

## Propell increases wholesale facility and reduces cost of funds

- **Propell and its wholesale facility provider have agreed an increase of Propell's existing wholesale facility to support the ongoing significant growth in lending on the Platform (up 211% in Q3)**
- **Facility to double to \$5.0m to continue momentum in new lending**
- **Cost of funding to reduce from 13.0% to 11.5%<sup>1</sup>, thereby delivering a meaningful improvement to gross profit margins in the lending book**
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Leading SME-focused Fintech, Propell Holdings Limited (ASX:PHL, Propell or the Company) is pleased to provide a further update following the recently announced positive developments in the quarter ended 31 March 2022.

### Overview

Propell is the first and only digital multi-product finance platform focussed on the small business segment in Australia. Driven by a vision to revolutionise how small businesses manage their finances, Propell centralises access to what those businesses need; deep insights into their financial health, and direct access to a suite of finance tools, including payments and lending, to enable them to operate and grow.

The future of finance is digital. Small businesses, left underserved by traditional providers, are searching for alternative solutions to their finance needs. Propell is positioned for this accelerating shift and disruption of traditional service providers and their business models.

### Extended Facility

In response to the positive developments recently announced for the Q3 FY22 quarter, Propell and Altor Capital Management Pty Ltd (**Altor** or **Lender**), the provider of Propell's existing wholesale funding facility) have agreed to increase the existing wholesale facility (**Facility**) with the aim to support Propell's significant growth in lending on its Platform. The increase in the Facility limit will also come with a reduction in the cost of funding subject to shareholder approval of the associated terms set out overleaf, from 13.0% to 11.5%, demonstrating the Company's improving loan book performance.

Securing access to a larger wholesale facility on more advantageous terms is a key part of the Company's journey as it scales, delivering greater capacity for lending volume whilst also improving the underlying commercial model of the financing component of its Platform.

Given the significant growth in Propell's lending book on the back of a growing customer base and deeper penetration thereof through new financing products, the Company is also in discussions with other third-party wholesale lenders to increase the facilities available to the Company to fund loan book growth over the long term.

<sup>1</sup> subject to shareholder approval of the associated funding terms

## Key Terms of the Warehouse Facility

The key terms of the loan agreement are:

KEY TERMS	
1. <b>Loan Facility Limit</b>	\$5m
2. <b>Term</b>	3-years
3. <b>Interest Rate</b>	11.5% per annum accruing daily subject to shareholder approval of 4.
4. <b>Option Fee</b>	3.5m options. 3-year expiry with a strike price of \$0.10 to be allotted to the Lender or the Lender's nominee
5. <b>Other</b>	The terms of the loan are consistent with the terms of the existing facility provided by Altor

As stated in the Prospectus released on the ASX market announcements platform on 9 April 2021, Ben Harrison is the Chief Investment Officer of the Altor Capital Pty Ltd group entities (Altor Group). Mr Harrison is not a director of, nor does he not own or control any Altor Group entities including the Lender. However, Mr Harrison, as a consultant of the Altor Group may be entitled to remuneration under his relevant engagement agreement.

Notwithstanding that Altor is not considered a related party of Mr Harrison's, the Directors, with Mr Harrison abstaining, have determined that the terms of the Facility are within industry benchmarks and are the best funding terms for the loanbook growth that are available to Propell at the present stage of its growth cycle.

This announcement was authorised for release to the market by the board of Propell Holdings Limited.

## About Propell

Propell Holdings Limited (ASX:PHL) is the first and only multi-product financial services platform targeted at addressing all financial needs of Australian small business owners, in one simple app.

Propell's digital platform is aimed at improving the cashflow and financial wellbeing of small businesses by aggregating a range of finance products and services including lending, payments and cashflow forecasting tools. The Company leverages its extensive customer data with an artificial intelligence (AI) based engine to deliver its products in an entirely digital manner.

Propell launched the platform in mid-2020 and is focused on further customer growth and development of its product suite.

To stay up to date on company news and announcements, please register your details on the Propell Holdings Limited investor portal (<https://propell.investorportal.com.au/stay-up-to-date/>).

## For more information, please contact

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