



Prospa COVID-19 Update

- **Uncertainty due to the spread of COVID-19 leads Prospa to withdraw FY20 guidance**
- **Prospa will continue to focus on responsible support of small business customers**
- **The Company remains well funded with a strong balance sheet and committed funding lines**
- **Business continuity plan activated with all staff now working remotely**

19 March 2020

Prospa Group Limited (ASX: PGL) ("Prospa" or "Company") is continuing to monitor the impact that COVID-19 is having on its customers, partners and employees and today provides an update.

FY20 guidance withdrawn

Due to the uncertainty around the spread and duration of COVID-19 globally, and the potential economic impact on small businesses across Australia, there is likely to be an unknown adverse impact on originations. Prospa therefore believes it is appropriate to withdraw its FY20 originations and revenue guidance.

Pro-active risk assessment and management

Prospa continues to provide funding for small businesses in a responsible way. The Company's proprietary technology platform, including its Credit Decision Engine, enables it to pro-actively adjust risk appetite in response to changing events. Prospa has already implemented a number of strategies to manage portfolio risk, while reducing costs and maintaining its strong balance sheet.

During this difficult trading environment for small businesses, Prospa is committed to managing any customer requests in a sensible and supportive way, recognising small businesses are facing cash flow pressures at this time, and that things are constantly changing.

Diversified funding

Prospa remains well funded with a strong balance sheet and committed funding lines from a diverse range of domestic and international senior and junior funders. As of 31 December 2019, Prospa had \$485 million in available third party facilities and remains well capitalised with \$102.5 million in cash and cash equivalents.

The Company has no covenants linked to share price or earnings. The Company has a simple capital structure with no corporate debt. The revolving period of the Company's three largest warehouse facilities mature in December 2021, February 2022 and May 2022 respectively, unless extended prior to that date. The Rated ABS Issuance 2018-1 has a 12 month substitution period ending April 2021.

Business continuity plan implemented to ensure uninterrupted support for small businesses

Prospa has today activated its business continuity plan with all employees working from home.

With the health and safety of its team members and the broader community in mind, Prospa has activated its Business Continuity Plan and staff will be working remotely until further notice.



As an agile fintech, Prosopa's decision was easily made and its business continuity plan has been deployed without operational interruptions.

Greg Moshal, Chief Executive Officer of Prosopa said:

"During these unprecedented and volatile times Prosopa is focusing on supporting our customers by continuing to responsibly assess and manage risk. First, we have activated our business continuity plan to minimise the health and safety risks for our team. Second, as Australia's largest online lender to small business, we are aware this is a difficult time for our customers and will ensure we lend responsibly.

"We are well funded with a strong balance sheet and will continue to closely monitor the situation and adjust our risk assessments accordingly.

The Company will continue to provide updates as and when appropriate.

ENDS

This announcement has been authorised for release by the Board.

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About Prosopa

- Prosopa provides cash flow products and services that allow small businesses to prosper
- Prosopa has originated over \$1.4 billion in loans to date across Australia and New Zealand
- Prosopa has 26,900 small business customers
- Prosopa has a Net Promoter Score in excess of +77 and is ranked #1 in the non-bank financial services provider category in Australia and New Zealand on independent review site TrustPilot
- Prosopa is recognised as a 2019 Great Place to Work and was awarded AON Hewitt Employer of Choice in 2017 and 2018
- In 2018 and 2019 Prosopa won Australian Fintech Lender of the Year, and achieved a clean sweep of the MFAA Excellence awards in all five States