and marketing expense		(13,769)	(8,920)
Product development expense		(7,719)	(5,268)
General and administration expense		(21,376)	(17,787)
Corporate funding costs		(94)	(38)
Depreciation and amortisation expense	6	(1,028)	(745)
Total expenses		**(88,369)**	**(65,481)**
Loss before income tax benefit		(10,727)	(15,092)
Income tax benefit	7	4,412	–
Loss after income tax benefit for the year attributable to the owners of Plenti Group Limited		**(6,315)**	**(15,092)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Hedging gain/(loss), net of tax		10,293	23
Other comprehensive income for the year, net of tax		10,293	23
Total comprehensive income/(loss) for the year attributable to the owners of Plenti Group Limited		**3,978**	**(15,069)**

		Cents	Cents
Basic earnings per share	34	(3.73)	(10.06)
Diluted earnings per share	34	(3.73)	(10.06)

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 2022

	Note	Consolidated 2022 $'000	Consolidated 2021 $'000
Assets			
Cash and cash equivalents	8	159,168	87,923
Term deposits	9	405	482
Customer loans	10	1,269,370	591,590
Trade receivables		132	62
Other assets	11	21,106	8,047
Derivative financial instruments	12	14,692	–
Property, plant and equipment	13	1,312	295
Right-of-use assets	14	2,979	609
Intangibles	15	56	191
Total assets		**1,469,220**	**689,199**
Liabilities			
Trade payables		5,450	4,635
Other liabilities	16	15,045	7,369
Borrowings	17	1,391,610	629,484
Lease liabilities	18	2,998	702
Derivative financial instruments	19	–	13
Provisions	20	1,443	1,051
Total liabilities		**1,416,546**	**643,254**
Net assets		52,674	45,945
Equity			
Issued capital	21	106,373	105,934
Reserves	22	17,889	5,284
Accumulated losses		(71,588)	(65,273)
Total equity		**52,674**	**45,945**

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 2022

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 21)	63,513	–	–	63,513
Share-based payments (note 35)	–	3,942	–	3,942
Exercise of share options	93	(82)	–	11
Balance at 31 March 2021	105,934	5,284	(65,273)	45,945

Consolidated	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 April 2021	105,934	5,284	(65,273)	45,945
Loss after income tax benefit for the year	–	–	(6,315)	(6,315)
Other comprehensive income for the year, net of tax	–	10,293	–	10,293
Total comprehensive income/(loss) for the year	**–**	**10,293**	**(6,315)**	**3,978**
Transactions with owners in their capacity as owners:				
Share-based payments (note 35)	–	2,751	–	2,751
Exercise of share options	181	(181)	–	–
Exercise of performance rights	258	(258)	–	–
Balance at 31 March 2022	**106,373**	**17,889**	**(71,588)**	**52,674**

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 2022

		Consolidated	
	Note	2022 $'000	2021 $'000
Cash flows from operating activities			
Interest income received		97,444	53,761
Other income received		1,234	2,381
JobKeeper payments received		–	1,721
Interest and other finance costs paid		(32,698)	(25,136)
Payments to suppliers and employees		(69,890)	(35,649)
Net cash used in operating activities	**32**	**(3,910)**	**(2,922)**
Cash flows from investing activities			
Net increase in loans to customers		(684,724)	(237,440)
Payments for property, plant and equipment	13	(1,226)	(94)
Proceeds from/(payments for) term deposits		76	(25)
Net cash used in investing activities		**(685,874)**	**(237,559)**
Cash flows from financing activities			
Proceeds from issue of shares	21	–	55,000
IPO and other share issuance costs paid		–	(4,502)
Proceeds from share options exercised		–	54
Proceeds from borrowings	33	908,704	429,428
Proceeds from corporate borrowings	33	18,000	–
Repayment of borrowings	33	(165,013)	(193,047)
Repayment of lease liabilities	33	(662)	(557)
Net cash from financing activities		**761,029**	**286,376**
Net increase in cash and cash equivalents		71,245	45,895
Cash and cash equivalents at the beginning of the financial year		87,923	42,028
Cash and cash equivalents at the end of the financial year	**8**	**159,168**	**87,923**

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

Notes to the financial statements

31 March 2022

Note 1. Significant accounting policies

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 Australian Accounting Standards Board ('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 36.

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 2022 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 Ratesetter 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 2022

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 Plenti Wholesale Lending Platform is offset by passing the losses to the wholesale investors. This is reflected in expense passed to unitholders in the statement of profit 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 three 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	5 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 2022

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 seven years, being the maximum term of the loan being funded by the warehouse facility.

Fees paid in relation to the arrangement of Asset Backed Security (ABS) transactions are recognised as prepayments and amortised on a straight-line basis over the expected term of the ABS trust of three to four years.

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 the 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.

The Group uses amortising interest rate swaps with notional amounts that amortise over a specified term as the preferred hedging instrument to hedge its exposure to floating rate borrowings. Refer to note 24 interest rate risk for further details.

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.

Notes to the financial statements

31 March 2022

Note 1. Significant accounting policies continued

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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 34 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 the 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.

The impact of the COVID-19 pandemic on Australia has increased the level of uncertainty in relation to the economic outlook in recent years, increasing the difficulty in forecasting future credit performance. While the impact of the pandemic on the Australian economy has reduced materially in 2022 and it appears less likely that disruptions such as those experienced in calendar 2020 and 2021 will continue to occur, this is not certain and future events such as the emergence of new variants could alter this analysis.

ECL estimates disclosed in these financial statements are based on forecasts of economic conditions which reflect assumptions and expectations as at 31 March 2022. 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.

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.

Notes to the financial statements
31 March 2022

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 2022 (2021: none).

Note 4. Interest revenue

	Consolidated	
	2022 $'000	2021 $'000
Origination and loan fees	15,596	11,828
Interest income	71,631	38,803
Bank interest	45	113
	87,272	**50,744**

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.

Note 5. Other income

	Consolidated	
	2022 $'000	2021 $'000
Other fee income	1,141	841
Government rebates	–	1,540
Other	93	–
	1,234	**2,381**

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. The rebate received in the 2021 financial year (in respect of the prior tax year) was received as a cash refund and therefore recognised in Other income. In respect of the current year, Plenti no longer met the eligibility criteria to receive a cash refund with the rebate for the prior tax year instead being received as a future tax offset. No income was therefore recognised for this item in the 2022 results.

Note 6. Expenses

	Consolidated	
	2022 $'000	2021 $'000
Loss before income tax includes the following specific expenses:		
Depreciation		
Leasehold improvements	91	22
Fixtures and fittings	21	19
Office equipment	98	61
Buildings right-of-use assets	682	507
Total depreciation	**892**	**609**
Amortisation		
Website	136	136
Total depreciation and amortisation	**1,028**	**745**
Finance costs		
Interest and finance charges paid/payable on warehouse borrowings	14,289	2,933
Interest and finance charges paid/payable on lease liabilities	46	38
Convertible note interest	–	508
Finance costs expensed	**14,335**	**3,479**
Superannuation expense		
Defined contribution superannuation expense	1,816	1,197
Share-based payments expense		
Share-based payments expense	2,751	3,942

Operating expenses for the year were $88,369,000 (2021: $65,481,000), of which employee expenses were $25,023,000 (2021: $15,269,000). In the prior year, 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.

Notes to the financial statements
31 March 2022

Note 7. Income tax benefit

	Consolidated	
	2022 $'000	2021 $'000
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax benefit	(10,727)	(15,092)
Tax at the statutory tax rate of 30% (2021: 27.5%)	(3,218)	(4,150)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Permanent differences	(173)	(275)
	(3,391)	(4,425)
Current year losses for which no tax benefit was recognised	2,811	3,456
Current year temporary differences for which no deferred tax asset was recognised	580	969
Carried forward tax losses offset against hedging gain in OCI	(4,412)	–
Income tax benefit	**(4,412)**	**–**

The Group's tax rate has increased to 30% as the Group is no longer a base rate entity.

As at 31 March 2022, the balance of carry forward tax losses for which a tax benefit was not recognised was $47,037,000 (2021: $44,626,000). The Group has sought advice relating to the availability of tax losses for future utilisation. At 31 March 2022, the Group satisfied the continuity of ownership test ('COT') in respect of the 2019, 2020, 2021 and 2022 financial years, with associated losses of $34,736,000. 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. There were no losses prior to these periods.

Note 8. Cash and cash equivalents

	Consolidated	
	2022 $'000	2021 $'000
Cash at bank	40,007	29,437
Cash held in trust	104,892	44,507
Cash held in Provision Fund	14,269	13,979
	159,168	**87,923**

Cash in bank

Cash at bank reflects cash balances that are held in the Group's corporate bank accounts. While the majority of these funds are available generally for Group operations, some corporate accounts relate to collections on loans with proceeds regularly passed through to warehouse/ABS trusts. Historically these balances have been relatively small but as the Group's loan book has grown significantly, the value of funds in collection accounts has increased. At 31 March 2022 the total balance of corporate collection bank accounts was $8.1 million (2021: $1.3 million).

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 2022, investor cash held in the Lending Platforms totalled $30,439,000 with $72,958,000 of funds available in accounts relating to the Warehouse facilities. A further $1,495,000 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.

Note 9. Term deposits

	Consolidated	
	2022 $'000	2021 $'000
Restricted term deposits	405	482

Refer to note 25 for further information on fair value measurement.

The restricted term deposits bears interest of 1.19% (2021: 0.39%) per annum and has a maturity of greater than one year.

Note 10. Customer loans

	Consolidated	
	2022 $'000	2021 $'000
Gross customer loans	1,299,750	614,635
Less: Deferred upfront fees	(10,276)	(10,178)
Less: Allowance for expected credit losses	(20,104)	(12,867)
	1,269,370	**591,590**

Notes to the financial statements
31 March 2022

Note 10. Customer loans continued

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

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2022 %	2021 %	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Retail	3.2%	3.0%	203,887	285,060	6,555	8,449
Wholesale	1.3%	1.3%	30,379	46,671	393	599
Warehouse	1.2%	1.3%	1,065,484	282,904	13,156	3,819
			1,299,750	**614,635**	**20,104**	**12,867**

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	2022 %	2021 %	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Stage 1 – 12 month ECL	0.5%	0.8%	1,258,393	596,137	6,521	4,640
Stage 2 – Lifetime ECL–not credit impaired	25.4%	35.5%	34,917	15,024	8,872	5,327
Stage 3 – Lifetime ECL–credit impaired	73.2%	83.5%	6,440	3,474	4,711	2,900
			1,299,750	**614,635**	**20,104**	**12,867**

The decrease in provision rates between the 2021 and 2022 financial years primarily reflects the increasing proportion of automotive and renewable energy loans in the portfolio which exhibit lower loss rates and therefore carry a lower provision rate than personal loans.

The maturity profile of gross customer loans are as follows:

	Consolidated	
	2022 $'000	2021 $'000
Less than 1 year	19,802	14,173
1 to 2 years	52,805	46,116
2 to 5 years	639,137	361,758
Greater than 5 years	588,006	192,588
	1,299,750	**614,635**

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

	Consolidated	
	2022 $'000	2021 $'000
Opening balance	12,867	9,906
Additional provisions recognised	12,784	6,342
Receivables written off during the year as uncollectable	(7,365)	(4,968)
Recoveries during the year	1,818	1,587
Closing balance	**20,104**	**12,867**

Note 11. Other assets

	Consolidated	
	2022 $'000	2021 $'000
Prepayments	18,758	6,117
GST receivable	2,263	1,836
Other assets	85	94
	21,106	**8,047**

Prepayments also includes capitalised commission payments and warehouse facility costs.

Note 12. Derivative financial instruments

	Consolidated	
	2022 $'000	2021 $'000
Interest rate swap contracts – cash flow hedges	14,692	–

Refer to note 25 for further information on fair value measurement.

Notes to the financial statements
31 March 2022

Note 13. Property, plant and equipment

	Consolidated 2022 $'000	2021 $'000
Leasehold improvements – at cost	1,015	81
Less: Accumulated depreciation	(150)	(59)
	865	22
Fixtures and fittings – at cost	196	191
Less: Accumulated depreciation	(94)	(73)
	102	118
Office equipment – at cost	607	319
Less: Accumulated depreciation	(262)	(164)
	345	155
	1,312	**295**

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below. With the growth of the Group's business, in the 2022 financial year the Group extended its lease at its Sydney office to take on further office space and refurbished the extended space. The cost of this investment is reflected in the Leasehold improvement and Office equipment additions in 2022.

Consolidated	Leasehold improvements $'000	Fixtures and fittings $'000	Office equipment $'000	Total $'000
Balance at 1 April 2020	43	121	139	303
Additions	–	16	78	94
Depreciation expense	(22)	(19)	(61)	(102)
Balance at 31 March 2021	21	118	156	295
Additions	935	5	287	1,227
Depreciation expense	(91)	(21)	(98)	(210)
Balance at 31 March 2022	**865**	**102**	**345**	**1,312**

Note 14. Right-of-use assets

	Consolidated 2022 $'000	2021 $'000
Buildings – right-of-use assets	5,954	2,380
Less: Accumulated depreciation	(2,975)	(1,771)
	2,979	**609**

Additions to the right-of-use assets during the year were $3,574,000 (2021: $nil).

The low-value assets expensed during the year was $113,000 (2021: $35,000).

The Group leases its Sydney office under an agreement of five years expiring on 31 May 2026.

Refer to note 18 for the details on the lease liabilities.

Note 15. Intangibles

	Consolidated 2022 $'000	2021 $'000
Website development – at cost	417	417
Less: Accumulated amortisation	(361)	(226)
	56	**191**

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 2020	327
Amortisation expense	(136)
Balance at 31 March 2021	191
Amortisation expense	(135)
Balance at 31 March 2022	**56**

Notes to the financial statements
31 March 2022

Note 16. Other liabilities

	Consolidated	
	2022 $'000	2021 $'000
Interest payable	1,706	823
GST payable	1,076	449
Accrued expenses	1,851	1,719
Subsidies received in advance	1,495	1,737
Other liabilities	8,917	2,641
	15,045	**7,369**

Note 17. Borrowings

	Consolidated	
	2022 $'000	2021 $'000
Investor funds on platform	257,842	348,234
Warehouse borrowings	604,685	281,250
ABS borrowings	511,083	–
Corporate borrowings	18,000	–
	1,391,610	**629,484**

Refer to note 24 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.

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 used 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 and ABS borrowings

The Group has warehouse borrowings that provide funding for automotive loans and renewable and personal loans. Once the warehouse borrowings reached a sizeable value, Plenti would seek to undertake an asset backed securities issuance. During the year, Plenti completed two ABS transactions with the completion of the Plenti Auto ABS 2021-1 transaction in August 2021 and the Plenti PL-Green ABS 2022-1 transaction in March 2022.

During the year, Plenti created the following special purpose vehicles to support its securitisation programme.

The Auto ABS Trust was incorporated in July 2021 to facilitate the establishment of a term facility for the automotive loans that were acquired from the RateSetter Funding Trust No.1. The notes issued by the ABS Trust are independently rated by an established ratings agency. The initial funded amount for the Trust was $306.3 million, which will be paid down progressively over the term of the Trust.

The Plenti Funding Trust No.3 was incorporated in November 2021 to facilitate warehouse loan funding for electric vehicles. Senior Funding for the warehouse is provided by a major domestic banks and mezzanine funding is provided by large domestic investors. The facility has a limit of $150 million as at 31 March 2022.

The PL-Green ABS Trust was incorporated in January 2022 to facilitate the establishment of a term facility for the personal and renewable loans that were acquired from the Plenti Funding Trust No.2. The notes issued by the ABS Trust are independently rated by an established ratings agency. The initial funded amount for the Trust was $280 million, which will be paid down progressively over the term of the Trust.

Corporate borrowings

In March 2022, the Group entered into a corporate debt facility agreement with an Australian funder. The initial value of funds drawn under the facility was $18 million. The facility has a dynamic limit which is proportionated to the size of Group's securitised loan portfolio, providing the ability to draw further funds as the Group's loan portfolio grows, subject to funder approval. The facility has an initial term of two years and carries an interest rate determined by a margin over the bank bill swap rate.

Total secured liabilities

The total secured liabilities are as follows:

	Consolidated	
	2022 $'000	2021 $'000
Warehouse borrowings	604,685	281,250
ABS Borrowings	511,083	–
	1,115,768	**281,250**

Financing arrangements

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

	Consolidated	
	2022 $'000	2021 $'000
Total facilities		
Warehouse facilities	931,000	434,500
Used at the reporting date		
Warehouse facilities	598,000	281,250
Unused at the reporting date		
Warehouse facilities	**333,000**	**153,250**

The warehouse facilities limit excludes $19,000,000 (2021: $15,510,000) 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.

Notes to the financial statements
31 March 2022

Note 18. Lease liabilities

	Consolidated	
	2022 $'000	2021 $'000
Lease liability	2,998	702

Refer to note 24 for further information on financial instruments.

The weighted average incremental borrowing rate was 1.50% (2021: 3.67%).

Note 19. Derivative financial instruments

	Consolidated	
	2022 $'000	2021 $'000
Cash flow hedges	–	13

Refer to note 24 for further information on financial instruments.

Refer to note 25 for further information on fair value measurement.

Note 20. Provisions

	Consolidated	
	2022 $'000	2021 $'000
Annual leave	1,227	852
Long service leave	186	99
Other provisions	30	100
	1,443	**1,051**

Note 21. Issued capital

	Consolidated			
	2022 Shares	2021 Shares	2022 $'000	2021 $'000
Ordinary shares – fully paid	169,422,808	168,923,531	106,373	105,934

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Balance	1 April 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
Exercise of share options		267,696		181
Exercise of performance rights		231,581		258
Balance	**31 March 2022**	**169,422,808**		**106,373**

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.

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.

Notes to the financial statements
31 March 2022

Note 22. Reserves

	Consolidated	
	2022 $'000	2021 $'000
Hedging reserve – cash flow hedges	10,280	(13)
Share-based payments reserve	7,609	5,297
	17,889	**5,284**

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 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
Hedging gain	10,293	–	10,293
Share-based payments expense	–	2,751	2,751
Share options exercised	–	(181)	(181)
Exercise of performance rights	–	(258)	(258)
Balance at 31 March 2022	**10,280**	**7,609**	**17,889**

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 prior period.

Note 23. Dividends

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

Note 24. 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 17) are principal payment loans. The amount is not subject to interest rate and thus not subject to interest rate risk.

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

	2022		2021	
Consolidated	Weighted average interest rate %	Balance $'000	Weighted average interest rate %	Balance $'000
Cash and cash equivalents	0.03%	159,166	0.05%	87,923
Restricted term deposit	1.19%	405	0.39%	481
Net exposure to cash flow interest rate risk		**159,571**		**88,404**

An official increase/decrease in interest rates of 100 (2021: 50) basis points would have a favourable/adverse effect on profit before tax of $1,596,000 (2021: $442,000) 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 2022, 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 2022, the Group had a hedge ratio of 87% (2021: 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 notional value of interest rate swaps:

	Consolidated	
	2022 $'000	2021 $'000
Floating rate borrowings	1,133,768	281,250
Interest rate swap notional amortised amount	(976,568)	(218,549)

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.

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Note 24. Financial instruments continued

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 third-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	
	2022 $'000	2021 $'000
Warehouse facilities	333,000	153,250

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 November 2022. 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 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.

The Plenti Funding Trust No.3 has a 24 month availability period and is due for extension by December 2023. 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.

Consolidated – 2022	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	6,992	–	–	–	6,992
Subsidies received in advance	1,495	–	–	–	1,495
Other liabilities	8,918	–	–	–	8,918
Interest-bearing					
Unitholder liabilities	102,120	78,606	84,155	2,895	267,776
Warehouse borrowings	538,304	75,015	–	–	613,319
ABS borrowings	168,992	127,173	208,257	–	504,422
Corporate borrowings	1,865	20,024	–	–	21,889
Lease liability	2,998	–	–	–	2,998
Total non-derivatives	**831,684**	**300,818**	**292,412**	**2,895**	**1,427,809**
Derivatives					
Interest rate swaps net settled	–	–	–	–	–
Total derivatives	**–**	**–**	**–**	**–**	**–**

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**

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

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Note 24. Financial instruments continued

Fair value of financial instruments

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

Note 25. 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 – 2022	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Interest rate swaps	14,692	–	–	14,692
Total assets	**14,692**	**–**	**–**	**14,692**

Consolidated – 2021	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Liabilities				
Interest rate swaps	13	–	–	13
Total liabilities	**13**	**–**	**–**	**13**

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 26. Key management personnel disclosures

Directors

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

Mary Ploughman – Non-Executive Chairman

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

Compensation

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

	Consolidated	
	2022 $	2021 $
Short-term employee benefits	1,915,459	1,450,805
Post-employment benefits	182,898	129,369
Long-term benefits	30,499	28,333
Share-based payments	1,835,077	1,687,495
	3,963,933	**3,296,002**

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	
	2022 $	2021 $
Directors	575,090	3,061,796
Other key management personnel	101,968	259,089
	677,058	**3,320,885**

Note 27. Related party transactions

Parent entity

Plenti Group Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 30.

Key management personnel

Disclosures relating to key management personnel are set out in note 26 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.

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Note 27. Related party transactions continued

Loans to/from related parties

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

	Consolidated	
	2022 $	2021 $
Unitholder liabilities	257,837,048	348,224,304

Terms and conditions

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

Note 28. Remuneration of auditors

	Consolidated	
	2022 $	2021 $
Audit and review of financial reports		
Group	79,130	79,470
Controlled entities	129,750	109,500
	208,880	188,970
Other assurance services		
AFSL and Compliance plan	19,500	10,800
Investigating accounting report	–	194,150
Tax due diligence report	–	54,032
CEFC compliance report	3,000	2,750
	22,500	261,732
Other services		
Tax compliance services	58,600	42,900
Tax advisory services	–	13,500
	58,600	56,400
Total services provided by Grant Thornton	**289,980**	**507,102**

Note 29. Contingent liabilities

The Group has given bank guarantees as at 31 March 2022 of $352,000 (2021: $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 bank guarantees as at 31 March 2022 of $9,529 (2020: $9,529) to Epworth Building Pty Limited. This is secured by the term deposit held by the Group.

Note 30. 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:

		Ownership interest	
Name	Principal place of business/ Country of incorporation	2022 %	2021 %
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	0.1%	1.1%
– The Trustee for Plenti Wholesale Lending Platform*	Australia	0.6%	0.7%
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%	100.0%
– Plenti Funding Trust No.3	Australia	100.0%	–
– Plenti Auto ABS Trust 2021-1	Australia	100.0%	–
– Plenti Corporate Funding No.1 Pty Limited	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.

Note 31. 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'.

Notes to the financial statements
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Note 31. Deed of cross guarantee continued

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	2022 $'000	2021 $'000
Interest revenue	9,184	1,619
Other income	19,553	12,056
Transaction costs	(29,535)	(3,682)
Depreciation and amortisation expense	(1,028)	(745)
Funding costs	(70)	(546)
Sales and marketing expense	(13,769)	(8,859)
Product development expense	(7,719)	(5,239)
General and administration expense	(19,969)	(16,995)
Operating loss	**(43,353)**	**(22,391)**
Loss before income tax expense	(43,353)	(22,391)
Income tax expense	–	–
Loss after income tax expense	(43,353)	(22,391)
Other comprehensive income for the year, net of tax	–	–
Total comprehensive loss for the year	**(43,353)**	**(22,391)**

Statement of financial position	2022 $'000	2021 $'000
Assets		
Cash and cash equivalents	4,610	22,590
Term deposits	405	482
Trade receivables	3,736	17,131
Other assets	15,796	14,945
Property, plant and equipment	1,311	294
Right-of-use assets	2,979	609
Intangibles	56	191
Total assets	**28,893**	**56,242**
Liabilities		
Trade payables	11,966	1,145
Other liabilities	4,921	3,755
Lease liabilities	2,998	702
Provisions	1,534	1,051
Total liabilities	**21,419**	**6,653**
Net assets	**7,474**	**49,589**
Equity		
Issued capital	106,373	107,357
Reserves	7,610	5,297
Accumulated losses	(106,509)	(63,065)
Total equity	**7,474**	**49,589**

Note 32. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2022 $'000	2021 $'000
Loss after income tax benefit for the year	(6,315)	(15,092)
Adjustments for:		
Depreciation and amortisation	1,028	745
Loan impairment expense	12,284	7,100
Tax benefit on unrealised hedging gain	(4,412)	–
Share-based payments	2,751	3,942
IPO costs	–	2,327
Other non-cash items	47	544
Change in operating assets and liabilities:		
Decrease/(increase) in customer loans	98	(615)
Decrease/(increase) in trade receivables	(69)	296
Increase in other operating assets	(13,060)	(5,613)
Increase in trade payables	(510)	1,568
Increase in other operating liabilities	4,248	1,876
Net cash used in operating activities	**(3,910)**	**(2,922)**

Note 33. Changes in liabilities arising from financing activities

Consolidated	Investor funds on loan $'000	Warehouse and ABS borrowings $'000	Corporate borrowings $'000	Convertible notes $'000	Lease liabilities $'000	Total $'000
Balance at 1 April 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
Proceeds from borrowings	74,186	834,518	18,000	–	–	926,704
Repayment of borrowings	(164,719)	–	–	–	(662)	(165,381)
Interest	–	–	–	–	46	46
Acquisition of leases	–	–	–	–	2,912	2,912
Other changes	140	–	–	–	–	140
Balance at 31 March 2022	**257,841**	**1,115,768**	**18,000**	**–**	**2,998**	**1,394,607**

Notes to the financial statements
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Note 34. Earnings per share

	Consolidated	
	2022 $'000	2021 $'000
Loss after income tax attributable to the owners of Plenti Group Limited	(6,315)	(15,092)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	169,116,224	149,957,320
Weighted average number of ordinary shares used in calculating diluted earnings per share	169,116,224	149,957,320

	Cents	Cents
Basic earnings per share	(3.73)	(10.06)
Diluted earnings per share	(3.73)	(10.06)

13,427,998 (2021: 9,990,000) options and 2,628,812 share rights (2021: 895,994) were excluded from the weighted average number of ordinary shares used in calculating diluted earnings per share as they were non-dilutive given EPS is negative.

Note 35. Share-based payments

Share-based payments for the Group relate to securities issued under the Plenti Group Limited Employee Equity Plan adopted in 2020 ("2020 EEP") and the Employee Share Option Plan adopted in 2015 ('Historic ESOP'). The 2020 EEP and Historic ESOP 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.

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 2022, a total of 2,860,393 (2021: 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, the Group also issued 4,190,000 options (2021: nil) to a number of staff under the 2020 EEP. Further details of this issuance are set out in the Remuneration Report.

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 2022, 9,419,998 (2021: 9,990,000) 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.

Share rights

Set out below is a summary of options outstanding as at 31 March 2022 and 31 March 2021 issued under the 2020 EEP:

2022

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
17/09/2020	17/09/2020	nil	–	210,843	–	–	210,843
01/10/2020	01/10/2030	nil	–	512,047	–	–	512,047
08/12/2020	09/12/2030	nil	–	173,104	–	–	173,104
01/10/2021	01/10/2022	nil	–	1,562,617	(231,581)	–	1,331,036
26/08/2021	26/08/2031	nil	–	401,782	–	–	401,782
							2,628,812

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
17/09/2020	17/09/2020	nil	–	210,843	–	–	210,843
01/10/2020	01/10/2030	nil	–	512,047	–	–	512,047
08/12/2020	09/12/2030	nil	–	173,104	–	–	173,104
							895,994

For the share rights granted during the current and previous financial year, the fair value at the grant date is set out below:

Grant date	Share rights issued	Fair value at grant date
26/08/2021	401,782	$1.5362
01/06/2021	1,562,617	$1.1122
08/12/2020	173,104	$1.1265
01/10/2020	512,047	$1.6600
17/09/2020	201,843	$1.6600

Notes to the financial statements
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Note 35. Share-based payments continued

Set out below are summaries of options outstanding as at 31 March 2022 issued under either the Historic ESOP or 2020 EEP:

2022

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	910,002	–	(280,002)	–	630,000
14/03/2016	31/05/2022	$0.5000	390,000	–	–	–	390,000
01/04/2016	31/05/2022	$0.5000	180,000	–	(60,000)	–	120,000
31/03/2017	31/05/2022	$0.8250	889,998	–	(79,998)	–	810,000
09/06/2017	31/05/2022	$0.8250	300,000	–	(20,000)	–	280,000
20/09/2017	31/05/2022	$0.8250	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	750,000	–	–	–	750,000
05/05/2018	31/05/2022	$0.9567	270,000	–	–	–	270,000
01/08/2018	31/05/2022	$0.9567	60,000	–	–	–	60,000
03/09/2018	31/05/2022	$1.3333	120,000	–	–	–	120,000
03/12/2018	31/05/2022	$1.3333	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	439,998	–	–	–	439,998
02/12/2019	31/05/2022	$1.3833	210,000	–	–	–	210,000
13/01/2020	31/05/2022	$1.3833	2,220,000	–	(30,000)	–	2,190,000
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
01/10/2021	21/11/2023	$1.8250	–	1,361,660	–	(60,666)	1,300,994
01/10/2021	21/11/2024	$1.8250	–	1,361,660	–	(60,666)	1,300,994
01/10/2021	21/11/2025	$1.8250	–	1,361,680	–	(60,668)	1,301,012
10/12/2021	21/11/2023	$1.8250	–	13,333	–	–	13,333
10/12/2021	21/11/2024	$1.8250	–	13,333	–	–	13,333
10/12/2021	21/11/2025	$1.8250	–	13,334	–	–	13,334
14/01/2022	21/11/2023	$1.8250	–	21,666	–	–	21,666
14/01/2022	21/11/2024	$1.8250	–	21,666	–	–	21,666
14/01/2022	21/11/2025	$1.8250	–	21,668	–	–	21,668
			9,990,000	**4,190,000**	**(570,002)**	**(182,000)**	**13,427,998**

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.

Notes to the financial statements
31 March 2022

Note 35. Share-based payments continued

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 $1.36 (2021: $1.13).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 0.9 years (2021: 1.17 years).

The share-based payment expense during the financial year was $2,751,000 (2021: $3,942,000) of which $nil (2021: $3,603,000) related to the Historic ESOP. Of the 2021 expense, $2,497,000 related to accelerated vesting of options at IPO.

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
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
01/10/2021	21/11/2023	$1.4000	$1.8250	44.00%	–	0.20%	$0.229
01/10/2021	21/11/2024	$1.4000	$1.8250	44.00%	–	0.34%	$0.308
01/10/2021	21/11/2025	$1.4000	$1.8250	44.00%	–	0.46%	$0.376
10/12/2021	21/11/2023	$1.2500	$1.8250	44.00%	–	0.36%	$0.151
10/12/2021	21/11/2024	$1.2500	$1.8250	44.00%	–	0.93%	$0.227
10/12/2021	21/11/2025	$1.2500	$1.8250	44.00%	–	1.25%	$0.294
14/01/2022	21/11/2023	$1.1400	$1.8250	44.00%	–	0.45%	$0.106
14/01/2022	21/11/2024	$1.1400	$1.8250	44.00%	–	1.00%	$0.173
14/01/2022	21/11/2025	$1.1400	$1.8250	44.00%	–	1.35%	$0.235

Note 36. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2022 $'000	2021 $'000
Loss after income tax	(3,411)	(438)
Other comprehensive income for the year, net of tax	–	–
Total comprehensive loss	**(3,411)**	**(438)**

Statement of financial position

	Parent	
	2022 $'000	2021 $'000
Total current assets	65,898	66,995
Total non-current assets	1,423	1,423
Total assets	65,320	68,418
Total current liabilities	6	444
Total non-current liabilities	–	–
Total liabilities	6	444
Net assets	**67,315**	**67,974**
Equity		
Issued capital	106,373	105,934
Reserves	(35,209)	(37,522)
Accumulated losses	(3,849)	(438)
Total equity	**67,315**	**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 2022.

Contingent liabilities

The parent entity had no contingent liabilities as at 31 March 2022.

Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 31 March 2022.

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 37. Events after the reporting period

On 10 May 2022 Plenti Pty Limited entered into a five-year lease for Level 7, 89 Pirie Street, Adelaide SA 2000, effective 1 May 2022, with the option to extend for a further five years. The value of the right of use asset and lease liability to be recognised is $1,115,000.

On 17 May 2022, Plenti successfully completed an extension of the Plenti Funding Trust No 2 until June 2023.

No other matter or circumstance has arisen since 31 March 2022 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 2022

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 2022 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 31 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

17 May 2022
Sydney

Independent auditor's report

to the members of Plenti Group Limited

GrantThornton

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
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Sydney NSW 1230

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Independent Auditor's Report

To the Members of Plenti Group Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of Plenti Group Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 March 2022, 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 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 2022 and of its performance for the 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.

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.

Independent auditor's report

Grant Thornton

Key audit matter	How our audit addressed the key audit matter
Customer loans recoverability – Note 10	
As at 31 March 2022, the Group recognised $20.1 million in expected credit loss (ECL) provisions in accordance with AASB 9 *Financial Instruments* (AASB 9) 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 has had a significant influence on the economy, and so consideration is required of the economic impact and any 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; • Performing a sensitivity analysis of the ECL model, including management's forward-looking 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* (AASB 7) and AASB 9.
Revenue recognition – Note 4	
The Group reported interest revenue of $87.3 million for the year ended 31 March 2022 and reported net loans receivable of $1.3 billion at year end. Interest revenue on customer loans is determined using the effective interest rate (EIR) method in accordance with AASB 9 *Financial Instruments* (AASB 9). 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 101 *Presentation of Financial Statements* (AASB 101) and AASB 9.

Grant Thornton

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 2022 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.

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 34 to 44 of the directors' report for the year ended 31 March 2022.

In our opinion, the remuneration report of Plenti Group Ltd, for the year ended 31 March 2022 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, 17 May 2022

Additional information

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IBC Corporate directory

Shareholder information

31 March 2022

The shareholder information set out below was applicable as at 01 May 2022.

Distribution of equitable securities

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

	Ordinary shares		Options over ordinary shares		Performance rights over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total shares issued	Number of holders	% of total shares issued
1 to 1,000	344	0.12	–	–	–	–
1,001 to 5,000	1,303	1.69	–	–	2	0.28
5,001 to 10,000	275	1.22	–	–	9	2.52
10,001 to 100,000	402	6.98	34	12.51	–	–
100,001 and over	104	89.99	37	87.49	6	97.20
	2,428	100.00	71	100.00	17	100.00
Holding less than a marketable parcel	52	–	–	–	–	–

Equity security holders

	Ordinary shares	
	Number held	% of total shares issued
MARJORIE JEAN FOGGO & VERITAS (2012) LIMITED < WESTBOURNE A/C >	35,417,643	20.90
CARSALES COM LIMITED	10,716,378	6.33
EQUITY TRUSTEES LIMITED < FED ALT ASS PVT EQ 1A2 A/C >	7,388,027	4.36
CARSALES FINANCE PTY LTD	5,368,908	3.17
CS THIRD NOMINEES PTY LIMITED < HSBC CUST NOM AU LTD 13 A/C >	5,350,000	3.16
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,279,886	3.12
FIVE V BARE NOMINEE NUMBER 2 PTY LTD	5,228,253	3.09
UBS NOMINEES PTY LTD	5,102,120	3.01
FIVE V FUND II LP	4,461,590	2.63
JAMES ANTHONY CARNIE & LUCY ANNABEL HARRIET MILSOM < ARDLUSSA A/C >	4,068,000	2.40
ROBYN LESLEY BARNETT SIMON GLENN RIDDELL < WHAKAAHU WHAKAMUA A/C >	4,068,000	2.40
ORCHID EQUITY LIMITED	3,652,098	2.16
NATIONAL NOMINEES LIMITED	3,628,616	2.14
BNP PARIBAS NOMINEES PTY LTD < IB AU NOMS RETAILCLIENT DRP >	3,605,949	2.13
BIRDSONG CAPITAL LIMITED	3,177,595	1.88
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	3,067,312	1.81
GPMG HOLDINGS LIMITED < KENDRICK FAMILY A/C >	2,725,374	1.61
CORUNNA ASSET MANAGEMENT LIMITED < GARDNER FAMILY A/C >	2,624,149	1.55
MR ANDREW WADE JONES	2,444,168	1.44
CITICORP NOMINEES PTY LIMITED	2,108,255	1.24
DANIEL ROBERT FOGGO	1,869,846	1.10
	121,352,167	**71.63**

Shareholder information

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	13,427,998	70
Performance rights over ordinary shares issued	2,268,334	17

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	20.90
CARSALES COM LIMITED	10,716,378	6.33
CARSALES FINANCE PTY LTD[1]	5,368,908	3.17
FIVE V BARE NOMINEE NUMBER 2 PTY LTD[2]	5,228,253	3.09
FIVE V FUND II LP[2]	4,461,590	2.63

Notes:
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	50,146,074

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

Corporate directory

Directors

Mary Ploughman
Daniel Foggo
Susan Forrester AM
Martin Dalgleish
Peter Behrens

Company secretaries

Georgina Koch
Euh (David) Hwang

Notice of annual general meeting

The details of the annual general meeting of Plenti Group Limited are:
Level 5, 126 Phillip Street
Sydney NSW 2000
23 August 2022 at 3pm

The meeting will also be accessible virtually: details to be provided to securityholders via a Notice of Meeting, which will also be available at www.plenti.com.au

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

https://www.plenti.com.au/corporate-governance/

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