Plenti

28 November 2023

ASX RELEASE

FY24 Half Year Results

Plenti Group Limited (ASX:PLT) provides the attached FY24 Half Year Results (incorporating Appendix 4D).

Authorised for release by the Board of Plenti Group Limited.

For more information please contact:

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About Plenti

Plenti is a fintech lender. We provide faster, fairer loans by leveraging our smart technology.

We offer award-winning automotive, renewable energy and personal loans, delivered by our 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 Group Limited

Appendix 4D - Half-year report

Company details

Name of entity:	Plenti Group Limited
ABN:	11 643 435 492
Reporting period:	For the half-year ended 30 September 2023
Previous period:	For the half-year ended 30 September 2022

Results for announcement to the market

		PCP		$'000
Revenues from ordinary activities	Up	51.8%	to	96,781
Profit from ordinary activities after tax attributable to the owners of Plenti Group Limited	Down	75.7%	to	628
Profit for the half-year attributable to the owners of Plenti Group Limited	Down	75.7%	to	628

Dividends

There were no dividends paid, recommended or declared during the half-year ended 30 September 2023.

Comments

The profit for the Group after providing for income tax amounted to $628,000 (30 September 2022: $2,585,000), a decrease of $1,957,000 on the prior comparative period.

Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	32.00	26.45

The increase in the net tangible assets per ordinary security is driven primarily by an increase in net assets due to higher derivative financial assets at the end of the period.

Control gained over entities

None during the period.

Loss of control over entities

None during the period.

Details of associates and joint venture entities

Not applicable.

Audit review

The financial statements were subject to a review by the auditors and the review report is included as part of the 30 September 2023 interim financial report.

Other information

This information should be read in conjunction with Plenti's 2023 Annual Report.

Plenti Group Limited

Interim Report - 30 September 2023

ABN 11 643 435 492

Plenti

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Contents

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 half-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 consolidated entity's operations and its principal activities are 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 27 November 2023.

Corporate directory

Directors	Mary Ploughman (Chairman) Daniel Foggo Susan Forrester AM Peter Behrens Stephen Benton
Company secretary	Georgina Koch
Registered office and principal place of business	Level 5 14 Martin Place Sydney NSW 2000
Share register	Automic Pty Limited Level 5 126 Phillip Street Sydney NSW 2000
Auditor	Grant Thornton Audit Pty Ltd Level 17 383 Kent Street Sydney NSW 2000
Stock exchange listing	Plenti Group Limited shares are listed on the Australian Securities Exchange (ASX code: PLT)
Website	www.plenti.com.au
Corporate Governance Statement	www.plenti.com.au/corporate-governance

Directors' report

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 half-year ended 30 September 2023.

Directors

The following persons were directors of Plenti Group Limited during the financial half-year and up to the date of this report, unless otherwise stated:

- Mary Ploughman (Chairman)
- Daniel Foggo
- Susan Forrester AM
- Peter Behrens
- Stephen Benton

Principal activities

Plenti is a fintech lending and investment business which provides faster, fairer loans through leveraging its innovative technology. Plenti provides automotive, renewable energy and personal loans, and is focused lending to borrowers with a strong credit profile. Additionally, Plenti seeks to provide retail investors with attractive, stable returns via its innovative lending marketplace.

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

Dividends

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

Review of operations

During the half-year ended 30 September 2023, Plenti continued to deliver strong operational and financial results including:

- Increased revenue to $97 million, up 52% on the prior comparative period (pcp)
- Delivered Cash NPAT of $1.5 million, up 10% on pcp
- Originated $624 million of new loans, up 12% on pcp
- Grew closing loan portfolio to $1.99 billion, up 29% on pcp
- Demonstrated ongoing strength in credit performance with net realised losses of 0.99% and period end 90+ day arrears at 45bps; and
- Completed another asset-backed securities (ABS) issuance, for $406 million, with lifetime Plenti ABS issuance now over $1.7 billion.

For the half-year ended 30 September 2023, the Group reported Cash NPAT, the Group's preferred measure of earnings, of $1,522,000 (2022: $1,381,000).

On a statutory basis, the Group reported net profit after tax of $628,000 (2022: $2,585,000), a $1,957,000 reduction on the pcp. Basic earnings per share (EPS) were 0.37 cents on a statutory basis, a 1.15 cents reduction on the prior half-year, in which basic EPS was 1.52 cents. The reduction in statutory profit was primarily due to a lower income tax benefit of $3,151,000 (2022: $7,568,000) being recognised in relation to hedging gains on interest rate swaps.

The table below sets out the financial results for the half-year compared to the pcp.

	September 2023 $'000	September 2022 $'000	Change $'000	Change %
Interest revenue	95,929	63,151	32,778	52%
Other income	852	599	253	42%
Total revenue before transaction costs	**96,781**	**63,750**	**33,031**	**52%**
Transaction costs	(11,004)	(8,726)	(2,278)	26%
Loan funding costs	(47,336)	(25,678)	(21,658)	84%
Expense passed to unitholders	(165)	(33)	(132)	400%
Loan impairment expense				
Realised impairment losses	(9,340)	(4,487)	(4,853)	108%
ECL movement	(1,345)	(4,183)	2,838	(68%)
Sales and marketing expense	(6,947)	(6,004)	(943)	16%
Product development expense	(6,002)	(5,066)	(936)	18%
General and administrative expense				
Operations	(6,969)	(5,966)	(1,003)	17%
Business overhead	(7,917)	(6,949)	(968)	14%
Corporate funding costs	(1,513)	(941)	(572)	61%
Depreciation and amortisation	(766)	(700)	(66)	9%
Total expenses	**(99,304)**	**(68,733)**	**(30,571)**	**44%**
Income tax benefit	3,151	7,568	(4,417)	(58%)
Net profit after income tax expense	**628**	**2,585**	**(1,957)**	**(76%)**
Cash NPAT	**1,522**	**1,381**	**141**	**10%**

Notes:
1. A reconciliation of the Net profit after income tax expense to Cash NPAT is set out on page 12.

Total revenue before transaction costs increased 52% in the half-year. Interest revenue growth was driven by the increase in the size of the Group's loan portfolio and higher average customer interest rates on loans. The average loan portfolio for the period increased 32%.

Transaction costs increased 26% reflecting continued growth in the loan portfolio, especially Automotive loans, which typically carry higher commission rates.

Loan funding costs increased by 84% as a result of higher borrowings to fund loan portfolio growth as well as an increase in market interest rates since the prior half.

Realised impairment losses increased 108%, reflecting the larger loan portfolio as well as a return to loss rates more in line with historical norms. Through 2021 and 2022, credit losses in Australia had reduced to historically low levels due to, amongst other reasons, COVID related Government stimulus measures and historically low market interest rates. As some of these factors have dissipated or unwound, there has been a general increase in credit loss rates across Australian loan markets.

Sales and marketing expense increased 16% to $6.9 million, reflecting salary increases and higher digital loan acquisition spend. Product development expense increased 18% to $6.0 million as Plenti continued to invest in its technology platform and technology team. General and administrative (operations) expenses increased 17% driven by higher origination volumes and supporting a substantially larger loan portfolio. General and administrative (business overheads) increased 14%.

Corporate funding costs include the interest expense paid/payable on Group corporate borrowings and interest expense on the Group's leased assets under AASB 16 Leases. Corporate funding costs have increased 61%, driven by higher average borrowings in the period as well as the increase in market interest rates.

The income tax benefit of $3.2 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	**September 2023**	**September 2022**	**Change %**
Originations ($'000)	624,054	558,194	12%
Loan portfolio (half-year end) ($'000)	1,992,368	1,547,599	29%
Loan portfolio (six month average) ($'000)	1,885,511	1,427,003	32%
Number of originations	24,265	20,982	16%
Average value of loan originations	25,718	26,603	(3%)
Average monthly amortisation rate (%)	3.5	3.6	(3%)
Average term of originations (months)	64.4	64.6	(0.3%)

Loan originations of $624 million for the half-year, an increase of 12% on pcp, was a good result in the context of the market environment, where Plenti focused on balancing loan origination levels with the economics it could achieve on new loans.

The loan portfolio grew to $1,992 million at 30 September 2023, representing a 29% increase on the prior comparative period. The average loan portfolio in the period was $1,886 million, up 32% on pcp. The average loan amortisation rate (rate at which loans pay back) reduced marginally to 3.5% as did the average term of new loans originated.

Loan originations by channel	**September 2023**	**September 2022**	**Change %**
Automotive loan originations ($'000)	327,642	302,343	8%
Renewable loan originations ($'000)	76,264	52,617	45%
Personal loan originations ($'000)	220,148	203,234	8%

Automotive loan originations increased 8% over the pcp. Growth was supported by an increase in Commercial automotive lending which grew 74% on pcp, with particularly strong originations achieved in the June financial year-end period. Lending for electric vehicles (EVs) was broadly flat on the prior half as more EV purchasers opted to take advantage of Government tax incentives which favour a novated lease finance structure over a traditional loan product.

Renewable energy finance originations grew 45% on pcp. This growth was driven by the introduction of new installer partners and the adoption of Plenti's unique GreenConnect platform, which seeks to make it easier for partners to access offers from energy retailers and renewable equipment suppliers, supporting home battery uptake. Demand for finance to fund solar and battery installations was also supported by ongoing increases in energy costs for households, making renewable energy systems economically more attractive.

Personal loan originations increased 8% on pcp. Growth was supported by Plenti's direct to consumer lending which grew 40% over pcp, driven by improved execution and increased spend on digital loan acquisitions. Overall Personal lending growth was negatively impacted by refinements to credit appetite, as the Group focused on delivering stable credit outcomes.

Product margin and funding costs	September 2023	September 2022
Average interest rate (%)	10.2	8.9
Average funding rate (%)	4.9	3.5
Net interest margin (%)	5.2	5.3
Transaction cost/average loan portfolio (%)	1.2	1.2
Funding debt (half-year end) ($'000)	2,024,996	1,570,997
Funding debt (six month average) ($'000)	1,916,544	1,472,060

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

The average interest rate increased to 10.2% up from 8.9% in the prior comparative period, driven by the increase in customer rates on new loan originations as the Group responded to higher funder costs. Average funding costs increased to 4.9% up from 3.5% in the prior comparative period.

As a result of the above changes, net interest margin reduced slightly from 5.3% to 5.2%.

Transaction costs as a percentage of the loan portfolio were also down slightly on the prior half, to 1.17% from 1.22%.

Credit performance	September 2023	September 2022
Loan impairment - net charge off ($'000)	9,340	4,487
Loan impairment - provision movement ($'000)	1,345	4,183
Provision rate (%)	1.8	1.6
Net charge off to interest revenue (%)	9.7	7.1
Net charge off to average loan portfolio (%)	0.99	0.63

Net charge off to average loan portfolio increased from 0.63% in the prior half to 0.99%. The increase in the loss rate in the period reflected a return to more normal credit loss conditions across the market, noting that loss rates were at historically low levels throughout 2021 and 2022, supported by substantial Government stimulus payments, early access to superannuation, and high employment rates. Plenti has continued to invest in its collections capabilities to support loss recovery rates and also completed a sale of certain defaulted or written-off receivables in the half, which supported credit loss recoveries.

The Group's expected credit loss (ECL) provision at 30 September 2023 was $35.6 million, representing 1.8% of the total loan portfolio. This compares with $24.3 million, or 1.6% of the loan portfolio, at 30 September 2022. The increase in the ECL provision rate is largely reflective of a higher proportion of loans moving into arrears buckets as the extremely benign credit conditions of the prior year have unwound.

Operating metrics	September 2023	September 2022
Overall cost-to-income ratio[1]	28.8%	37.6%
Sales and marketing expense to revenue ratio	7.2%	9.4%
Product development expense to revenue ratio	6.2%	7.9%
General and administrative expense to revenue ratio	15.4%	20.3%
Overall cost-to-originations ratio	4.5%	4.3%

Plenti's total operating cost-to-income ratio decreased to 28.8% in the half-year, from 37.6% in the pcp. The significant reduction was driven by increased revenue which grew 52% during the period, while operating costs only increased by 16%. This reflects the operating leverage that the Group has been able to achieve from a growing loan book and efficiencies generated by the investment in technology and operational improvements, as well as higher average customer interest rates.

Sales and marketing expense increased to $6.9 million in the half-year, from $6.0 million in the pcp. The increase was driven by increased digital acquisition spend of $0.4 million and higher personnel costs, including due to salary increases at the start of the year.

Product development expense was $6.0 million, an increase of 18% on the pcp. This was primarily driven by personnel costs due to salary increases at the start of the year and incremental headcount additions to the product and technology team. Software and hosting costs also increased due to a greater volume of transactions on loan portfolio growth and the weakening of the Australian dollar, with a number of technology costs being US dollar denominated.

General and administrative expense (G&A) increased to $14.9 million, from $12.9 million in the pcp. Within this, G&A (operations) increased 17% to $7.0 million. This expense line includes loan origination processing, underwriting, settlement and ongoing loan servicing and therefore increases according to loan origination and portfolio growth. G&A (business overheads) increased 14% to $7.9 million. This expense line includes support functions and the executive team. The majority of the increase in costs for both operations and business overhead related to personnel costs, reflecting increased headcount with higher loan originations and a larger loan portfolio to manage and salary rate increases at the start of the current period.

The cost-to-origination ratio increased slightly to 4.5% reflecting more moderate growth in originations on the prior period as the Group sought to balance growth in originations and margins and a higher cost base from managing a materially larger loan portfolio.

[1] The cost-to-income ratio is calculated as the sum of Sales and marketing, Product development and General and administrative expense divided by Total revenue before transaction costs.

Balance sheet	September 2023 $'000	March 2023 $'000	Change $'000	Change %
Assets				
Cash and cash equivalents	142,168	142,959	(791)	(1%)
Customer loans	1,932,464	1,714,833	217,631	13%
Derivative assets	28,755	20,848	7,907	38%
Other assets	33,138	31,438	1,700	5%
Total assets	**2,136,525**	**1,910,078**	**226,447**	**12%**
Liabilities				
Trade payables	5,763	4,957	806	16%
Borrowings	2,043,697	1,830,577	213,120	12%
Derivative liabilities	-	2,596	(2,596)	(100%)
Other liabilities	32,246	26,910	5,336	20%
Total liabilities	**2,081,706**	**1,865,040**	**216,666**	**12%**
Net assets	**54,819**	**45,038**	**9,781**	**22%**

Cash and cash equivalents of $142.2 million is comprised of three components. Corporate cash of $40.1 million (31 March 2023: $27.8 million), Provision Fund cash of $12.8 million (31 March 2023: $13.7 million) and cash held in the warehouse and ABS facilities or the Plenti Lending Platforms of $89.3 million (31 March 2023: $101.5 million).

The movement in Corporate cash primarily reflected an increase of $7.8 million in cash balances in customer collections accounts yet to be transferred to the Group's warehouses and ABS trusts (which is not available for general corporate purposes) and $5.0 million drawn from the Group's corporate debt facility. While the Group continued to invest cash in funding facilities as the loan portfolio grew, this was offset by cash released from funding facilities through the Group's capital recycling initiatives.

Customer loans (net of deferred fees and ECL provision) increased 13% from 31 March 2023, driven by origination volumes of $624.1 million for the half-year. Gross customer loans outstanding were $1.99 billion at the half year end, with the value of deferred upfront fees of $24.3 million and the ECL provision value of $35.6 million being the items netted-off the value of customer loans in the balance sheet. Of the gross loan value, $1,136 million (31 March 2023: $998 million) related to automotive loans, $620 million (31 March 2023: $568 million) related to personal loans and $237 million (31 March 2023: $201 million) were renewable energy loans.

Other assets is comprised of prepayments, capitalised rate commissions and securitisation establishment costs, trade receivables, PPE, right of use assets and other assets. The largest component relates to an increase in prepaid commission expenses in line with the growth in the loan portfolio.

Derivative assets increased $7.9 million reflecting the mark-to-market value of interest rate swaps entered into by the Group. The increase in medium-term market interest rates in the period has resulted in an increase in the market value of the interest rate swaps.

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

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

Other liabilities represents lease and other liabilities, provisions and accruals. The increase is mainly due to timing of funds received in the customer collection accounts which are yet to be allocated and increases in payroll liabilities.

Borrowings	September 2023 $'000	March 2023 $'000	Change $'000	Change %
Plenti Lending Platform	190,869	200,026	(9,157)	(5%)
Wholesale Lending Platform	14,270	19,485	(5,215)	(27%)
Warehouse facilities and ABS Trust	1,767,938	1,556,428	211,510	14%
Corporate borrowings	27,500	22,500	5,000	22%
Risk retention facilities	40,583	29,774	10,809	36%
Auto overdraft facility	2,537	2,364	173	7%
Total borrowings	**2,043,697**	**1,830,577**	**213,120**	**12%**

Plenti benefits from having established several loan funding sources. At the end of the period, warehouses and ABS trusts represented $1.8 billion of funding, while the investor lending platforms represented $205 million of loan funding. Corporate debt provided a further $27.5 million of funding for the business.

The risk retention facilities, which are wholly owned by the Group, borrow funds from third party funders to acquire notes in the ABS trusts, with repayment of the notes backed by the Group. This allows the Group to meet European requirements for ABS issuers to retain minimum economic exposure levels to transactions they undertake. The increase in risk retention facility balances was due to the addition of the Auto ABS Trust 2023-1 issuance during the period.

At 30 September 2023, the Group had a total of $51.5 million (31 March 2023: $41.5 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. Of the $51.5 million notes held, $13.7 million of ABS subordinated notes are held against loans in the Notes Market on the Plenti Lending Platform and when the relevant ABS transaction is called, the proceeds received on the relevant notes will be used to repay the Plenti Lending Platform investors.

The value of loans funded by the Plenti Lending Platform and the Plenti Wholesale Lending Platform decreased during the year by 5% and 27% respectively.

Cash flow	September 2023 $'000	September 2022 $'000	Change $'000	Change %
Interest income received	104,343	68,694	35,649	52%
Other income	852	599	253	42%
Interest and other finance costs paid	(49,097)	(25,773)	(23,324)	90%
Payments to suppliers and employees	(38,116)	(36,970)	(1,146)	3%
Cash flows from operating activities	**17,982**	**6,550**	**11,432**	
Net increase in loans to customers	(231,372)	(248,577)	17,205	(7%)
Other investing activities	(243)	(84)	(159)	189%
Repayment of term deposits	-	(183)	183	(100%)
Cash flows used in investing activities	**(231,615)**	**(248,844)**	**17,229**	
Proceeds from borrowings	879,676	867,704	11,972	1%
Repayment of borrowings	(671,330)	(675,473)	4,143	(1%)
Proceeds from corporate borrowings	5,000	4,500	500	11%
Repayment of lease liabilities	(504)	(438)	(66)	15%
Cash flows from financing activities	**212,842**	**196,293**	**16,549**	
Net decrease in cash	**(791)**	**(46,001)**	**45,210**	

	September 2023 $'000	September 2022 $'000	Change $'000	Change %
Reconciliation of net profit/(loss) after tax to cash flow from operating activities:				
Net profit after tax	628	2,585	(1,957)	(76%)
Add back: loan impairment expense	10,685	8,670	2,015	23%
Add back: share-based payments	1,802	1,442	359	25%
Add back: depreciation and amortisation	766	700	66	9%
Add back: tax benefit on unrealised hedging gain	(3,151)	(7,568)	4,417	(58%)
Add back: other non-cash items	133	184	(51)	(28%)
Movement in working capital	7,119	537	6,583	1,226%
Cash flow from operating activities	**17,982**	**6,550**	**11,432**	

Total statutory cash flow from operating activities in the period was $18.0 million (1H23: $6.6 million). The Group cash flow position includes cashflows in relation to the Provision Fund, which was $0.7 million (1H23: $1.4 million) in the period. Cash inflow from operating activities for the Group excluding the Provision Fund was $17.3 million (1H23: $5.2 million).

Net cash inflow from operating activities excluding the Provision Fund cash flows improved by $12.1 million. This was largely driven by the increase in income received due to the significant growth in the Group's loan portfolio, while costs, including funding costs and operating costs, did not increase to the same extent. The increase in payments to suppliers reflects the increase in personnel costs, digital acquisition spend and information technology costs. This is partially offset by a reduction in broker commission payments as a result of commission rates changes implemented in 2H23.

Net cash outflow from investing activities was $231.6 million (1H23: $248.8 million) reflecting the growth in the loan portfolio during the half-year.

Net cash inflow from financing activities increased to $212.8 million (1H23: $196.3 million), due to increased funding from the securitisation vehicles.

The material reconciling items between the Group operating cash flow (excluding the Provision Fund) of $17.3 million and the movement in Corporate cash of $12.3 million are:

- $(9.6) million of merchant service fees on interest free loans which are reflected on a gross basis in the statutory cash flow as operating cash flow but which are operationally netted off against the amount borrowed from the warehouse to fund the loan with the cash benefit being received through the life of the loan
- $(8.6) million of realised losses which are deducted from the Group's warehouse and ABS trusts distribution payments
- $7.8 million increase in customer collections that are yet to be transferred to the Group's warehouse and ABS trusts
- $(10.0) million of cash invested in equity tranches in the Group's warehouse and ABS structures
- $9.2 million released from existing funding facility structures following completion of the ABS transaction or via the Notes Market; and
- $5.0 million of funds drawn down from the Group's corporate debt facility

The customer collections account value was elevated in the period due to 30 September falling on a weekend which resulted in higher collections on the last Friday of the month. The funds in the customer collection accounts are not available for general corporate purposes and hence the "underlying" movement in Corporate cash was an increase of $4.5 million.

Net profit after income tax to Cash NPAT reconciliation	September 2023 $'000	September 2022 $'000
Net profit after income tax	628	2,585
Add back:		
ECL provision (net of ECL provision expense passed to unitholders)	1,477	4,222
Share based payments	1,802	1,442
Depreciation and amortisation	766	700
Tax benefit on hedging gains	(3,151)	(7,568)
Cash NPAT	**1,522**	**1,381**

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial half-year

On 19 October 2023, the Group increased the Plenti Funding Trust No.2 funding limit from $400 million to $500 million providing further funding capacity to increase its Personal loans and Renewables lending.

On 31 October 2023, the Group extended the availability period for the Plenti Funding Trust No.3 to December 2024 and increased the funding limit from $250 million to $311 million, providing further funding capacity for Automotive and EV lending growth.

On 24 November 2023, the Group extended the availability period for the RateSetter Funding Trust No. 1 to November 2024 and established the Plenti Rated Funding Trust No. 4 as a new funding facility also available until November 2024. The two facilities will operate together to provide a more efficient funding structure for the Group via use of a rated trust structure. Concurrent with the extension, the overall capacity of funding through these two warehouses was increased from $275 million to $400 million.

On 27 November 2023, the Group entered into a strategic partnership with National Australia Bank Limited (NAB) to offer finance solutions to NAB's large personal banking customer base. The first product expected to be launched under the strategic partnership will be a "NAB powered by Plenti" direct-to-consumer car loan, which is intended to be available in the first half of calendar year 2024 (CY24). Select Plenti household renewable energy finance solutions are also expected to be offered to NAB customers under a referral program to be developed during the course of CY24. Car loans originated under the partnership will be financed by NAB, as the product issuer, on their balance sheet and Plenti will not be exposed to credit risk on those loans. Renewable energy loans will have the same funding structure and economic construct as Plenti's existing renewable energy finance product offering.

Plenti will receive various types of revenue in respect of the car loan offering, including:

i. an upfront payment for establishment of the technology, infrastructure and operations for the product
ii. an upfront fee (establishment fee) for each "NAB powered by Plenti" car loan financed, which steps down once the auto loan book reaches $1 billion; and
iii. a monthly servicing fee calculated as a percentage of the related loan book, which scales down as the loan book grows until it reaches $3 billion.

For the renewable energy finance proposition, Plenti will pay a fee to NAB for each renewable loan funded to a customer referred by NAB.

The agreement is for an initial term of 5 years and can be extended for a further 5 years with the agreement of both parties. In connection with the strategic partnership, NAB may acquire up to a 15% equity interest in Plenti over time across a number of tranches via subscribing for Plenti shares (which are issued under Plenti's existing placement capacity) and/or through market purchases. The placements are subject to certain milestones being met in respect of the products being offered under the strategic partnership. Further details of the strategic partnership and equity investment arrangements are set out in Plenti's release to the ASX on 28 November 2023.

No other matter or circumstance has arisen since 30 September 2023 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.

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.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

Daniel Foggo
Director

Mary Ploughman
Director

27 November 2023
Sydney

Grant Thornton Audit Pty Ltd
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383 Kent Street
Sydney NSW 2000
Locked Bag Q800
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Auditor's Independence Declaration

To the Directors of Plenti Group Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Plenti Group Limited for the half-year ended 30 September 2023. 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 review; and

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

Grant Thornton Audit Pty Ltd
Chartered Accountants

Liam J Te-Wierik
Partner – Audit & Assurance

Sydney, 27 November 2023

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ACN-130 913 594

Statement of profit or loss and other comprehensive income

For the half-year ended 30 September 2023

	Note	Consolidated September 2023 $'000	Consolidated September 2022 $'000
Revenue			
Interest revenue	3	95,929	63,151
Other income	4	852	599
Revenue before transaction costs		**96,781**	**63,750**
Transaction costs		(11,004)	(8,726)
Net income		**85,777**	**55,024**
Expenses			
Loan funding costs		(47,336)	(25,678)
Expense passed to unitholders	5	(165)	(33)
Customer loan impairment expense		(10,685)	(8,670)
Sales and marketing expense		(6,947)	(6,004)
Product development expense		(6,002)	(5,066)
General and administration expense		(14,886)	(12,915)
Corporate funding costs		(1,513)	(941)
Depreciation and amortisation expense	6	(766)	(700)
Total expenses		**(88,300)**	**(60,007)**
Loss before income tax benefit		(2,523)	(4,983)
Income tax benefit		3,151	7,568
Profit after income tax benefit for the half-year attributable to the owners of Plenti Group Limited		**628**	**2,585**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net hedging gain, net of tax		7,351	17,671
Other comprehensive income for the half-year, net of tax		7,351	17,671
Total comprehensive income for the half-year attributable to the owners of Plenti Group Limited		**7,979**	**20,256**

	Note	September 2023 Cents	September 2022 Cents
Basic earnings per share	16	0.37	1.52
Diluted earnings per share	16	0.34	1.47

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 30 September 2023

	Note	Consolidated September 2023 $'000	Consolidated March 2023 $'000
Assets			
Cash and cash equivalents	7	142,168	142,959
Term deposits		589	588
Customer loans	8	1,932,464	1,714,832
Trade receivables		150	87
Other assets		27,991	25,680
Derivative financial instruments		28,755	20,848
Property, plant and equipment		1,564	1,806
Right-of-use assets		2,844	3,278
Total assets		**2,136,525**	**1,910,078**
Liabilities			
Trade payables		5,763	4,957
Other liabilities		27,132	21,736
Borrowings	9	2,043,697	1,830,577
Lease liabilities		2,962	3,437
Provisions		2,152	1,737
Derivative financial instruments		-	2,596
Total liabilities		**2,081,706**	**1,865,040**
Net assets		**54,819**	**45,038**
Equity			
Issued capital		109,431	107,797
Reserves	10	29,929	22,410
Accumulated losses		(84,541)	(85,169)
Total equity		**54,819**	**45,038**

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

Statement of changes in equity

For the half-year ended 30 September 2023

Consolidated	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 April 2022	106,373	17,889	(71,588)	52,674
Profit after income tax benefit for the half-year	-	-	2,585	2,585
Other comprehensive income for the half-year, net of tax	-	17,671	-	17,671
Total comprehensive income for the half-year	-	17,671	2,585	20,256
Transactions with owners in their capacity as owners:				
Share-based payments	-	1,442	-	1,442
Exercise of share options	333	(271)	-	62
Exercise of performance rights	403	(403)	-	-
Balance at 30 September 2022	**107,109**	**36,328**	**(69,003)**	**74,434**

Consolidated	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 April 2023	107,797	22,410	(85,169)	45,038
Profit after income tax benefit for the half-year	-	-	628	628
Other comprehensive income for the half-year, net of tax	-	7,351	-	7,351
Total comprehensive income for the half-year	-	7,351	628	7,979
Transactions with owners in their capacity as owners:				
Share-based payments	-	1,802	-	1,802
Exercise of performance rights	1,634	(1,634)	-	-
Balance at 30 September 2023	**109,431**	**29,929**	**(84,541)**	**54,819**

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

Statement of cash flows

For the half-year ended 30 September 2023

		Consolidated	
	Note	September 2023 $'000	September 2022 $'000
Cash flows from operating activities			
Interest income received		104,343	68,694
Other income received		852	599
Interest and other finance costs paid		(49,097)	(25,773)
Payments to suppliers and employees		(38,116)	(36,970)
Net cash from operating activities	15	**17,982**	**6,550**
Cash flows from investing activities			
Net increase in loans to customers		(231,372)	(248,577)
Payments for property, plant and equipment		(243)	(84)
Investment in term deposits		-	(183)
Net cash used in investing activities		**(231,615)**	**(248,844)**
Cash flows from financing activities			
Proceeds from borrowings		879,676	867,704
Repayment of borrowings		(671,330)	(675,473)
Proceeds from corporate borrowings		5,000	4,500
Repayment of lease liabilities		(504)	(438)
Net cash from financing activities		**212,842**	**196,293**
Net decrease in cash and cash equivalents		(791)	(46,001)
Cash and cash equivalents at the beginning of the financial half-year		142,959	159,168
Cash and cash equivalents at the end of the financial half-year		**142,168**	**113,167**

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

Notes to the financial statements

30 September 2023

Note 1: Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 30 September 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 March 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, 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.

Note 2: 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 half-year (September 2022: none).

Note 3: Interest revenue

	Consolidated	
	September 2023 $'000	September 2022 $'000
Interest income	84,771	54,446
Origination and loan fees	8,835	8,167
Bank interest	2,323	538
Total interest revenue	**95,929**	**63,151**

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 4: Other income

	Consolidated	
	September 2023 $'000	September 2022 $'000
Other fee income	852	599

Note 5: Expense passed to unitholders

	Consolidated	
	September 2023 $'000	September 2022 $'000
Platform realised losses	33	(5)
Wholesale ECL movement	132	38
Total expense passed to unitholders	**165**	**33**

Expense passed to unitholders reflects the fact that some impairment expenses recognised by Plenti are passed on to investors in the Plenti 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. Conversely, a reduction in the expected credit loss (ECL) provision relating to the Plenti Wholesale Lending Platform results in an increase in expenses passed on to unitholders.

Note 6: Expenses

	Consolidated	
	September 2023 $'000	September 2022 $'000
Loss before income tax includes the following specific expenses:		
Depreciation		
Leasehold improvements	198	119
Fixtures and fittings	9	9
Office equipment	65	65
Buildings right-of-use assets	469	451
Equipment right-of-use assets	25	-
Total depreciation	**766**	**644**
Amortisation		
Website	-	56
Total depreciation and amortisation	**766**	**700**
Finance costs		
Interest and finance charges paid/payable on warehouse and ABS borrowings	41,957	20,633
Interest and finance charges paid/payable to unitholders	5,379	5,045
Total loan funding costs	**47,336**	**25,678**
Interest and finance charges paid/payable on corporate borrowings	1,482	908
Interest and finance charges paid/payable on lease liabilities	31	33
Total corporate funding costs	**1,513**	**941**
Superannuation expense		
Defined contribution superannuation expense	1,439	1,173
Share-based payments expense		
Share-based payments expense	1,802	1,442

Operating expenses for the half-year were $88,300,000 (2022: $60,007,000), of which employee expenses were $17,599,000 (2022: $15,260,000). In the statement of profit or loss and other comprehensive income these employee expenses are included within the 'Sales and marketing expense', the 'Product development expense' and the 'General and administration expense' on a departmental allocation basis.

Note 7: Cash and cash equivalents

	Consolidated	
	September 2023 $'000	March 2023 $'000
Cash at bank	40,064	27,754
Cash held in trust	89,347	101,463
Cash held in Provision Fund	12,757	13,742
Total cash and cash equivalents	**142,168**	**142,959**

Cash at 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. At 30 September 2023, the total balance of corporate collection bank accounts was $17.7 million (March 2023: $10.0 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 30 September 2023, investor cash held in the Lending Platforms totalled $18,852,000 and $69,632,000 of funds in accounts relating to the Warehouse and ABS facilities. A further $863,000 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 the Provision Fund can be used to compensate retail investors in instances of late payment and default. Cash held in the 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 8: Customer loans

	Consolidated	
	September 2023 $'000	March 2023 $'000
Gross customer loans	1,992,368	1,766,247
Less: Deferred upfront fees	(24,282)	(17,137)
Less: Allowance for expected credit losses	(35,622)	(34,278)
Total customer loans	**1,932,464**	**1,714,832**

Note 8: 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	
	Sept 2023 %	March 2023 %	Sept 2023 $'000	March 2023 $'000	Sept 2023 $'000	March 2023 $'000
Retail lending platform	3.6%	3.3%	164,718	182,774	5,927	5,995
Wholesale lending platform	1.1%	1.6%	13,353	18,188	151	283
Warehouse and ABS trusts	1.6%	1.8%	1,814,297	1,565,285	29,544	28,000
			1,992,368	**1,766,247**	**35,622**	**34,278**

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	Sept 2023 %	March 2023 %	Sept 2023 $'000	March 2023 $'000	Sept 2023 $'000	March 2023 $'000
Stage 1-12 month ECL	0.6%	0.5%	1,915,428	1,691,616	11,985	8,768
Stage 2-Lifetime ECL-not credit impaired	19.4%	25.7%	62,173	61,656	12,058	15,820
Stage 3-Lifetime ECL-credit impaired	78.4%	74.7%	14,767	12,975	11,579	9,690
			1,992,368	**1,766,247**	**35,622**	**34,278**

The maturity profile of gross customer loans are as follows:

	Consolidated	
	September 2023 $'000	March 2023 $'000
Less than 1 year	24,512	24,700
1 to 2 years	67,613	61,645
2 to 5 years	1,123,703	932,271
Greater than 5 years	776,540	747,631
	1,992,368	**1,766,247**

Note 8: Customer loans (continued)

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

	Consolidated	
	September 2023 $'000	March 2023 $'000
Opening balance	34,278	20,104
Additional provisions recognised	11,631	25,998
Receivables written off during the half-year as uncollectable	(14,281)	(16,669)
Recoveries during the half-year	3,994	4,845
Closing balance	**35,622**	**34,278**

Note 9: Borrowings

	Consolidated	
	September 2023 $'000	March 2023 $'000
Investor funds on platform	205,139	219,511
Warehouse borrowings	769,650	695,718
Loan settlement facility	2,537	2,364
ABS borrowings	998,288	860,710
Corporate borrowings	27,500	22,500
Risk retention facilities	40,583	29,774
Total borrowings	**2,043,697**	**1,830,577**

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 7 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 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 and ABS borrowings

The Group has warehouse borrowings that provide funding for automotive loans and renewable and personal loans. Once the warehouse borrowings reach a sufficient value, Plenti can undertake an asset backed securities (ABS) issuance, which involves selling notes in a trust holding the assets to investors in the debt capital markets.

Note 9: Borrowings (continued)

During the half-year:

- Plenti completed another ABS issuance - the Plenti Auto ABS 2023-1 (Auto ABS) transaction in June 2023.
- Plenti Funding Trust No. 1 facility limit was decreased from $450 million to $275 million due to the sale of loans to the ABS Trust in June 2023. The limit was reduced in order to lower the undrawn fees associated with having a higher limit when actual warehouse utilisation had materially decreased due to the Auto ABS.
- Plenti Funding Trust No. 2 facility limit was increased from $225 million back up to $350 million in May 2023 and to $400 million in July 2023 to fund the growth in its personal and renewable loans.

Corporate borrowings

In March 2022, the Group entered into a corporate debt facility agreement with an Australian funder. 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. In August 2023, the Group drew down a further $5 million to provide additional capital for business growth.

Risk retention facilities

In May 2022, the Group established two "risk retention" entities to facilitate compliance with capital requirement regulation (CRR) in relation to ABS transactions. CRR is a regulatory requirement that must be met to allow investment in an ABS transaction by certain European and U.K. based investors. The rules require the Group to hold an economic interest of at least 5% of notes in an ABS. In the recent Auto ABS transaction, the risk retention entities purchased 5% of each note in the transaction and raised secured financing to fund the purchase. The result is that the Group did not invest incremental capital but retains the required economic exposure to the transaction.

Auto loan warehouse settlement facility

The Group entered into a settlement funding facility agreement on 30 September 2022. The purpose of the facility is to facilitate the settlement process and treasury management of automotive loans originated by the Group. New loans originated are sold into the settlement warehouse on a daily basis and then on-sold to the main automotive warehouses on a periodic basis.

The facility has a limit of $25 million. The facility was extended in September 2023 for a period of 14 months to December 2025. A security deposit of $2.5 million has been paid by the Group as a guarantee for the operation of the facility. This amount will be released back to the Group on cessation of the facility.

Total secured liabilities

The total secured liabilities are as follows:

	Consolidated	
	September 2023 $'000	March 2023 $'000
Warehouse borrowings	769,650	695,718
ABS borrowings	998,288	860,710
Risk retention facilities	40,583	29,774
Loan settlement facility	2,537	2,364
	1,811,058	**1,588,566**

Note 9: Borrowings (continued)

Financing arrangements

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

	Consolidated	
	September 2023 $'000	March 2023 $'000
Total facilities		
Warehouse facilities	897,250	904,250
Loan settlement facility	25,000	25,000
	922,250	**929,250**
Used at the reporting date		
Warehouse facilities	763,537	691,357
Loan settlement facility	2,537	2,364
	766,074	**693,721**
Unused at the reporting date		
Warehouse facilities	133,713	212,893
Loan settlement facility	22,463	22,636
	156,176	**235,529**

* The warehouse facilities limit excludes $27,750,000 (March 2023: $20,750,000) 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 7 for further information.

Note 10: Reserves

	Consolidated	
	September 2023 $'000	March 2023 $'000
Hedging reserve - cash flow hedges	20,128	12,777
Share-based payments reserve	9,801	9,633
Total reserves	**29,929**	**22,410**

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.

Note 10: Reserves (continued)

Movements in reserves

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

Consolidated	Hedging reserve $'000	Share-based payments reserve $'000	Total $'000
Balance at 1 April 2023	12,777	9,633	22,410
Hedging gain	7,351	-	7,351
Share-based payments expense	-	1,802	1,802
Performance rights exercised	-	(1,634)	(1,634)
Balance at 30 September 2023	**20,128**	**9,801**	**29,929**

Note 11: Dividends

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

Note 12: 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 - September 2023	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Interest rate swaps	28,755	-	-	28,755
Total assets	**28,755**	**-**	**-**	**28,755**
Liabilities				
Interest rate swaps	-	-	-	-
Total liabilities	**-**	**-**	**-**	**-**

Note 12: Fair value measurement (continued)

Consolidated - March 2023	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Interest rate swaps	20,848	-	-	20,848
Total assets	**20,848**	**-**	**-**	**20,848**
Liabilities				
Interest rate swaps	2,596	-	-	2,596
Total liabilities	**2,596**	**-**	**-**	**2,596**

There were no transfers between levels during the half-year.

Note 13: Related party transactions

Parent entity
Plenti Group Limited is the parent entity.

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

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

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

	Consolidated	
	September 2023 $'000	March 2023 $'000
Investor funds on platform	205,138,959	219,510,827

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

Note 14: Contingent liabilities

The Group has given bank guarantees as at 30 September 2023 of $396,000 (31 March 2023: $396,000) to Perpetual Trustee Company Limited and KI Martin Place Pty Ltd with respect to its Sydney office. This is secured by the term deposit held by the Group.

The Group has given bank guarantees as at 30 September 2023 of $192,596 (31 March 2023: $192,596) to 89 Pirie St Pty Ltd with respect to its Adelaide office. This is secured by the term deposit held by the Group.

Other than the above, there were no other contingent liabilities as at 30 September 2023 (31 March 2023: nil).

Note 15: Reconciliation of profit after income tax to net cash from operating activities

	Consolidated	
	September 2023 $'000	September 2022 $'000
Profit after income tax benefit for the half-year	628	2,585
Adjustments for:		
Depreciation and amortisation	766	700
Loan impairment expense	10,685	8,670
Tax benefit on unrealised hedging gain	(3,151)	(7,568)
Share-based payments	1,802	1,442
Other non-cash items	133	184
Change in operating assets and liabilities:		
Decrease/(increase) in trade receivables	(62)	52
Decrease in deferred fees and commission	7,145	1,347
Increase in other operating assets	(2,099)	(3,219)
Increase/(decrease) in trade payables	(207)	538
Increase in other operating liabilities	2,342	1,819
Net cash from operating activities	**17,982**	**6,550**

Note 16: Earnings per share

	Consolidated	
	September 2023 $'000	September 2022 $'000
Profit after income tax attributable to the owners of Plenti Group Limited	628	2,585
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	171,331,820	169,927,396
Adjustments for calculation of diluted earnings per share		
Options/share rights in relation to ordinary shares	12,122,957	6,276,896
Weighted average number of ordinary shares used in calculating diluted earnings per share	183,454,777	176,204,292
	Cents	**Cents**
Basic earnings per share	0.37	1.52
Diluted earnings per share	0.34	1.47

Note 17: Events after the reporting period

On 19 October 2023, the Group increased the Plenti Funding Trust No.2 funding limit from $400 million to $500 million providing further funding capacity to increase its Personal loans and Renewables lending.

On 31 October 2023, the Group extended the availability period for the Plenti Funding Trust No.3 to December 2024 and increased the funding limit from $250 million to $311 million, providing further funding capacity to increase for Automotive and EV lending growth.

On 24 November 2023, the Group extended the availability period for the RateSetter Funding Trust No. 1 to November 2024 and established the Plenti Rated Funding Trust No. 4 as a new funding facility also available until November 2024. The two facilities will operate together to provide a more efficient funding structure for the Group via use of a rated trust structure. Concurrent with the extension, the overall capacity of funding through these two warehouses was increased from $275 million to $400 million.

On 27 November 2023, the Group entered into a strategic partnership with National Australia Bank Limited (NAB) to offer finance solutions to NAB's large personal banking customer base. The first product expected to be launched under the strategic partnership will be a "NAB powered by Plenti" direct-to-consumer car loan, which is intended to be available in the first half of calendar year 2024 (CY24). Select Plenti household renewable energy finance solutions are also expected to be offered to NAB customers under a referral program to be developed during the course of CY24. Car loans originated under the partnership will be financed by NAB, as the product issuer, on their balance sheet and Plenti will not be exposed to credit risk on those loans. Renewable energy loans will have the same funding structure and economic construct as Plenti's existing renewable energy finance product offering.

Plenti will receive various types of revenue in respect of the car loan offering, including:

i. an upfront payment for establishment of the technology, infrastructure and operations for the product
ii. an upfront fee (establishment fee) for each "NAB powered by Plenti" car loan financed, which steps down once the auto loan book reaches $1 billion; and
iii. a monthly servicing fee calculated as a percentage of the related loan book, which scales down as the loan book grows until it reaches $3 billion.

For the renewable energy finance proposition, Plenti will pay a fee to NAB for each renewable loan funded to a customer referred by NAB.

The agreement is for an initial term of 5 years and can be extended for a further 5 years with the agreement of both parties. In connection with the strategic partnership, NAB may acquire up to a 15% equity interest in Plenti over time across a number of tranches via subscribing for Plenti shares (which are issued under Plenti's existing placement capacity) and/or through market purchases. The placements are subject to certain milestones being met in respect of the products being offered under the strategic partnership. Further details of the strategic partnership and equity investment arrangement are set out in Plenti's release to the ASX on 28 November 2023.

No other matter or circumstance has arisen since 30 September 2023 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

In the directors' opinion:

- the attached financial statements and notes comply with, the Australian Accounting Standard AASB 134 'Interim Financial Reporting' and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 September 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

Daniel Foggo
Director

Mary Ploughman
Director

27 November 2023
Sydney

Grant Thornton

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Independent Auditor's Review Report

To the Members of Plenti Group Limited

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Plenti Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 September 2023, and 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 half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Plenti Group Limited does not comply with the *Corporations Act 2001* including:

a giving a true and fair view of the Group's financial position as at 30 September 2023 and of its performance for the half year ended on that date; and

b complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors’ responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group’s financial position as at 30 September 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

Liam J Te-Wierik
Partner – Audit & Assurance

Sydney, 27 November 2023

Plenti

plenti.com.au