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Prospa announces pricing of its second public ABS issuance backed by SME loans

Prospa Group Limited (ASX:PGL) ("Prospa" or "Company") is pleased to announce the pricing of its second public asset-backed securities ("ABS") offering of AUD $200 million issued to wholesale investors, supported by a pool of Australian small business loans and line of credit facilities.

The PROSPArous Trust 2022-1 is the second of its kind in Australia, the first was the PROSPArous Trust 2021-1, and demonstrates Prospa's continuing role as an innovator in Australia's securitisation market. The transaction was fully subscribed for Class A-D Notes (Class E being retained by Prospa), with demand from large local investors. In addition, the Australian Office of Financial Management ("AOFM") under their Australian Business Securitisation Fund were an investor in the Class A notes.

The ABS transaction takes place as the Australian SME market continues to demonstrate resilience in the current environment.

Ross Aucutt, Chief Financial Officer of Prospa said:

"We're happy to have priced our second ABS in as many years; establishing us as a regular and reliable issuer. We are grateful for the strong engagement from investors, and this will allow us to support small business owners with working capital and investment headroom. Given the challenging macroeconomic environment, we were extremely pleased at the strong support and interest in the transaction. Our achievement is evidence of the Company's ongoing performance and robust portfolio that underpins our ambitions to scale existing products, create new innovative solutions, and accelerate profitable growth."

The PROSPArous Trust 2022-1 transaction includes:

Note Class	Issuance Amount (A$m)	Expected Ratings (Moody's)	Coupon margin over 1M BBSW
A	142.00	[Aa3 (sf)]	3.15% p.a.
B	19.00	[Baa2 (sf)]	5.00% p.a.
C	8.40	[Ba1 (sf)]	7.00% p.a.
D	18.00	[B2 (sf)]	8.75% p.a.
E[1]	2.60	[NR]	11.00% p.a.
Seller[1]	10.00	[NR]	Undisclosed
Total	200.00		

[1] The Seller Note is retained by Prospa. The Class E Note will also be retained by Prospa.

The transaction is expected to settle on 7 December 2022, subject to the satisfaction of customary conditions precedent. Westpac Banking Corporation, National Australia Bank and Société Générale, Sydney Branch acted as Joint Lead Managers of the transaction, with Westpac Banking Corporation also acting as Arranger of the transaction.

This announcement has been authorised for release by the Board.

ENDS

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About Prospa

Prospa Group Limited (ASX: PGL) is a financial technology company and a leading provider of cash flow credit products and services that help small businesses to grow, run and pay. Headquartered in Sydney, the Company operates across Australia and New Zealand and employs more than 300 people.

Prospa's unique, purpose-built credit decision engine quickly assesses small business credit applications using proprietary technology and analytics to deliver fast and informed credit decisions and approvals, with dynamic risk controls in place.

The Company has been recertified as one of Australia's Great Places to Work and endorsed by Work180 in 2022.