Plenti

24 MAY 2023

ASX RELEASE

Plenti Annual Report 2023

Plenti Group Limited (ASX:PLT) provides the attached Annual Report 2023.

Authorised for release by the Board of Plenti Group Limited.

For more information please contact:

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Chief Financial Officer

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

Building Australia's **best lender**

Annual Report
2023

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**.

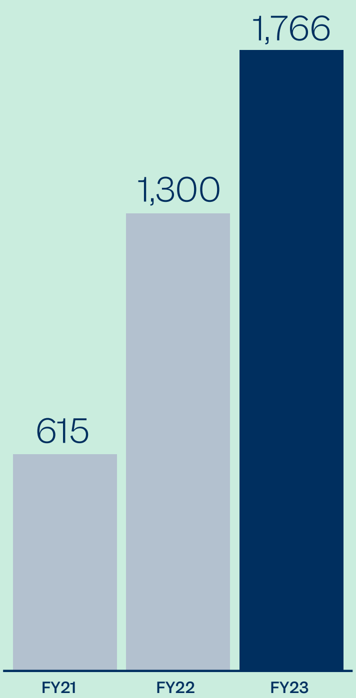
Our ambition is **to build Australia's best lender**.

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 our leading technology and the innovations we continually bring to market. Our growth has been supported by our diversified loan offerings, broad customer reach and diversified funding, and is distinguished by the strength of our credit performance.

Loan portfolio 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**

Contents

About this report

This FY23 Annual Report for Plenti Group Limited (ACN 643 435 492) is issued on 24 May 2023.

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

Plenti
14 Martin Place
SYDNEY NSW 2000

shareholders@plenti.com.au

FY23 highlights

Operational highlights

Automotive
Effective execution of plans to grow commercial and EV-specific automotive finance.

Loan portfolio

$998m

▲34% on pcp

Renewable energy
Strong growth reflecting the strength and breadth of referral partner network, including new partnerships with equipment manufacturers and energy retailers.

Loan portfolio

$201m

▲42% on pcp

Personal
Successful reprioritisation of direct-to-consumer capabilities, which drove 50% half-on-half growth in direct-to-consumer lending.

Loan portfolio

$568m

▲37% on pcp

Financial highlights

Revenue

$143.5m

Cash NPAT

$4.5m

90+ days arrears

42bps

Loan portfolio

$1.8bn

Cumulative lending since launch

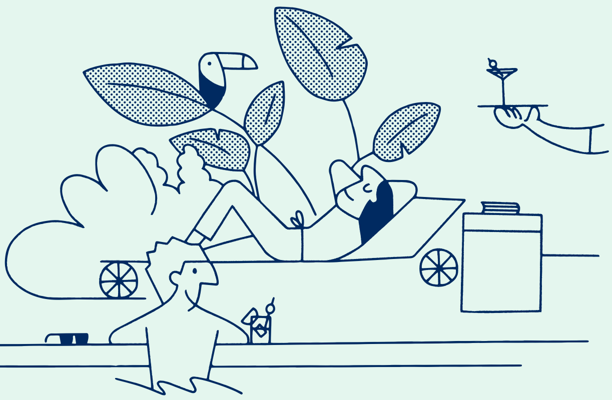
$3.5bn

FY23 originations

▲3.0%

Our growth highlights

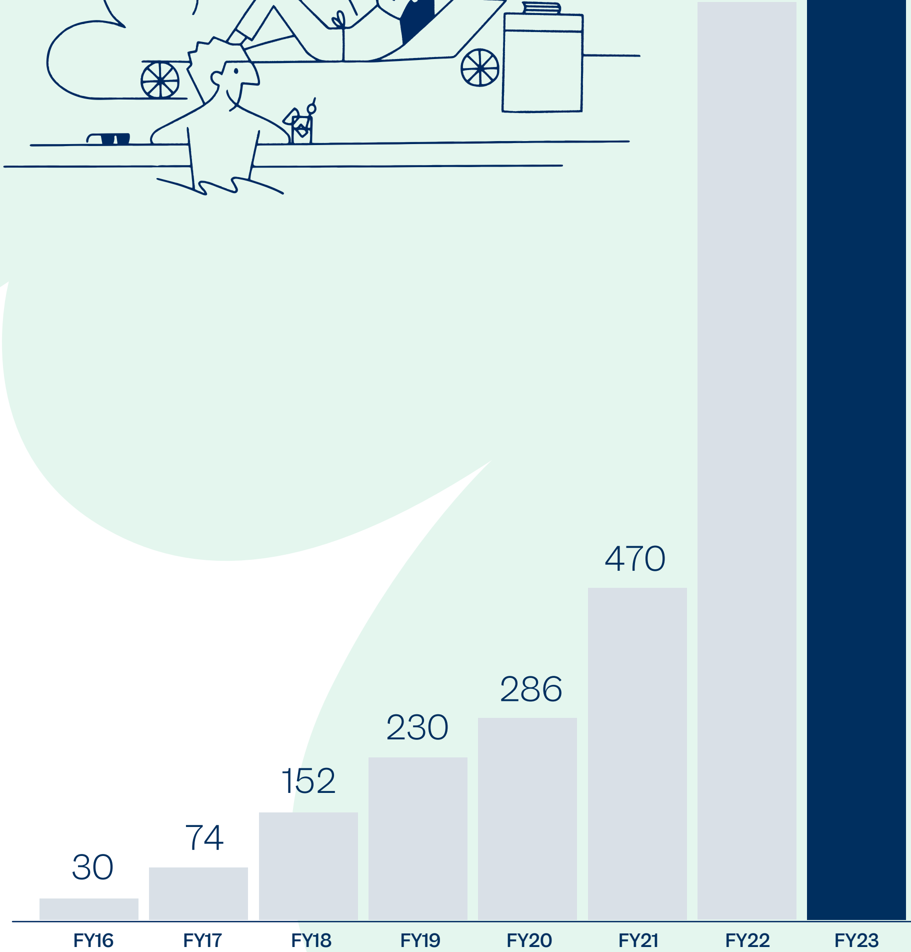
We leveraged the diversity of our loan offerings to deliver **strong loan portfolio growth**.

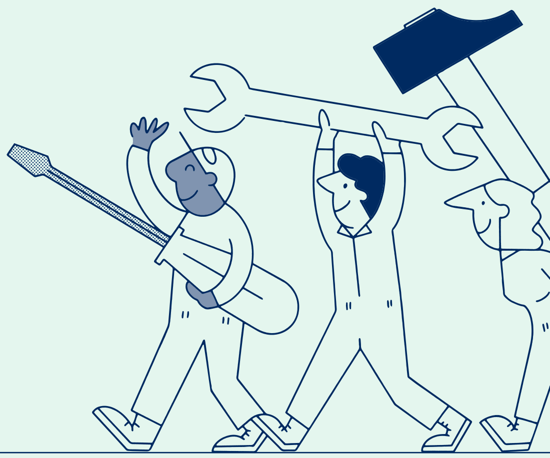


Loan portfolio by year ($m)

$1,766

▲36% on pcp[1]





1. Previous corresponding period.

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 consumer lender.

PRE-IPO

2014

– Launched as Australia's first licensed 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

– Direct-to-consumer secured automotive loan launched

– First bank warehouse funding facility established for secured automotive loans

$0.5bn cumulative loans funded

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

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

$1.0bn cumulative loans funded

2021

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

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

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

Second automotive warehouse established with dedicated EV-specific tranche

Loan portfolio reached **$1bn**

$2.5bn cumulative loans funded >100,000 borrowers

2022

Partnership with AGL established to accelerate home solar-battery uptake

Renewable energy and personal loan ABS transaction completed **$280m**

Cash NPAT profitability achieved

Launched first automotive manufacturer integration

Launched Notes Market in the Plenti Lending Platform

Second automotive ABS transaction completed **$437m**

2023

Renewable energy and personal loan ABS transaction completed **$300m**

Launched GreenConnect, an industry-first platform that brings together equipment, installation, VPP and finance offerings to make household renewable energy more affordable

$3.5bn cumulative loans funded

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

~50 Engineers, product managers and designers	>99.95% Uptime over the past 12 months	~6 Deployments of new products and features per day
~2.5m Web and API requests from customers and partners per day	Up to 89 Credit algorithms and rules evaluated per credit decision	~4,250 Payments processed per day

Chairman's message

Financial markets have been in sharp focus this year, driven by rapid inflation increases in most markets and corresponding interest rate increases by central banks. The impacts have been widespread, including bank failures in the US and Europe.

Thankfully the Australian economy has been less impacted by these developments. Domestic inflation pressure (notably wage inflation) has been more moderate, which has to date helped contain necessary interest rate increases relative to some markets. Our banking system has also continued to function effectively, supported by the actions and policies our government and regulators have taken and sustained since the global financial crisis.

Although media attention has focused on banks, when considering how our financial system is serving us I often think the positive contribution made by non-banks (including fintechs) is overlooked – an increasingly important consideration given non-banks continue to grow their market presence.

In this regard, I draw your attention to a report released by Perpetual Corporate Trust and the Australian Securitisation Forum in late 2022 titled 'Agility agenda: The story of Australia and New Zealand's non-bank sector: past, present and future'. Amongst other matters, this report highlights how fintechs and other non-bank lenders are successfully: i) providing finance to customer segments where traditional banks are unable or unwilling (for a variety of reasons) to provide funding; and ii) introducing technology to make borrowing quicker, easier and more convenient for customers. Additionally, the report makes it apparent that fintechs and non-bank lenders can introduce competition which has not historically been present between the major banks.

It is in this context that I express my pride in Plenti's progress over the past year. Our continued emphasis on developing market-leading technology has again helped us to raise standards and expectations among customer and introducer partners in each of our lending verticals. Our continued growth in the prime borrower market has provided further evidence that fintechs can take meaningful market share in large lending markets, and which traditional banks and lenders would gladly service, rather than seeking only to serve underserved lending niches. And the strong growth in our loan portfolio – which is hedged against interest rate risks – has allowed us to contribute to a more diversified and resilient financial system.

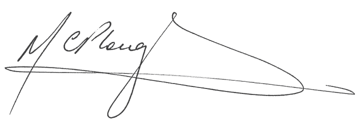
The last year has seen increased media and investor attention on fixed income investments, partly due to the greater volatility in equity markets. This is another area where Plenti has been able to make a positive contribution. Our retail investor platform, the Plenti Lending Platform, reached $1 billion in cumulative lending during the year, and at last count had paid its investors over $90 million in interest. Our team continued to prioritise the development of the Plenti Lending Platform throughout the year, helping to broaden the fixed income investment options available to Australian retail investors, whilst contributing further to the diversity of Plenti's funding mix.

Reflecting on how Plenti serves its customers, it is important to recognise that the income of the average Australian has been squeezed in real terms over the last year, despite the comparative strengths of the Australian economy. It is not surprising therefore that, across all lending markets, there is evidence that arrears and loss rates are moving towards levels experienced before the various stimulus measures taken as a consequence of the COVID-19 pandemic. Such a period of reversion is to be expected, and those lending businesses that made responsible lending decisions in recent years should, in my view, be well prepared for and be capable of handling this reversion, especially given low levels of unemployment are expected to be maintained, which is a significant lead-indicator of credit performance.

In recent months your Board and management team has devoted significant time to considering how Plenti fits into its competitive environment. As a diversified lending business in highly fragmented lending markets, Plenti competes with a large number of businesses. However, few businesses achieve Plenti's scale, few are able to drive such strong cost-to-income metrics, and even fewer are able to develop their technology with our cadence. We believe that our deliberate differentiation of Plenti's customer experiences, customer reach, funding diversity and borrower credit strengths will support our sustained outperformance in terms of both scale and profitability over the short-to-medium term.

I would like to thank my fellow directors for all that they have contributed during the year. On behalf of the Board and all stakeholders, I thank Martin Dalgleish for all he contributed over the eight years of his tenure as a director until August last year. I would also like to acknowledge the significant contribution Stephen Benton has made since joining the Board and the Audit and Risk committee in July 2022.

On behalf of all directors, I wish to recognise the exceptional work of our executive team, our leadership group, and all of the Plenti team in helping to drive the very pleasing results that are set out in this annual report.



Mary Ploughman
Chairman

CEO's message

Plenti's mission is to build Australia's best lender. No matter the economic environment, our focus remains on leveraging our technology advantages to deliver market-leading experiences to our customers, as we help them bring their big ideas to life.

We are proud of Plenti's exceptional growth track record since we funded our first loan in 2014 and of the reputation we have developed with our customers and partners.

Periods of change offer opportunities. I believe that over the past year, the changes we've observed in the Australian economy – including higher interest rates and normalising credit conditions – have granted Plenti the opportunity to demonstrate how our business is differentiated from other lenders. In the past year I believe we have clearly demonstrated the strength of the foundations we have built across technology, customer reach, funding diversity and credit capabilities. Notably, we grew our loan portfolio by 36% to $1.77 billion, our revenue by 62% to $143.5 million, and our Cash NPAT from $0.5 million to $4.5 million.

I am extremely proud of how well the Plenti team adapted to a rapidly changing environment, optimising as required to balance the sometimes competing priorities of growth and profitability, and continuing to drive operational efficiencies to underpin both short and longer term profitability.

We also maintained our strong commitment to driving innovation in each of our three key lending verticals – automotive, renewable energy and personal lending. This year I was particularly proud of the renewable energy finance innovations we delivered, which helped to grow our loan originations in this vertical by 24%. As you may recall, since founding Plenti we've sought not only to help our customers, but to support Australia's clean energy future. In 2017 we launched our renewable energy lending team, which helped Australian households purchase solar-battery systems. This was then extended in 2021 when we launched our discounted electric vehicle finance offerings and integrated with the Australian online car purchase journey of the world's largest electric vehicle manufacturer.

During the year we continued to help drive broader adoption of renewable energy systems. Most notably, we launched our GreenConnect platform – an exciting initiative which demonstrates how our team is capable of shaping the future of the markets in which we operate.

Turning to another key competitive strength of Plenti, in the past year the diversity of our funding continued to be evidenced, supported by our heritage as a peer-to-peer lending business. Through the Plenti Lending Platform, over 26,000 registered investors have together funded over $1 billion in loans, and earned over $90 million in interest, whilst receiving back 100% of interest and principal due. During the year, we renewed our focus on enhancing our retail investor offering, firstly by simplifying and reshaping our investment markets, and secondly by launching a new investment market, the Notes Market. As well as enhancing our offering to investors, the Notes Market provides further diversity to Plenti's ABS funding whilst also releasing corporate capital invested in Plenti's ABS transactions.

More broadly, we have continued to take significant strides in developing the depth of our funding. Most notably, we completed two ABS transactions, one of which was voted by industry participants as KangaNews Deal of the Year for 2022, bringing our total ABS issuance to over $1.3 billion, and established Plenti as a regular issuer of high-quality ABS notes, with a growing following amongst both domestic and international investors.

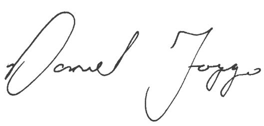
Our ability to fund the strong growth in our loan portfolio year after year, has benefited from our consistent focus on funding prime credit customers. Any benchmarking of our average customer credit profile and overall credit performance generally illustrates how differentiated our credit focus and capabilities are. Our relentless focus on using technology to attract and fund prime credit customers, and price our loans profitably, will help ensure we deliver value to our shareholders over the long term.

Looking forward, we remain very confident about the scale of the business we believe we will build, and the returns we believe we can deliver. In terms of the next year, we have shifted our posture to be ready to take advantage of growth opportunities, as we know that by growing our loan portfolio, we can enjoy the economic benefits that come from earning more revenue and net interest amounts, from what is a platform cost-base. Looking further forward, our ambition is to achieve cost efficiencies of at least $25 million as our loan portfolio doubles from $1.5 billion to reach $3.0 billion, as we expressed during the year.

What we have accomplished over the past 12 months can be attributed to the dedication of Plenti's exceptional team – our 'Plentineers'. On behalf of the Board and our Executive team, I thank each Plentineer for the results we are 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. We benefit from a Board that brings significant relevant experience, is highly engaged and highly motivated to drive strong and differentiated results for our shareholders.

Together, our team is striving every day to build a business of real scale, and a legacy we can be proud of. 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

Our strategy

Building a sustainable and profitable business

Through building on our existing foundations and leveraging our competitive strengths, we are committed to building a sustainable and profitable business which delivers strong returns for investors.

Our strategic priorities have been consistent since we launched our services to customers in 2014. These priorities are to:

- Establish market leadership
- Extend our technology advantages
- Optimise our funding

Plenti's first strategic priority – to establish market leadership – reflects our ambition to continue growing loan originations, and to be the recognised leader in each of our lending segments as measured by customer demand, loan portfolio size, and consumer opinion. We believe our progress towards achieving this strategic priority 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 around $50 billion of lending each year.

Plenti's second strategic priority – to extend our technology advantages – encompasses our dedication to driving innovation and delivering to our customers and partners even simpler, faster and fairer loans; and to driving operational efficiencies as we scale. In the past year, key technology improvements have included loan application speed and efficiency enhancements, rich integrations with referral partners, and of course growth initiatives such as the launch of our GreenConnect platform. Additionally, the technology underpinning our credit performance – including credit decision and pricing models – was further advanced.

Plenti's final strategic priority – to optimise our funding – reflects our commitment to achieving funding depth and diversity, in turn helping to provide business resilience, whilst minimising funding costs. In this regard, Plenti has 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, and our retail investor platform, the Plenti Lending Platform – our original funding source and which has now attracted over 26,000 investors. During the year, we completed two ABS transactions, bringing our total ABS issuance to over $1.3 billion.

The effective execution of our strategic priorities can be seen in the results that follow, and our continual advancement towards our mission, which is to build Australia's best lender.

Strategic priorities

Establish market leadership

Establish prime lending leadership positions across each of our lending segments – as measured by borrower demand, loan portfolio size and customer experience

Extend our technology advantage

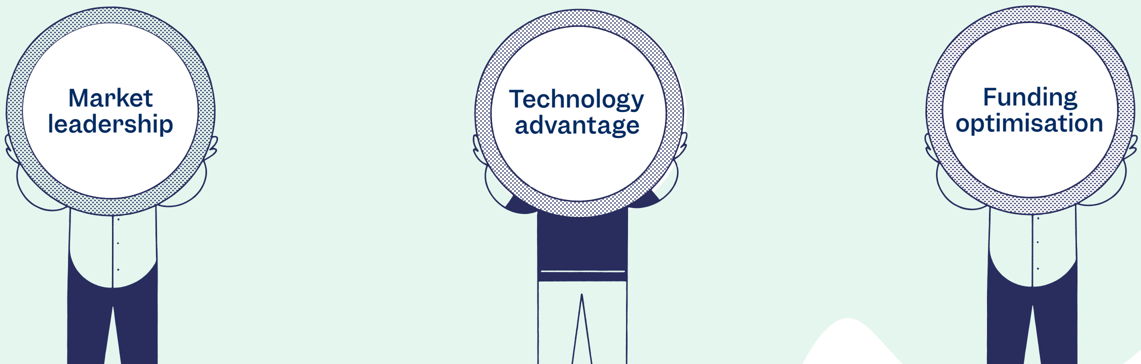
Continually invest in our technology platform to innovate and deliver market-leading lending experiences to customers

Leverage technology platform to continually increase operating efficiency

Optimise our funding

Continually develop funding diversity and scalability

Optimise the costs of funding



Operational overview

Automotive lending

Plenti has established a meaningful presence in the ~$35 billion secured automotive loan market since launching its secured automotive offering in 2017. Secured automotive lending remained our largest vertical during the year, with loan originations of $572 million, down 11% on the prior year, but driving loan portfolio growth of 34%, given the rapid loan origination growth achieved in the prior year.

The moderation in loan originations reflected our decision to materially increase borrower rates to drive a recovery in margins, offsetting funding cost increases experienced during the year.

Additionally, a number of external factors, including continued restrictions in supply of new vehicles, led to constrained growth of the overall automotive finance market.

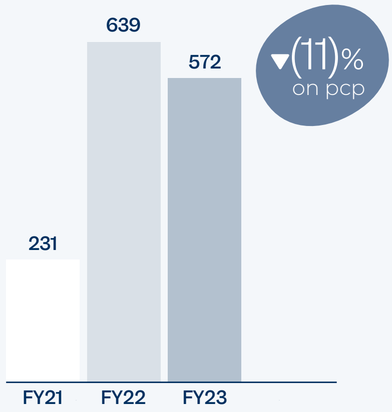
Our proprietary technology platform continued to provide a significant advantage relative to traditional lenders allowing us to deliver market-leading customer approval, settlement and funding experiences across a broad range of distribution channels.

We maintained our focus on further developing market-leading automotive loan application experiences, building distribution capabilities through both digital and broker referral partners, developing our highly effective sales team, enhancing our fast and efficient loan processing capabilities, and advancing our automotive funding program.

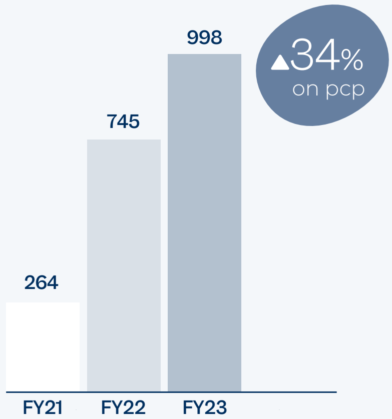
Several product enhancements were delivered over the year, including the deepening of our technology integration with a large EV manufacturer, providing a seamless digital end-to-end quoting, application and settlement experience, directly integrated into their online vehicle sales experience – which is understood to be the first integration of its kind in Australia, and sets a new standard for the experience that can be delivered to new car buyers. This sophisticated integration capability and proven track record positions Plenti well to take advantage of the trend for automotive manufacturers and dealers to deliver high-quality sales and finance experiences online.

Our ongoing automotive lending activities were supported by the completion of a $437 million secured automotive loan ABS transaction, bringing our total secured automotive ABS issuance to over $740 million.

Loan originations ($m)



Closing loan book ($m)



$998m
Loan book
▲34% on pcp

>35%
New car loan originations

$35bn+
Annual lending[1]
2% estimated Plenti market penetration

1. Management estimate.

Operational overview

Renewable energy lending

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

Renewable energy lending increased by 24% to $122 million, despite a reduction in the number of systems installed in Australia year-on-year. There were 310,352 installations in 2022, down from 2021's record 389,665 installations.[1]

However, the market continued to benefit from favourable trends, including:

- Increases in household energy costs (up 20% in 2022)[2], making the economics of the installation of solar and/and solar-battery systems more appealing
- Increases in proportion of systems installed with batteries, now 15% of total installations, up from 3% in 2021, driving increased demand for finance given the higher cost
- Government programs continuing to promote/subsidise the installation of household renewable energy systems

We increased market share by continuing to expand our accredited referral partner network, supported by our diverse product offering allowing referral partners to offer both interest-free finance and interest-bearing green loan solutions at the point-of-sale.

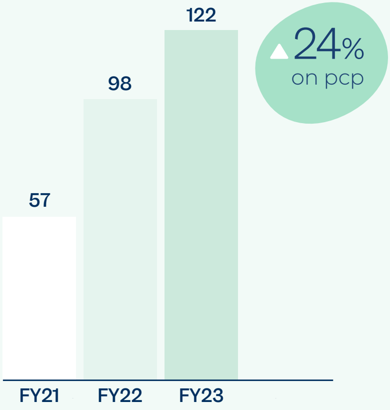
In a step forward for our partnership-led growth strategy, we launched GreenConnect, an innovative point-of-sale platform that brings together product manufacturers, energy retailers, installers, and Plenti's cost-effective finance to provide households with access to a broad selection of more affordable home solar-battery systems.

By combining all services into one platform, we are together making the purchase of a solar-battery system simple and easy to understand, whilst improving the value provided to homeowners. We have announced GreenConnect partnerships with AGL, Hanwha Qcells Australia, Sonnen and Amber, and expect to add additional partners over the coming year.

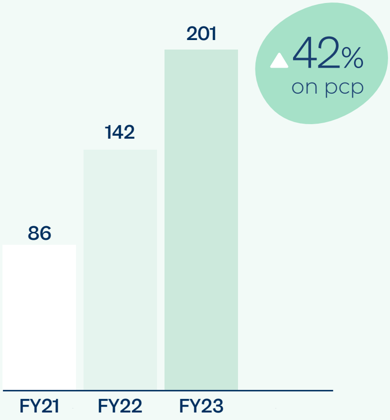
Plenti concluded its delivery of two state government household solar and battery schemes this year. Delivery of the $100 million Home Battery Scheme was completed in South Australia, facilitating over the life of the program the installation of 21,343 solar and battery systems and creating 250MWh of storage capacity. In New South Wales, the pilot for the Empowering Homes Program was completed.

Since inception Plenti's renewable energy lending has facilitated the installation of over 35,516 solar and solar-battery systems.

Loan originations ($m)



Closing loan book ($m)



>750
Partner network of renewable energy equipment vendors

$201m
Loan book
▲42% on pcp

12%
Originations with batteries

~320k
Households installing solar annually[1]
~10% estimated finance market penetration

1. Clean Energy Council Australia – Clean Energy Report 2022.
2. Treasury estimates.

Personal lending

Personal loan originations were $437 million, up 20% on the prior year, reflecting growth in market demand and Plenti's continued market share gains. This loan origination growth drove a 37% increase in the loan book over the year.

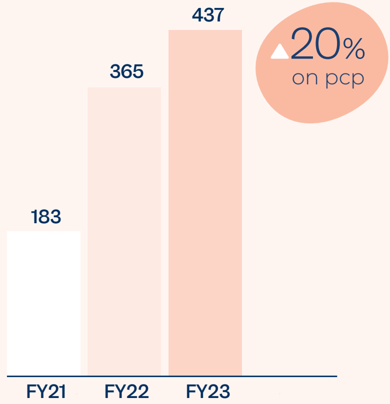
Overall personal loan market loan originations increased strongly in the year, recovering from reduced demand the year prior due to the impacts of COVID-19. Demand increased across most major loan purposes, including loans for vehicles, home improvement, travel, medical procedures and weddings.

Plenti's personal loan origination growth was supported by investments in direct origination technology and capabilities, helping improve customer experiences, reduce application processing and decisioning times and optimise customer acquisition costs. In particular, investments in data capabilities – including machine learning technologies and deeper integrations with digital marketing partners – delivered significant improvements in cost efficiency of digital origination channels. Enhanced use of data assisted in greater leveraging the over 800k loan applicants or borrower profiles in our ecosystem to drive additional originations from repeat and cross-sell borrower customers.

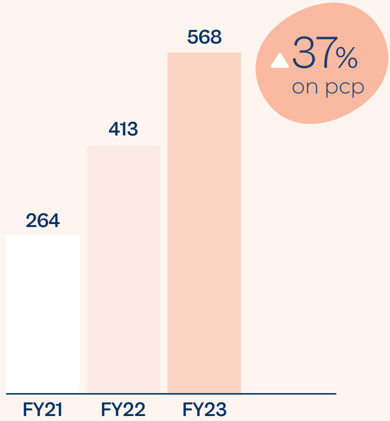
Loan origination growth was also supported by increases in market share from leading mortgage and asset finance brokers, attracted to the speed and ease of the application and funding experience we offer our partners.

Our ongoing personal loan activities were supported by the completion of a $300 million personal loan and renewable energy receivables ABS transaction.

Loan originations ($m)



Closing loan book ($m)



>8,500
Network of accredited broker partners
17 loan aggregator partners

$568m
Loan book
▲37% on pcp

800k
Customers in ecosystem

$12bn
Annual lending opportunity[1]
3% estimated market share

1. *ABS 5601.0* Table 27 LTM to Jun-20.

Operational overview

Credit performance

From a credit perspective, our long-held ambition is to develop better loan options for Australia's prime credit customers, and to leverage our technology and data capabilities to ensure that we not only improve customer experiences but drive strong and consistent credit performance outcomes.

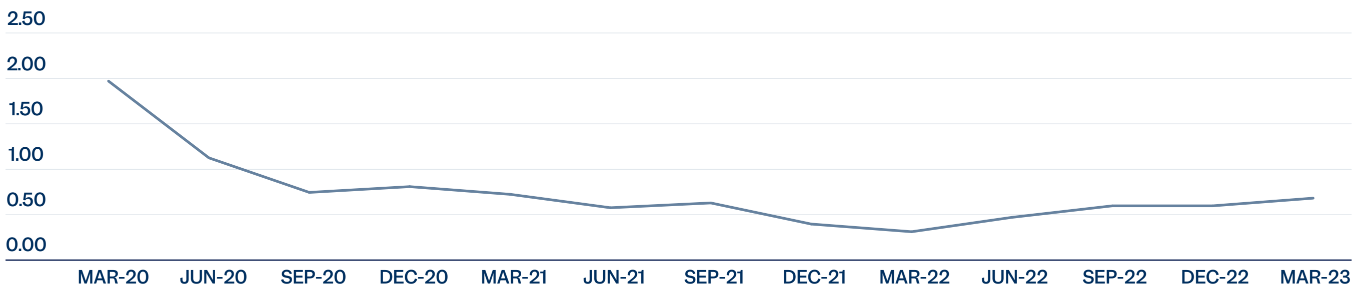
Since Plenti's inception, we have been successful at attracting and funding the prime credit customers we have targeted. At the end of the period, the weighted average Equifax comprehensive credit score across our loan portfolio was 831, significantly above the Australian population average. We were also successful during the year at maintaining our strong credit track record, with credit losses across the year representing only 0.68% of our average loan portfolio. The strength of our average borrower credit characteristics and our credit performance continued to be supported by our secured automotive and renewable energy loan books, which empirically have attracted higher credit quality borrowers and delivered superior credit outcomes.

We have had two key priorities across our credit activities over the last year. The first was to further enhance our credit decisioning and pricing capabilities, including through the introduction of machine-based learning for our personal lending activities, so we can maintain our track record for achieving predictable and profitable credit outcomes. The second was to leverage our proprietary credit technology to increase automation in our credit decisioning, thereby increasing the efficiency, consistency and measurability of our credit activities. We made significant advancements across each of these priorities in what was a busy and productive year across our credit functions. We are especially pleased with progress made in immediately tangible performance measures such as the number of credit decisions made per underwriter, and the time taken from receipt of a loan application through to loan funding.

We continued to invest in our debt collection capabilities during the year, as we work to make collections a competitive strength. In particular we invested into building and further developing our collections team, and in developing tools to assist borrowers to continue to make loan payments. We also completed our first sale of certain written-off or defaulted loans and established the technology and processes to enable future debt sales to take place as required.

Overall, we believe our credit function had a very productive year, and that we are well positioned to maintain robust and market-leading credit results in each of our lending verticals. We will continue to identify and execute on opportunities to further enhance our credit capabilities, credit operations and collections, whilst continuing to deliver exceptional speed and service to our customers.

Annualised net loss rate (%)



Funding

The scale, depth and diversity of Plenti's funding platform was further advanced during the year.

When Plenti launched in 2014, it funded loans exclusively via its peer-to-peer marketplace, the Plenti Lending Platform. It then introduced the Plenti Wholesale Lending platform in 2017 to facilitate investment in loans by institutional and government investors. In 2019 Plenti established its securitised funding program, in recognition of the support this could provide to sustaining Plenti's rapid loan portfolio growth.

Over the past 12 months Plenti firmly established itself as a programmatic issuer of high-quality ABS transactions, executing two ABS transactions and bringing total issuance through its ABS program to date to over $1.3 billion. These were a $437 million automotive loan ABS, and a $300 million personal and renewable energy loan ABS. The automotive loan was rated by two rating agencies, Moody's and Fitch, with 83.75% of the notes issued rated Aaa by both agencies, a reflection of the high credit quality of the underlying borrowers funded by Plenti. The transaction was completed in June 2022 and, notwithstanding volatile market conditions, attracted strong demand from investors and priced at attractive levels. The transaction was voted the KangaNews ABS Deal of the Year for 2022 by industry participants.

The personal and renewable energy loan ABS was completed in February 2023 and was the first transaction in the Australian securitisation market for 2023. The transaction included $73.5 million of notes green-certified under the Climate Bonds Standard which were sold at a margin discount to the equivalent non-green Aaa-rated tranche. This is believed to be the first time a 'greenium' has been achieved in a public market debt issuance in Australia for over five years.

In addition to Plenti's successful ABS transactions, Plenti continues to manage its ongoing funding requirements through its three warehouses – two of which are automotive loan warehouses and one of which is a personal loan and renewable energy loan warehouse. At year end, Plenti had total available warehouse facilities of $925 million, providing $234 million of funding headroom. Plenti actively managed its warehouse capacity through the year to balance funding capacity and costs, by increasing limits as the warehouse portfolio grows and decreasing limits post ABS transactions.

The Plenti Lending Platform continues to play an important role in loan funding due to its competitive cost, the flexibility it provides the business in supporting growth initiatives, and the equity capital efficiency it delivers. A new investment market, the 'Notes Market', was launched in December 2022. This market provides investors with the opportunity to invest in notes issued as part of Plenti's ABS transactions. The Notes Market provides further flexibility to Plenti's funding program and has released corporate capital which has been invested to support growth in other funding structures.

Plenti continues to benefit from a corporate funding facility which was established in the prior financial year. The facility limit is linked to the size of Plenti's securitised loan portfolio, providing the ability to access more capital, if needed, as the loan portfolio grows. This facility was drawn to $22.5 million at year end.

Warehouse funding

Description

- Warehouse funding program, commenced in December 2019

FY23 advancements

- Ongoing management of three warehouses through changing market conditions with strong support by relationship financiers
- Dynamic management of limits to balance cost and funding headroom

Asset-backed securitisation transactions

Description

- Term securitisation program to access institutional debt capital markets

FY23 advancements

- Established Plenti as a consistent issuer in ABS markets, with >$1.3 billion to date
- $437 million ABS transaction completed backed by secured automotive loan receivables
- $300 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

FY23 advancements

- Increased total registered investors for the Plenti Lending Platform to over 26,000
- Launched new 'Notes Market' and simplified structure of existing markets

Environment, social and governance

The establishment of Plenti in part reflected 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 providing value to our borrowers and investors, and contributing positively to the environment and community in which we operate.

Since inception, we have funded the finance needs of over 166,000 borrowers. Additionally, we have paid investors in the Plenti Lending Platform over $90 million in interest, with each investor receiving all amounts of principal and interest due.

A key component of our commitment to supporting the environment is our household renewable energy finance activities. During the year, we launched GreenConnect, a first-of-its-kind point-of-sale platform designed to bring together renewable energy product manufacturers, energy retailers and Plenti's cost-effective finance to provide Australian households with access to a broad selection of more affordable solar-battery systems.

We also enhanced our electric vehicle finance program through partnerships with key electric vehicle manufacturers and retailers in Australia including Fonz and The Good Car Company. In total during the year, we funded the purchase of over 1,700 electric vehicles.

Throughout the year, we have intensified our efforts to create a dynamic, gratifying and inventive work environment. Our exceptional employee engagement scores demonstrate our unwavering dedication to offering employees more than just competitive compensation, but also opportunities for professional growth in a diverse and purpose-driven environment.

As we strive to become an employer of choice, we have a feedback loop that constantly seeks to improve all areas of our business and ensure that our employees have the best possible experience working with us.

Additionally, we continued our community partnership with the not-for-profit Good Return in line with our support for furthering financial independence. Other charitable giving and service initiatives undertaken throughout the year assisted the National Aboriginal and Torres Strait Islander Women's Alliance, Dress for Success and Adelaide's Hutt Street Centre. Additionally, we committed funding, via AFIA, to financial counselling services in Australia.

Our sustainable business priorities are outlined in the following table.

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.

Environment

Material issue	Issues considered	FY23 focus and progress
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: – Funded 11,357 loans to households installing solar systems and/or battery systems – Launched GreenConnect, an innovative point-of-sale platform to help connect Australian homeowners with solar and battery offers and incentives, including VPP programs – Completed the administration of two state governments' schemes to drive household uptake of solar and battery technology including for lower income households ■ Ambition to accelerate Australia's transition to EV ownership: – Offered EV-specific loans and services to make the purchase of EVs easier and more affordable, with loan rates discounted by at least 0.5% – Maintained 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 and renewable loan ABS transaction in February 2023 with ~25% of loans Climate Bond Certified, which attracted international investors and achieved superior pricing for the Climate Bond Certified tranche (a 'greenium')
Carbon footprint	Ability to offset carbon emissions resulting from business activities and to reduce carbon emissions over time	■ Commitment to becoming carbon neutral: – Continued work to better understand direct carbon emissions and measurement process ■ Engaged in industry forums regarding adoption of climate-related financial disclosures and its application to non-bank lenders
Supply chain	Ability to influence suppliers' environmental impact through consideration of their environmental protection credentials when evaluating potential service providers	■ Continued use of technology providers with robust environmental credentials including commitments to renewable energy use and/or carbon neutrality: – Primary provider Amazon Web Services is supported by the company's solar energy farm, and expects to reach its goal of 100% renewable-energy-powered operations by 2025 – Microsoft has been carbon neutral since 2012 with commitment to carbon negative status by 2030 ■ Updated energy plans to 100 per cent carbon neutral energy sources

Environment, social and governance

Material issue	Issues considered	FY23 focus and progress
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 1,000 investors registered to invest via the Plenti Lending Platform, bringing the total number of registered investors to 26,000 ▪ Seek to provide a more flexible approach to lending than traditional lenders, to better serve the community of people with finance needs. 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
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 per cent
Gender diversity	Gender diversity to support business performance and gender equality	▪ Industry-leading female representation at Board level: – Female Chairman since 2020 – Maintain Board diversity at 40/40/20 ▪ Average female workforce representation of 35%
Employee mental health	Employer responsibility to support staff wellness and mental health	▪ Provide access to an employee assistance program, 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 ▪ Regular company-wide, team-specific, and activity-specific initiatives to maintain inter-personal connection and promote mental well-being
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: – Completed Adelaide office fit-out 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 ▪ Launched the Leadership Development Program, to foster and enhance leadership skills in all people leaders ▪ Introduced Demographic and Diversity and Inclusion surveys to better understand the makeup and motivations of the Plenti team, enabling targeted initiatives and programs to support our employees
Community financial empowerment	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
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 ▪ Enhanced training for customer-facing employees to build capabilities in identifying, supporting and referring customers suffering financial hardship

Governance (including cyber security)

Material issue	Issues considered	FY23 focus and progress
Overall governance frameworks	**ASX Corporate Governance Principles and industry best practice**	▪ Listed on the ASX in September 2020, compliant 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 ▪ Conduct regular reviews 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**	▪ Further enhanced risk management framework, including risk appetite statement, risk strategy, risk management policy, risk register and controls ▪ Reviewed and updated Anti-Money Laundering and Counter Terrorism Policy and Program ▪ Updated Board Committee Charters to reflect increased risk oversight as company matures
Cyber security	**Financial services' responsibility to keep customer data secure** **Contribution to the ongoing fight against financial crime**	▪ Recent high-profile cyber security incidents have demonstrated the growing threat that cyber criminals pose to all businesses – and especially to financial service providers, given the nature of the data they collect and store ▪ Plenti understands the deep trust that is placed in us by our customers and partners when they choose to transact with us, and we take the security of our customers' data very seriously. We have deployed a range of best-practice controls and tests across our people, premises, processes and technology platforms to mitigate the risks of, and consequences associated with, cyber security incidents. Additionally, we employ advanced monitoring to identify anomalous behaviours across our technology platforms. Importantly, we conduct regular information security risk reviews of our technology vendors ▪ In the past year we continued to invest in improving our cyber security posture, including (amongst other things) significant improvements to our cyber security monitoring systems, data architecture, and personnel training programs

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.

Length of service: 3 years.

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.

Length of service: 3 years.

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. She is also currently an Advisory Board Member of Diligent Corporation. In 2019 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.

Length of service: 2 years.

Stephen Benton

Non-Executive Director

Stephen Benton has 30 years' experience driving business strategy in financial services across large organisations, challenger brands and growth companies. He also holds experience specific to consumer lending, product development, and debt collection. His most recent executive role was CEO and Managing Director of EFTPOS, where he spearheaded a strategic reset. Prior to that, he was Head of Consumer Finance, Payments and Emerging Businesses at Westpac. Stephen has also held executive and commercial roles at Bankwest and Citibank, and financial services growth company Once. His board experience includes acting as Chairman of Infochoice and of Once Private, and as a director of EFTPOS and Baycorp Collection Services. Stephen holds a Bachelor of Commerce, Accounting and Finance and is a Graduate of the Australian Institute of Company Directors.

Length of service: 1 year.

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.

Length of service: 3 years.

Martin Dalgleish

Independent Non-Executive Director, retired from the Board August 2022

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.

Length of service: 2 years.

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 & 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

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 2023.

Directors

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

Mary Ploughman (Chairman)

Daniel Foggo

Susan Forrester AM

Martin Dalgleish (retired on 16 August 2022)

Peter Behrens

Stephen Benton (appointed on 1 July 2022)

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 on borrowers with a strong credit profile. Additionally, Plenti seeks to provide retail investors with attractive, stable returns by investing in loans via its innovative lending marketplace. 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 Lending Platform) and the funding of loans via the Group's warehouse and securitisation programs.

Dividends

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

Review of operations

Plenti achieved strong financial and operational results for the year ended 31 March 2023, including:

- Delivered record Cash NPAT of $4.5 million, up $4.0 million on prior year
- Achieved a closing loan portfolio of $1.77 billion, up 36% year-on-year, with average loan portfolio of $1.55 billion up 67% year-on-year
- Increased revenue to $143.5 million, up 62% year-on-year
- Delivered loan originations of $1.13 billion, up 3% year-on-year while proactively restoring net interest margins
- Achieved strong credit performance with a 0.68% annualised net loss rate and low 90+ day arrears of 42bps at year end
- Executed the Group's first sale of written-off or defaulted loans, supporting loan loss recoveries
- Completed two asset-backed securities (ABS) transactions, with total ABS issuances of $737 million for the year and Plenti lifetime ABS issuance reaching over $1.3 billion
- Launched GreenConnect, an innovative platform which brings together renewable energy product manufacturers, energy retailers and equipment installers, with Plenti's finance offerings
- Made substantial retail investor platform enhancements, including the reshaping of investment markets to simplify investments and the introduction of a new investment market to provide economic exposure to Plenti ABS notes

For the year ended 31 March 2023, the Group reported Cash NPAT, the Group's preferred measure of earnings, of $4,485,000 (2022: $496,000).

On a statutory basis, the Group reported a net loss after tax for the period of $13,581,000 (2022: $6,315,000). Earnings per share (EPS) decreased to (7.99) cents from the prior year of (3.73) cents. The statutory loss reflects an increased ECL provision and lower income tax benefits resulting from recognition of carried forward losses, compared with the prior year. These items do not influence the Cash NPAT result.

Directors' report

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

	2023 $'000	2022 $'000	Change $'000	Change %
Interest revenue	142,074	87,272	54,802	63%
Other income	1,383	1,234	149	12%
Total revenue before transaction costs	**143,457**	**88,506**	**54,951**	**62%**
Transaction costs	(18,774)	(10,864)	(7,910)	73%
Loan funding costs	(61,732)	(31,959)	(29,773)	93%
Expense passed to unitholders	(143)	(140)	(3)	2%
Realised impairment losses	(10,558)	(5,047)	(5,511)	109%
ECL movement	(14,174)	(7,237)	(6,937)	96%
Sales and marketing expense	(12,326)	(13,769)	1,443	(10%)
Product development expense	(10,390)	(7,719)	(2,671)	35%
General and administrative expense				
Operations	(12,075)	(10,147)	(1,928)	19%
Business overhead	(14,205)	(11,229)	(2,976)	27%
Corporate funding costs	(2,264)	(94)	(2,170)	>100%
Depreciation and amortisation	(1,461)	(1,028)	(433)	42%
Total expenses	**(139,328)**	**(88,369)**	**(50,959)**	**58%**
Net loss before income tax expense	**(14,645)**	**(10,727)**	**(3,918)**	**37%**
Income tax benefit	1,064	4,412	(3,348)	(76%)
Net loss after income tax expense	**(13,581)**	**(6,315)**	**(7,266)**	**115%**
Cash NPAT[1]	**4,485**	**496**	**3,989**	**804%**

Notes
1. Refer to page 29 for reconciliation of statutory loss after income tax to Cash NPAT.

Total revenue before transaction costs increased 62% in the year. Interest revenue growth was driven by the substantial increase in the size of the Group's loan portfolio resulting from continued strong loan originations. Interest revenue also increased as a result of higher customer rates as the Group adjusted its borrower interest rates to respond to higher funding costs during the year.

Transaction costs, which recognise amortisation of commissions paid on loan originations, increased 73% to $18.8 million. The material increase reflects growth in the average loan book and particularly growth in the automotive loan book, which carries higher commission payments.

Loan funding costs increased 93% as a result of loan portfolio growth as well as the impact of a rising interest rate environment from early calendar year 2022.

Realised impairment losses increased 109%, reflecting the larger loan portfolio and as well as credit loss rates moving back towards historical levels in each loan vertical. The ECL provision increased due to growth in loan portfolio, higher arrears rates at year end and an increase in management's macroeconomic risk overlay.

Sales and marketing expense decreased 10% to $12.3 million, as brand investment activities undertaken in FY22 were not repeated in FY23, and due to reduced direct-to-consumer digital marketing investment. Product development expense increased 35% to $10.4 million as Plenti continued to increase its investment in its technology platform and its customer offerings. General and administrative (operations) expenses increased 19% driven by the cost of supporting a substantially larger loan portfolio and staff salary increases. General and administrative (business overheads) increased 27% largely driven by salary costs.

Corporate funding costs of $2.3 million include the interest expense paid/payable on Group corporate borrowings and interest expense on the Group's leased assets under AASB 16. With the Group's corporate debt facility only being established in March 2022, this is the first year that significant corporate debt funding costs have been incurred.

The income tax benefit of $1.1 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, which 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	2023	2022	Change %
Originations ($'000)	1,130,982	1,102,275	3%
Loan portfolio (period end) ($'000)	1,766,247	1,299,750	36%
Loan portfolio (average) ($'000)	1,545,156	927,855	67%
Average monthly amortisation rate (%)	3.6	3.7	(4%)
Average term of originations (months)	64	65	(1%)
Number of originations	44,027	43,512	1%
Average loan amount	25,688	25,333	1%

Loan originations of $1.13 billion for the year, an increase of 3% on the prior year, underpinned the loan portfolio growing to $1.77 billion at 31 March 2023, up 36% year-on-year. This was a pleasing result in the context of Plenti's decision to prioritise restoration of net interest margins following a rapid increase in market interest rates around March/April 2022. Plenti was an early market mover in respect of increasing borrower interest rates, which impacted monthly loan origination volumes, but supported the restoration of loan profitability.

Growth in the loan portfolio was driven by new loan originations materially exceeding amortisation of the existing loan portfolio. The loan amortisation rate (the rate at which loans pay back) reduced slightly to 3.6% per month. A broadly stable amortisation rate aligns with the loan portfolio mix across the Group's three main lending verticals being reasonably consistent year-on-year. The slight reduction in average term of originations is consistent with a higher portion of loan originations in the year relating to the personal lending vertical.

Loan origination by channel	2023	2022	Change %
Automotive originations ($'000)	571,688	639,304	(11%)
Renewable originations ($'000)	122,005	98,261	24%
Personal loan originations ($'000)	437,289	364,710	20%

Automotive originations decreased 11% against the prior year. Automotive lending was particularly impacted by Plenti's more proactive approach to passing through market interest rate increases to customer rates, compared with some industry participants. The Group continues to invest in expanding its commercial and electric vehicle (EV) loan offerings, following material increases in commercial and EV lending during the year.

Renewable energy finance originations grew 24% over the prior year. This was driven by the introduction of new installer partners and Plenti's battery partnership strategy with key energy retailers and battery manufacturers as well as the continued consumer demand for finance to fund solar and battery installations in a country experiencing higher energy costs. The recent investment in GreenConnect has the potential to expand the Group's product offering to a wider market of consumers.

Personal loan originations grew 20% over the prior year. Growth was achieved in both the broker channel and direct-to-consumer digital channels. In the broker channel, market share gains were supported by the introduction of several differentiating technology improvements and strong execution by the sales team. The direct-to-consumer channel had a relatively flat first half but grew strongly in the second half following the introduction of new leadership and increased focus on the channel.

Directors' report

Product margin and funding costs	2023	2022
Average interest rate (%)	9.2	9.4
Transaction costs/average loan portfolio (%)	1.2	1.2
Average funding rate (%)	3.9	3.6
Funding debt (period end) ($'000)	1,814,915	1,288,606
Funding debt (average) ($'000)	1,581,044	898,518

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 year.

The average interest rate reduced slightly to 9.2% in 2023, from 9.4% in the prior year. The profile is better understood at a half-on-half level where rates in the 2022 year were 9.7% and 9.2% in 1H and 2H respectively, with the 2023 rates being 8.9% and 9.5%. The reduction through 2022 reflected the growth in automotive loans as a percentage of the loan portfolio, which typically earn lower interest rates than personal loans, as well as product level rate reductions reflecting the low cost of funds at the time. The higher funding costs experienced as 2023 progressed is reflected in higher borrower interest rates, albeit with some lag.

Transaction costs as a percentage of the loan portfolio have remained the same as the prior year at 1.2% given a broadly consistent loan book composition across the two periods. The Group has implemented some targeted commission rate reductions in the second half of the 2023 year to support loan profitability.

The average funding rate paid by the Group increased from 3.6% to 3.9%, largely reflecting the increase in market interest rates during the year. Again, this is better understood on a semi-annual basis where for 2022 the funding rate was 4.0% for 1H and 3.3% for 2H, with rates increasing in 2023 to 3.5% in 1H and 4.3% in 2H.

Credit performance	2023	2022
Loan impairment – net charge off ($'000)	10,558	5,047
Loan impairment – provision movement ($'000)	14,174	7,437
Provision rate (%)	1.9	1.5
Net charge off to interest revenue (%)	7.4	5.8
Net charge off to average loan portfolio (%)	0.7	0.5

Total realised loan impairment expense increased 109% compared with the prior year, with a significant proportion of the change due to growth in the loan portfolio. The net charge-off rate as a percentage of average loan portfolio only increased from 0.5% to 0.7%. Following a period of very low industry credit losses in 2020, 2021 and 2022, which were positively impacted by high levels of Government economic stimulus, very low interest rates and constrained consumer discretionary spending relating to the pandemic, a return to prior credit loss levels across loan markets and in each Plenti lending vertical has been anticipated. For Plenti, historically low loss rates were also supported by the rapid growth in Plenti's loan portfolio, which resulted in a portfolio that included a higher proportion of newer loans which typically have low loss rates. The increase in annualised net credit losses in 2H towards historical levels was partly offset by the benefits of the debt sale undertaken by the Group in the period, supporting loss recoveries.

The Group's 90+ days arrears rate at the end of the period remained low at 42bps, reflecting the strong credit profile of the Group's average borrower.

The Group's ECL provision at 31 March 2023 was $34.3 million, representing 1.9% of the total loan portfolio at that date. This compares with $20.1 million, or 1.5% of the loan portfolio, at 31 March 2022. The increase in the ECL provision has been driven by growth in the loan portfolio and an increase in loans in arrears at period end, as well as management increasing the macroeconomic risk overlay buffer to be prudent in the context the risks to the Australian economy over the next 12–24 months.

Operating metrics	2023	2022
Overall cost-to-income ratio	34.2%	48.5%
Sales and marketing expense to revenue ratio	8.6%	15.6%
Product development expense to revenue ratio	7.3%	8.7%
General and administrative expense to revenue ratio	18.3%	24.2%
Overall cost-to-originations ratio	4.3%	3.9%

Plenti's operating cost-to-income ratio was 34.2% in the year, down from 48.5% in the prior year. Notably, the cost-to-income ratio declined significant during the second half of the year as revenue growth accelerated, reducing from 37.6% in the first half of the year, to 31.4% in the second half of the year. While operating leverage in the Group's operations is the key driver of the improvement, increasing borrower interest rates also contributed to the cost-to-income ratio reduction.

Sales and marketing expense decreased to $12.3 million in the year from $13.8 million in the prior year. The reduction was partially due to the investment in brand advertising undertaken in the prior year that was not repeated in the current year. The Group also spent less on digital marketing to drive loan acquisition in the year. In the first half of FY23 this reduction reflected a decision to commit less funds to the channel in a more competitive digital advertising environment. In the second half it reflected a material improvement in acquisition cost efficiency where higher origination volumes were achieved without a commensurate increase in spend.

Product development expense increased to $10.4 million, an increase of 35% on the prior year. This was primarily driven by personnel costs due to salary increases in the year and an investment in a larger team focused on the Group's proprietary technology platform to support product enhancements and process efficiencies across the Group.

General and administrative expense (G&A) increased to $26.3 million. Within this, G&A (operations) increased 19% to $12.1 million. This expense line includes loan origination processing, underwriting, settlement and ongoing loan servicing. The primary driver of the increase in costs was staff costs due to annualisation of salary impacts from staff added in 2022, salary increases and moderate headcount increases to service the larger loan portfolio. G&A (business overheads) increased 35% to $14.2 million. This expense line includes support functions and the executive team. The majority of the increase in business overheads related to salary costs. While business overheads headcount was broadly stable across 2023, salary costs were impacted by the full-year effect of employee growth through the 2022 year.

The overall cost-to-originations ratio increased from 3.9% to 4.3%, reflecting the greater costs associated with managing a larger loan portfolio while origination growth was constrained given the business focus on restoring loan profitability.

Directors' report

	2023 $'000	2022 $'000	Change $'000	Change %
Balance sheet				
Assets				
Cash and cash equivalents	142,959	159,168	(16,209)	(10%)
Customer loans[1]	1,714,832	1,269,370	445,462	35%
Derivative assets	20,848	14,692	6,156	42%
Other assets	31,439	25,990	5,449	21%
Total assets	**1,910,078**	**1,469,220**	**440,858**	**30%**
Liabilities				
Trade payables	4,957	5,450	(493)	(9%)
Borrowings	1,808,077	1,373,610	434,467	32%
Corporate borrowings	22,500	18,000	4,500	25%
Derivative liabilities	2,596	–	2,596	nm
Other liabilities	26,910	19,486	7,424	38%
Total liabilities	**1,865,040**	**1,416,546**	**448,494**	**32%**
Net assets	**45,038**	**52,674**	**(7,636)**	**(14%)**

Note:
1. Customer loans are presented net of deferred upfront fees and ECL provision. For further details refer to note 10 of the financial statements.

Cash and cash equivalents of $143.0 million is comprised of three components; corporate cash of $27.8 million (2022: $40.0 million); Provision Fund cash of $13.7 million (2022: $14.3 million); and $101.5 million (2022: $104.9 million) held in the warehouse and ABS facilities, the Plenti Lending Platform and the Plenti Wholesale Lending Platform.

The Group's corporate cash balance decreased by $12.2 million, with the majority of the cash outflows relating to net equity investments in securitised funding structures of $15.2 million. This primarily related to increased equity contributions to securitised funding structures as the loan portfolio grew, offset by recycling of capital in relation to ABS notes held by the Group. This was offset by an additional $4.5 million drawdown on the Group's corporate debt facility in September 2022.

Customer loans increased 35% from 31 March 2022, driven by loan originations of $1.13 billion for the year. Gross customer loans outstanding were $1.77 billion at year end, with the value of deferred upfront fees of $17.1 million and the ECL provision value of $34.3 million being the items netted-off the value of customer loans in the balance sheet. Of the gross loan value, $998 million (31 March 2022: $745 million) related to automotive loans, $568 million (31 March 2022: $413 million) related to personal loans, and $201 million (31 March 2022: $142 million) were renewable energy loans.

Derivative assets increased $6.2 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 past year has resulted in an increase in the value of historic swaps.

Other assets are comprised of prepayments, capitalised rate commissions and securitisation establishment costs, trade receivables, PPE, right-of-use assets and other assets. 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 addition of a new lease for the Group's Adelaide 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 and well as unsettled borrower and/or lender transactions that are yet to be paid.

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

Other liabilities represents lease liabilities, provisions and accruals. The increase is mainly due to accrued interest payable on warehouse and ABS borrowings as funding facilities have expanded, timing of funds received in the customer collection accounts which are yet to be allocated, increases in payroll liabilities and increased lease liabilities relating to the new lease for the Adelaide office.

	2023 $'000	2022 $'000	Change $'000	Change %
Funding				
Borrowings				
Plenti Lending Platform	200,026	226,052	(26,026)	(12%)
Wholesale Lending Platform	19,485	31,790	(12,305)	(39%)
Warehouse facilities and ABS trusts	1,556,428	1,115,768	440,660	39%
Corporate borrowings	22,500	18,000	4,500	25%
Risk retention facilities	29,774	–	29,774	nm
Loan settlement facility	2,364	–	2,364	nm
Total borrowings	**1,830,577**	**1,391,610**	**438,967**	**32%**

Plenti benefits from having established several loan funding platforms. At the end of the period, $1.6 billion of funding came from warehouses and ABS trusts, while $220 million of loan funding came from the Plenti Lending Platforms.

During the year, the Group established two 'risk retention' entities in order to support investment in the ABS trusts (Plenti Auto ABS Trust 2022-1 and Plenti PL Green ABS Trust 2023-1) by overseas investors. The risk retention entities, which are wholly owned by the Group, borrow funds from third party funders to acquire notes in the ABS with repayment of the notes guaranteed by the Group. This allows the Group to meet European requirements for ABS issuers to retain minimum economic exposure levels to transactions they undertake.

At 31 March 2023, the Group had a total of $41.5 million (2022: $20.0 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 $41.5 million notes held at 31 March 2023, $7.0 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, although it was stable in the second half of the year as the Group focused on increasing investor engagement on the platform as interest rates and therefore investor returns increased.

	2023 $'000	2022 $'000	Change $'000	Change %
Cash flow				
Interest income received	153,033	97,444	55,589	57%
Other income	1,383	1,234	149	12%
Interest and other finance costs paid	(60,729)	(32,698)	(28,031)	86%
Payments to suppliers and employees	(73,098)	(69,890)	(3,208)	5%
Cash flows used in operating activities	**20,589**	**(3,910)**	**24,499**	
Net increase in loans to customers	(474,097)	(684,724)	210,627	(31%)
Other investing activities	(1,146)	(1,150)	4	nm
Cash flows used in investing activities	**(475,243)**	**(685,874)**	**210,631**	
Proceeds from borrowings	1,578,879	908,704	670,175	74%
Repayment of borrowings	(1,144,018)	(165,013)	(979,005)	593%
Proceeds from corporate borrowings	4,500	18,000	(13,500)	(75%)
Repayment of lease liabilities	(916)	(662)	(254)	38%
Cash flows from financing activities	**438,445**	**761,029**	**(322,584)**	
Net (decrease)/increase in cash	**(16,209)**	**71,245**	**(87,454)**	

Directors' report

	2023 $'000	2022 $'000	Change $'000	Change %
Reconciliation of net loss after tax to cash flow from operating activities:				
Net statutory loss after tax	**(13,581)**	**(6,315)**	**(7,266)**	**115%**
Add back: loan impairment expense	24,732	12,284	12,448	101%
Add back: share-based payments	3,385	2,751	634	23%
Add back: depreciation and amortisation	1,461	1,028	433	42%
Add back: other non-cash items	327	47	280	596%
Deduct: tax benefit on unrealised hedging gain	(1,064)	(4,412)	3,348	(76%)
Movement in working capital	5,329	(9,293)	14,622	(157%)
Cash flow from operating activities	**20,589**	**(3,910)**	**24,499**	

Total statutory cash flow from operating activities in the period was $20.6 million. The Group cash flow position includes cash flows in relation to the Provision Fund. For the year, the net operating cash flow of the Provision Fund was $2.3 million (2022: $4.0 million). Cash inflow from operating activities for the Group excluding the Provision Fund was $18.3 million (2022: outflow of $7.9 million).

Net cash inflow from operating activities excluding the Provision Fund cash flows has significantly improved on the prior year with a change of $26.2 million. This was largely driven by the increase in income received by the Group due to the significant growth in the loan portfolio and operating leverage as costs did not increase to the same extent.

Net cash outflow from investing activities was $475.2 million reflecting the growth in the loan portfolio during the year.

Net cash inflow from financing activities decreased to $322.6 million. An additional $4.5 million was drawn from the Group's corporate debt facility during the year.

The material reconciling items between the Group operating cash flow (excluding the Provision Fund) of $18.3 million and the movement in corporate cash of $(12.2) million are:

- Net $(9.8) 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
- $(8.9) million of realised credit losses which are recognised in investing cashflows in the cash flow statement (note that a portion of the Group's realised credit losses are covered by the Provision Fund and hence are excluded from this amount)
- Net $(15.2) million of cash invested to support growth in the Groups warehouse and ABS structures, comprising:
  - $(24.1) million of cash invested in equity tranches in the Group's warehouse and ABS structures
  - $8.9 million of cash released, primarily through capital recycling initiatives involving ABS notes held by the Group
- $4.5 million of funds drawn down from the Group's corporate debt facility.

Statutory net loss after income tax to Cash NPAT reconciliation

In addition to the statutory results presented above, the Group also assess profitability based on a 'Cash NPAT' measure, which is calculated as set out below. Management believes that Cash NPAT is particularly useful 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.

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 unwind also, this value is not considered reflective of the actual performance of the Group in the period.

	Consolidated	
	2023 $'000	2022 $'000
Net statutory loss after income tax	(13,581)	(6,315)
Add back:		
ECL provision (including ECL provision expense passed to unitholders)	14,284	7,444
Share-based payments expense	3,385	2,751
Depreciation and amortisation expense	1,461	1,028
Tax benefit on hedging gains	(1,064)	(4,412)
Cash NPAT	**4,485**	**496**

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 5 May 2023, the Group was successful in extending the Plenti Funding Trust No.2 facility from June 2023 to June 2024.

On 12 May 2023, the Group was successful in increasing the funding limit on Plenti Funding Trust No.2 facility from $225 million to $350 million.

No other matters or circumstance has arisen since 31 March 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.

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.

Directors' report

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 Qualitas Ltd, Prospa Group Ltd and is Chairman of Pitcher Partners. Mary is also a senior advisor at Gresham and an advisor to Indigenous Business Australia. 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 (ASX: QAL.AX) since October 2021

Former directorships (last three years):
None

Special responsibilities:
Member of the Audit and Risk Committee; Chair of the People and Culture Committee (until 21 March 2023); Member of the People and Culture Committee (from 22 March 2023)

Interests in shares:
90,000 ordinary fully paid shares

Interests in options:
None

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 co-founded Plenti and has acted as CEO since its inception. Previously 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. Daniel 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.

Other current directorships:
None

Former directorships (last three years):
None

Special responsibilities:
None

Interests in shares:
2,970,970 ordinary fully paid shares

Interests in options:
None

Interests in rights:
1,154,164 rights to acquire ordinary fully paid shares

Contractual rights to shares:
None

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. In 2019, 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 in April 2020), Viva Leisure Limited (resigned December 2020), G8 Education Limited (ASX:GEM) (resigned May 2021), Over the Wire Holdings Ltd (resigned March 2022)

Special responsibilities:
Chair of the Audit and Risk Committee (from 1 February 2021 until 16 March 2023), Member of the Audit and Risk Committee (from 17 March 2023); Member of the People and Culture Committee (until 22 March 2023); Chair of the People and Culture Committee (from 22 March 2023)

Interests in shares:
425,000 ordinary fully paid shares

Interests in options:
None

Interests in rights:
None

Contractual rights to shares:
None

Martin Dalgleish (resigned on 16 August 2022)

Independent Non-Executive Director
BBus, MBA, GAICD

Experience and expertise:
Martin currently serves as an Independent Non-Executive Director of Michael Cassel Group Holdings Pty Ltd, KPMG Australia, RealVC GP Pty Ltd, RealVC Management Pty Ltd, Partner at Asia Principal Capital Pty Limited, Investment Partner at HEAL Partners, 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 People and Culture Committee until 16 August 2022

Interests in shares:
949,883 ordinary fully paid shares

Interests in options:
None

Interests in rights:
None

Contractual rights to shares:
None

Directors' report

Peter Behrens

Non-Executive Director
MA (Hons)

Experience and expertise:
Peter co-founded, and serves as an Executive Director of Hexla Limited. Peter has over 20 years' experience in law, financial services and growth companies with Ashurst, Royal Bank of Scotland plc, Laxfield Capital, Retail Money Market Limited (which traded as 'RateSetter', a leading United Kingdom-based peer-to-peer lending business) and Metro Bank plc. Peter previously served as a Non-Executive Director of George Banco Limited.

Other current directorships:
None

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

Special responsibilities:
Member of the Audit and Risk Committee

Interests in shares:
1,337,124 ordinary fully paid shares all beneficially held by Citicorp Nominees (Suffolk Life Annuities Limited)

Interests in options:
None

Interests in rights:
None

Contractual rights to shares:
None

Stephen Benton (appointed on 1 July 2022)

Independent Non-Executive Director
BCom, Graduate of the Australian Institute of Company Directors

Experience and expertise:
Stephen's most recent executive role was CEO and Managing Director of EFTPOS, where he spearheaded a strategic reset. Prior to that, he was Head of Consumer Finance, Payments and Emerging Businesses at Westpac. Stephen has also held executive and commercial roles at Bankwest and Citibank, and financial services growth company Once. Stephen has 30 years' experience driving business strategy in financial services across large organisations, challenger brands and growth companies. He also holds experience specific to consumer lending, product development, and debt collection. Stephen's board experience includes acting as Chairman of Infochoice and of Once Private, and as a director of EFTPOS and Baycorp Collection Services.

Other current directorships:
None

Former directorships (last three years):
None

Special responsibilities:
Member of the People and Culture Committee; Member of the Audit and Risk Committee (until 15 March 2023); Chair of the Audit and Risk Committee (from 16 March 2023)

Interests in shares:
None

Interests in options:
None

Interests in rights:
None

Contractual rights to shares:
None

'Other current directorships' quoted above 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 above 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 Secretary

On 19 August 2022, David Hwang resigned from Plenti as joint Company Secretary. Since then, Georgina Koch has continued in her role as sole Company Secretary. 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.

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 2023, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Mary Ploughman	16	16	3	3	4	4
Daniel Foggo	16	16	N/A	N/A	N/A	N/A
Susan Forrester AM	14	16	3	3	4	4
Martin Dalgleish (resigned on 16 August 2022)	6	6	1	1	1	1
Peter Behrens	16	16	N/A	N/A	4	4
Stephen Benton (appointed on 1 July 2022)	12	13	2	2	2	3

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Directors' report

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 People and Culture 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 People and Culture Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group. An extensive benchmarking exercise was undertaken by the Company in early 2022 to ensure executive remuneration remains appropriate and in line with the 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 People and Culture Committee. The People and Culture 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 as described further below.

Fixed remuneration, consisting of base salary and superannuation, is reviewed annually by the People and Culture Committee based on individual and business unit performance, the overall performance of the Group and comparable market remuneration.

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.

Directors' report

Short-term incentive plan

The STIP 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
Availability	■ The STIP is only available to senior leaders of the Group, principally the Executive Committee and 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 two months and eight months post results if the executive remains employed by the Group at that time.
Performance criteria	■ Awards under the STIP are determined based on both Group wide performance and individual performance against set targets with the proportion being set annually by the Board ■ Performance criteria are measured against 'Threshold', 'Target' and 'Maximum' targets – For performance at or below Threshold, no STI is awarded – For performance between Threshold and Target, the STI award is determined pro-rata against the Target STI opportunity for the executive – For performance between Target and Maximum, the STI award is 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

In respect of the STI for FY23, the performance criteria and outcomes were as follows:

Criteria	Weighting	KPI result	Award as % of maximum
Group performance measures			
Cash NPAT	30%	$4.5m	26%
Total loan originations	10%	$1.13bn	1%
Shared executive performance measures			
Reinvigoration of Plenti Lending Platform	15%	Qualitative	90%
Investment in company culture	15%	Qualitative	73%
Individual performance measures	30%	Various	Various

Long-term incentive plan

The LTIP 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. Shares 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) dependent 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 based on achievement of performance hurdles and on continued service
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

FY21 LTI

In respect of the LTIs granted in FY21, the performance hurdles and outcomes in respect of the second performance period ending 31 March 2023 were as follows:

Criteria	Weighting	KPI result	Award
– Service condition	50%		
– Revenue growth – compound annual growth rate above FY20 year	20%	48.3%	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 80% of rights related to achievement of performance hurdles for the first performance period.

FY22 LTI

In respect of the LTIs award granted at the start of FY22, the applicable performance hurdles are as follows in respect of the second performance period ending 31 March 2023 were as follows:

Criteria	Weighting	KPI result	Award
– Service condition	50%		
– Revenue growth – compound annual growth rate above FY21 year	20%	63.5%	100%
– Cost-to-income ratio – improvement in ratio in most recent financial year from FY21 year	20%	Reduction from 54.9% to 34.2%	100%
– Strategic development hurdles – execution of key elements of the Group's funding strategy and delivery of positive operating cashflows (pre variable rate commissions)	10%	Met	100%

The above results in respect of the FY22 LTI will result in vesting of 100% of rights related to achievement of performance hurdles for the first performance period.

Directors' report

FY23 LTI

In respect of the LTIs granted in FY23 the first performance period has not yet concluded. The applicable performance hurdles for LTIs granted in FY23 are as follows:

Criteria	Weighting
– Service condition	40%
– Revenue growth – compound annual growth rate above FY22 year	20%
– Cost-to-income ratio – improvement in ratio in most recent financial year from FY22 year	15%
– Strategic development hurdles – i) Remain on track to achieving $5bn loan portfolio in 2025 (12.5%) and ii) Grow Cash NPAT each year as a minimum with Board discretion in relation to level of Rights vesting given growth achieved (12.5%)	25%

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

At the 2022 AGM, 99.83% of the votes received supported the adoption of the remuneration report for the year ended 31 March 2022. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Employee option issue

During the year the Group undertook an issue of options to a number of employees across the business. The options were issued to longer term employees who had joined Plenti prior to IPO and carried key organisational knowledge. The options were intended to align those employees with delivering shareholder value and promote retention of tenured employees. The options were structured as zero exercise price options with a barrier price set at $0.88. The options have a vesting window from 1 September 2024 to 31 August 2025. A total of 1,785,400 options were issued as of 1 September 2022.

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 (retired on 16 August 2022)
- Peter Behrens – Non-Executive Director
- Stephen Benton – Non Executive Director (appointed 1 July 2022)

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		
2023	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	213,760	–	–	22,205	–	–	–	235,965
Susan Forrester AM	118,284	–	–	12,286	–	–	–	130,570
Martin Dalgleish	41,474	–	–	3,973	–	–	–	45,447
Peter Behrens	100,000	–	–	–	–	–	–	100,000
Stephen Benton	76,330	–	–	8,015	–	–	–	84,345
Executive Directors:								
Daniel Foggo[1,2]	454,330	48,375	–	52,229	21,975	108,095	442,380	1,127,384
Other Key Management Personnel:								
Miles Drury[1]	429,388	46,219	–	51,493	–	138,656	410,055	1,075,811
Benjamin Milsom[1]	353,427	38,063	–	40,674	16,714	114,188	350,978	914,044
Glenn Riddell[1]	353,427	38,063	–	40,674	16,714	114,188	350,978	914,044
	2,140,420	**170,720**	**–**	**231,549**	**55,403**	**475,127**	**1,554,391**	**4,627,610**

Notes:

1. In 2022 a comprehensive market remuneration review was conducted in respect of the CEO and other key executives. This review determined that the salary of the CEO and other executives was under market which was reflected in salary adjustments for the FY23 year for this group.
2. The number of share rights to be issued to Daniel Foggo as part of the FY22 STIP and FY23 LTIP were calculated on the same basis as other executives, using the 20-day volume weighted share price up to and including 17 May 2022 (STIP) and from and including 19 May 2022 (LTIP). However, these rights were not issued until 18 August 2022 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 16 August 2022 as this was the date of shareholder approval at the Annual General Meeting. The decrease in the Group's share price between May and August results in a lower share-based payment expense to be recognised in respect of Mr Foggo's rights.

Directors' report

2022	Short-term benefits: Cash salary and fees $	Short-term benefits: Cash bonus $	Short-term benefits: Non-monetary $	Post-employment benefits: Super-annuation $	Long-term benefits: Long service leave $	Share-based payments: Equity-settled share rights $	Share-based payments: 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.

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

	Fixed remuneration		STI		LTI	
Name	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Non-Executive Directors:						
Mary Ploughman	100%	100%	–	–	–	–
Susan Forrester AM	100%	100%	–	–	–	–
Martin Dalgleish	100%	100%	–	–	–	–
Peter Behrens	100%	100%	–	–	–	–
Stephen Benton	100%	–	–	–	–	–
Executive Directors:						
Daniel Foggo	47%	40%	14%	25%	39%	35%
Other Key Management Personnel:						
Miles Drury	45%	42%	17%	25%	38%	33%
Benjamin Milsom	45%	43%	17%	23%	38%	34%
Glenn Riddell	45%	42%	17%	25%	38%	33%

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 STI remuneration outcomes for FY23 are as follows:

Name	Target opportunity %	Maximum opportunity %	Actual outcome %	Actual outcome as a % of target opportunity %	Actual outcome as a % of maximum opportunity %
Daniel Foggo	50%	70%	43.0%	86%	61%
Miles Drury	50%	70%	43.5%	87%	62%
Benjamin Milsom	50%	70%	43.5%	87%	62%
Glenn Riddell	50%	70%	43.5%	87%	62%

Directors' report

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 $450,000 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 $425,000 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 $350,000 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 $350,000 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.

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 2023 are set out below:

Name	Date	Share rights	Issue price	$
Daniel Foggo[1]	18-Aug-22	826,403	$0.6749	557,740
Miles Drury	01-Jul-22	597,582	$0.7112	425,000
Miles Drury	02-Jun-22	202,277	$0.8661	175,193
Benjamin Milsom	01-Jul-22	442,913	$0.7112	315,000
Benjamin Milsom	02-Jun-22	144,777	$0.8661	125,391
Glenn Riddell	01-Jul-22	442,913	$0.7112	315,000
Glenn Riddell	02-Jun-22	168,029	$0.8661	145,530

Note:

1. As noted on page 39, 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[2]	Fair value per option at grant date
Miles Drury	75,000	1 September 2022	September 2024	August 2025	$0.0000	$0.593
Benjamin Milsom	183,700	1 September 2022	September 2024	August 2025	$0.0000	$0.593
Glenn Riddell	183,700	1 September 2022	September 2024	August 2025	$0.0000	$0.593
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

Notes:

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.
2. Options issued in September 2022 are structured as zero exercise price options with a barrier price of $0.88 that must be achieved for the option to vest and become exercisable.

Directors' report

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 2023 are set out below:

Name	Number of options granted during the year 2023	Number of options granted during the year 2022	Number of options vested during the year 2023	Number of options vested during the year 2022
Daniel Foggo	–	–	–	–
Miles Drury	75,000	115,000	–	–
Benjamin Milsom	183,700	285,000	–	–
Glenn Riddell	183,700	285,000	–	–

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	40,000	50,000	–	90,000
Daniel Foggo[1]	2,329,161	641,809	–	2,970,970
Susan Forrester AM	425,000	–	–	425,000
Martin Dalgleish[2]	846,112	103,771	–	949,883
Peter Behrens	1,337,124	–	–	1,337,124
Miles Drury	241,834	237,319	–	479,153
Benjamin Milsom[3]	104,653	89,502	–	194,155
Glenn Riddell[4]	161,503	129,502	–	291,005
	5,485,387	**1,251,903**	**–**	**6,737,290**

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. Martin Dalgleish retired as a director on 16 August 2022.
3. 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.
4. 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.

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	Cancelled at the end of year	Balance at the end of year	Balance at the end of year – vested
Daniel Foggo	571,321	826,403	(233,016)	(10,543)	1,154,165	–
Miles Drury	571,321	799,859	(237,319)	(10,543)	1,123,318	–
Benjamin Milsom	431,848	587,690	(29,502)	(7,531)	982,505	140,158
Glenn Riddell	431,848	610,942	(69,502)	(7,531)	965,757	111,784

Note:

Share rights vesting in relation to the FY22 LTI performance period ending 31 March 2023 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)	–	–
Daniel Foggo	210,000	–	–	(210,000)	–	–
Martin Dalgleish	150,000	–	–	(150,000)	–	–
Peter Behrens	150,000	–	–	(150,000)	–	–
Miles Drury	565,000	75,000	–	(450,000)	190,000	–
Benjamin Milsom	975,000	183,700	–	(690,000)	468,700	–
Glenn Riddell	975,000	183,700	–	(690,000)	468,700	–
	3,475,000	**442,400**	**–**	**(2,790,000)**	**1,127,400**	**–**

Share rights on issue

Grant date	Expiry date	Number of rights
17 September 2020	15 September 2030	105,422
1 October 2020	29 September 2030	391,564
8 December 2020	6 December 2030	86,552
1 June 2021	30 May 2031	1,182,072
26 August 2021	24 August 2031	319,175
2 June 2022	1 October 2027	118,917
2 June 2022	1 July 2028	526,968
1 July 2022	29 June 2032	2,077,475
18 August 2022	16 August 2032	632,733
18 August 2022	1 July 2028	96,835
17 November 2022	15 November 2032	73,819
		5,611,532

Directors' report

Shares issued on exercise of share rights

Date share rights granted	Number of shares issued
2 June 2022	1,075,310
1 July 2022	2,077,475
18 August 2022	826,403
17 November 2022	73,819
	4,053,007

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Plenti Group Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price[1]	Number under option
1 October 2021	November 2024	$1.8300	1,153,995
1 October 2021	November 2025	$1.8300	1,153,995
1 October 2021	November 2026	$1.8300	1,154,010
14 January 2022	November 2024	$1.8300	21,666
14 January 2022	November 2025	$1.8300	21,666
14 January 2022	November 2026	$1.8300	21,668
1 September 2022	August 2025	$0.0000	1,785,400
			5,312,400

Note:
1. Options issued in September 2022 are structured as zero exercise price options with a barrier price of $0.88 that must be achieved for the option to vest and become exercisable.

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 28 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 28 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

23 May 2023
Sydney

Auditor's independence declaration

Grant Thornton Audit Pty Ltd
Level 17
383 Kent Street
Sydney NSW 2000
Locked Bag Q800
Queen Victoria Building NSW
1230

T +61 2 8297 2400

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 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 audit; and

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

Grant Thornton Audit Pty Ltd
Chartered Accountants

L Te-Wierik
Partner – Audit & Assurance

Sydney, 23 May 2023

Financial statements

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 23 May 2023. 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 2023

	Note	Consolidated 2023 $'000	2022 $'000
Revenue			
Interest revenue	4	142,074	87,272
Other income	5	1,383	1,234
Revenue before transaction costs		**143,457**	**88,506**
Transaction costs		(18,774)	(10,864)
Net income		**124,683**	**77,642**
Expenses			
Loan funding costs	6	(61,732)	(31,959)
Expense passed to unitholders		(143)	(140)
Customer loan impairment expense		(24,732)	(12,284)
Sales and marketing expense		(12,326)	(13,769)
Product development expense		(10,390)	(7,719)
General and administration expense		(26,280)	(21,376)
Corporate funding costs	6	(2,264)	(94)
Depreciation and amortisation expense	6	(1,461)	(1,028)
Total expenses		**(139,328)**	**(88,369)**
Loss before income tax benefit		(14,645)	(10,727)
Income tax benefit	7	1,064	4,412
Loss after income tax benefit for the year attributable to the owners of Plenti Group Limited		**(13,581)**	**(6,315)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net hedging gain, net of tax		2,497	10,293
Other comprehensive income for the year, net of tax		2,497	10,293
Total comprehensive (loss)/income for the year attributable to the owners of Plenti Group Limited		**(11,084)**	**3,978**

		Cents	Cents
Basic earnings per share	34	(7.99)	(3.73)
Diluted earnings per share	34	(7.99)	(3.73)

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 2023

		Consolidated	
	Note	2023 $'000	2022 $'000
Assets			
Cash and cash equivalents	8	142,959	159,168
Term deposits	9	588	405
Customer loans	10	1,714,832	1,269,370
Trade receivables		87	132
Other assets	11	25,680	21,106
Derivative financial instruments	12	20,848	14,692
Property, plant and equipment	13	1,806	1,312
Right-of-use assets	14	3,278	2,979
Intangibles	15	–	56
Total assets		**1,910,078**	**1,469,220**
Liabilities			
Trade payables		4,957	5,450
Other liabilities	16	21,736	15,045
Borrowings	17	1,830,577	1,391,610
Lease liabilities	18	3,437	2,998
Derivative financial instruments	19	2,596	–
Provisions	20	1,737	1,443
Total liabilities		**1,865,040**	**1,416,546**
Net assets		**45,038**	**52,674**
Equity			
Issued capital	21	107,797	106,373
Reserves	22	22,410	17,889
Accumulated losses		(85,169)	(71,588)
Total equity		**45,038**	**52,674**

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 2023

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

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
Loss after income tax benefit for the year	–	–	(13,581)	(13,581)
Other comprehensive income for the year, net of tax	–	2,497	–	2,497
Total comprehensive (loss)/income for the year	**–**	**2,497**	**(13,581)**	**(11,084)**
Transactions with owners in their capacity as owners:				
Share-based payments (note 35)	–	3,385	–	3,385
Exercise of share options	334	(271)	–	63
Exercise of performance rights	1,090	(1,090)	–	–
Balance at 31 March 2023	**107,797**	**22,410**	**(85,169)**	**45,038**

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 2023

		Consolidated	
	Note	2023 $'000	2022 $'000
Cash flows from operating activities			
Interest income received		153,033	97,444
Other income received		1,383	1,234
Interest and other finance costs paid		(60,729)	(32,698)
Payments to suppliers and employees		(73,098)	(69,890)
Net cash from/(used in) operating activities	**32**	**20,589**	**(3,910)**
Cash flows from investing activities			
Net increase in loans to customers		(474,095)	(684,724)
Payments for property, plant and equipment	13	(965)	(1,226)
Investments in term deposits		(183)	–
Proceeds from term deposits		–	76
Net cash used in investing activities		**(475,243)**	**(685,874)**
Cash flows from financing activities			
Proceeds from borrowings	33	1,578,879	908,704
Proceeds from corporate borrowings	33	4,500	18,000
Repayment of borrowings	33	(1,144,018)	(165,013)
Repayment of lease liabilities	33	(916)	(662)
Net cash from financing activities		**438,445**	**761,029**
Net (decrease)/increase in cash and cash equivalents		(16,209)	71,245
Cash and cash equivalents at the beginning of the financial year		159,168	87,923
Cash and cash equivalents at the end of the financial year	**8**	**142,959**	**159,168**

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

Notes to the financial statements

31 March 2023

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 2023 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.

Other fee income

Other fee income mainly consists of borrower arrears fees, administration fees and referral fees. These are recognised as income at a point in time as they are incurred.

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 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 provision relating to the Plenti Wholesale Lending Platform results in an increase in expenses passed to unitholders. 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.

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.

Notes to the financial statements

31 March 2023

Note 1. Significant accounting policies continued

Investments and other financial assets

Investments and other financial assets are initially measured at amortised cost. Transaction costs are included as part of the initial measurement. Such assets are subsequently measured at amortised cost. 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 has 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.

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 drawdown 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 (also referred to as member) 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.

Notes to the financial statements
31 March 2023

Note 1. Significant accounting policies continued

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 is measured at the present value of expected future payments including on-costs 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 either the Black-Scholes option pricing model or a barrier option pricing model using a trinomial lattice, taking 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. If a new replacement award is substituted for the cancelled award, the cancelled and new award are 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.

Hedge accounting

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes to cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationship meets all the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

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.

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.

Notes to the financial statements
31 March 2023

Note 1. Significant accounting policies continued

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 either the Black-Scholes model or a barrier option pricing model using a trinomial lattice, 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 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.

ECL estimates disclosed in these financial statements are based on forecasts of economic conditions which reflect assumptions and expectations as at 31 March 2023. 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.

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 2023 (2022: none).

Note 4. Interest revenue

	Consolidated	
	2023 $'000	2022 $'000
Interest income	123,889	71,631
Origination and loan fees	15,939	15,596
Bank interest	2,246	45
	142,074	**87,272**

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	
	2023 $'000	2022 $'000
Other fee income	1,383	1,141
Other	–	93
	1,383	**1,234**

Notes to the financial statements
31 March 2023

Note 6. Expenses

	Consolidated	
	2023 $'000	2022 $'000
Loss before income tax includes the following specific expenses:		
Depreciation		
Leasehold improvements	320	91
Fixtures and fittings	19	21
Office equipment	132	98
Buildings right-of-use assets	919	682
Office equipment right-of-use assets	15	–
Total depreciation	**1,405**	**892**
Amortisation		
Website	56	136
Total depreciation and amortisation	**1,461**	**1,028**
Finance costs		
Interest and finance charges paid/payable on warehouse and ABS borrowings	51,783	17,503
Interest and finance charges paid/payable to unitholders	9,949	14,456
Total loan funding costs	**61,732**	**31,959**
Interest and finance charges paid/payable on corporate borrowings	2,198	48
Interest and finance charges paid/payable on lease liabilities	66	46
Total corporate funding costs	**2,264**	**94**
Superannuation expense		
Defined contribution superannuation expense	2,403	1,816
Share-based payments expense		
Share-based payments expense	3,385	2,751

Operating expenses for the year were $139,328,000 (2022: $88,369,000), of which employee expenses were $31,673,000 (2022: $25,023,000). 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. Income tax benefit

	Consolidated	
	2023 $'000	2022 $'000
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax benefit	(14,645)	(10,727)
Tax at the statutory tax rate of 30%	(4,394)	(3,218)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Permanent differences	(467)	(173)
	(4,861)	(3,391)
Tax offsets utilised	752	–
Current year losses for which no tax benefit was recognised	2,444	2,811
Current year temporary differences for which no deferred tax asset was recognised	1,665	580
Carried forward tax losses offset against hedging gain in OCI	(1,064)	(4,412)
Income tax benefit	**(1,064)**	**(4,412)**

As at 31 March 2023, the balance of carry forward tax losses for which a tax benefit was not recognised were $35,514,000 (2022: $47,037,000). Tax loss analysis has been performed and the tax losses satisfy the criteria under the Business Continuity Tests to be carried forward and utilised from an income tax perspective.

Note 8. Cash and cash equivalents

	Consolidated	
	2023 $'000	2022 $'000
Cash at bank	27,754	40,007
Cash held in trust	101,463	104,892
Cash held in Provision Fund	13,742	14,269
	142,959	**159,168**

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. At 31 March 2023 the total balance of corporate collection bank accounts was $10.0 million (2022: $8.1 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 2023, investor cash held in the Lending Platforms totalled $15,945,000 (2022: $30,439,000) with $84,399,000 (2022: $72,958,000) of funds available in accounts relating to the warehouse facilities. A further $1,119,000 (2022: $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.

Notes to the financial statements

31 March 2023

Note 9. Term deposits

	Consolidated	
	2023 $'000	2022 $'000
Restricted term deposits	588	405

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

The restricted term deposits bears interest of 1.45% (2022: 1.19%) per annum and have a maturity of greater than one year.

Note 10. Customer loans

	Consolidated	
	2023 $'000	2022 $'000
Gross customer loans	1,766,247	1,299,750
Less: Deferred upfront fees	(17,137)	(10,276)
Less: Allowance for expected credit losses	(34,278)	(20,104)
	1,714,832	**1,269,370**

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	
	2023 %	2022 %	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Retail	3.3%	3.2%	182,774	203,887	5,995	6,555
Wholesale	1.6%	1.3%	18,188	30,379	283	393
Warehouse	1.8%	1.2%	1,565,285	1,065,484	28,000	13,156
			1,766,247	**1,299,750**	**34,278**	**20,104**

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	2023 %	2022 %	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Stage 1 – 12 month ECL	0.5%	0.5%	1,691,616	1,258,393	8,768	6,521
Stage 2 – Lifetime ECL – not credit impaired	25.7%	25.4%	61,656	34,917	15,820	8,872
Stage 3 – Lifetime ECL – credit impaired	74.7%	73.2%	12,975	6,440	9,690	4,711
			1,766,247	**1,299,750**	**34,278**	**20,104**

The maturity profile of gross customer loans is as follows:

	Consolidated	
	2023 $'000	2022 $'000
Less than 1 year	24,700	19,802
1 to 2 years	61,645	52,805
2 to 5 years	932,271	639,137
Greater than 5 years	747,631	588,006
	1,766,247	**1,299,750**

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

	Consolidated	
	2023 $'000	2022 $'000
Opening balance	20,104	12,867
Additional provisions recognised	25,998	12,784
Receivables written off during the year as uncollectable	(16,669)	(7,365)
Recoveries during the year	4,845	1,818
Closing balance	**34,278**	**20,104**

Note 11. Other assets

	Consolidated	
	2023 $'000	2022 $'000
Prepayments	23,415	18,758
GST receivable	1,791	2,263
Other assets	474	85
	25,680	**21,106**

Prepayments also includes capitalised commission payments and warehouse facility costs.

Note 12. Derivative financial instruments

	Consolidated	
	2023 $'000	2022 $'000
Interest rate swap contracts – cash flow hedges	20,848	14,692

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

Notes to the financial statements
31 March 2023

Note 13. Property, plant and equipment

	Consolidated	
	2023 $'000	2022 $'000
Leasehold improvements – at cost	1,894	1,015
Less: Accumulated depreciation	(470)	(150)
	1,424	865
Fixtures and fittings – at cost	198	196
Less: Accumulated depreciation	(113)	(94)
	85	102
Office equipment – at cost	691	607
Less: Accumulated depreciation	(394)	(262)
	297	345
	1,806	**1,312**

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 2023 financial year the Group entered a long-term lease agreement to take a new office in Adelaide and undertook a fit-out of the office. The cost of this investment is reflected in the Leasehold improvement and Office equipment additions in 2023.

Consolidated	Leasehold improvements $'000	Fixtures and fittings $'000	Office equipment $'000	Total $'000
Balance at 1 April 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
Additions	879	2	84	965
Depreciation expense	(320)	(19)	(132)	(471)
Balance at 31 March 2023	**1,424**	**85**	**297**	**1,806**

Note 14. Right-of-use assets

	Consolidated	
	2023 $'000	2022 $'000
Land and buildings – right-of-use	7,071	5,954
Less: Accumulated depreciation	(3,895)	(2,975)
	3,176	2,979
Plant and equipment – right-of-use	117	–
Less: Accumulated depreciation	(15)	–
	102	–
	3,278	**2,979**

Refer to note 6 for disclosure of the depreciation expense relating to the above right-of-use assets.

Additions to the right-of-use assets during the year were $1,233,000 (2022: $3,574,000).

The low-value assets expensed during the year were $168,000 (2022: $113,000).

The Group leases its Adelaide office under an agreement of five years expiring on 30 April 2027.

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	
	2023 $'000	2022 $'000
Website development – at cost	417	417
Less: Accumulated amortisation	(417)	(361)
	–	**56**

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 2021	191
Amortisation expense	(135)
Balance at 31 March 2022	56
Amortisation expense	(56)
Balance at 31 March 2023	–

Note 16. Other liabilities

	Consolidated	
	2023 $'000	2022 $'000
Interest payable	6,208	1,706
GST payable	1,670	1,076
Accrued expenses	1,965	1,851
Subsidies received in advance	1,149	1,495
Other liabilities	10,744	8,917
	21,736	**15,045**

Other liabilities include payroll and other accruals as well as outgoing lender and borrower payments that are yet to be cleared.

Notes to the financial statements

31 March 2023

Note 17. Borrowings

	Consolidated	
	2023 $'000	2022 $'000
Investor funds on platform	219,511	257,842
Warehouse borrowings	695,718	604,685
ABS borrowings including risk retention facilities	890,484	511,083
Corporate borrowings	22,500	18,000
Loan settlement facility	2,364	–
	1,830,577	**1,391,610**

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 has 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 is for terms from six months to seven years and is 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 is 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 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.

During the year:

- Plenti completed the $437 million Plenti Auto ABS 2022-1 (Auto ABS Trust) transaction in June 2022.
- Plenti completed the $300 million Plenti PL and Green 2023-1 (PL & Green Trust) transaction in February 2023.
- Plenti Funding Trust No. 1 facility limit was decreased from $650 million to $350 million due to the sale of loans to the Auto ABS Trust. 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 ABS transaction.
- Plenti Funding Trust No. 2 facility limit was increased from $200 million up to $350 million to fund growth in personal and renewable energy loans and then reduced to $225 million due to the sale of loans to the PL & Green Trust.
- Plenti Funding Trust No. 3 facility limit increased from $150 million to $250 million to fund growth in auto and electric vehicle loans.

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 proportionate 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 September 2022, the Group drew down a further $4.5 million to provide additional capital for future business growth.

The corporate debt facility includes covenants with respect to the performance of loans in the Group's securitised portfolio. The Group remained in compliance with all covenants during the year.

Risk retention facilities

During the period, the Group established two 'risk retention' entities to facilitate compliance with capital requirement regulation (CRR) in relation to the Group's ABS issuance program. 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 Plenti Auto ABS 2022-1 and Plenti PL and Green 2023-1 transactions, 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.

Loan settlement facility

On 30 September 2022, the Group signed a new settlement funding facility agreement. The purpose of the facility is to facilitate the settlement process and treasury management of automotive loans originated by the Group. Loans in the settlement facility are periodically on-sold to the main automotive warehouses. The facility reduces the call on the Group's cash to fund daily working capital requirements.

The facility has a limit of $25 million which was drawn to $2.4 million at 31 March 2023. The availability period of the facility is 12 months, which can be extended by mutual agreement of the parties. 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	
	2023 $'000	2022 $'000
Warehouse borrowings	695,718	604,685
ABS borrowings	860,709	511,083
Risk retention facilities	29,774	–
Loan settlement facility	2,364	–
	1,588,565	**1,115,768**

Financing arrangements

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

	Consolidated	
	2023 $'000	2022 $'000
Total facilities		
Warehouse facilities	904,250	931,000
Loan settlement facility	25,000	–
	929,250	931,000
Used at the reporting date:		
Warehouse facilities	691,357	598,000
Loan settlement facility	2,364	–
	693,721	598,000
Unused at the reporting date:		
Warehouse facilities	212,893	333,000
Loan settlement facility	22,636	–
	235,529	**333,000**

The warehouse facilities limit excludes $20,750,000 (2022: $19,000,000) 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 2023

Note 18. Lease liabilities

	Consolidated	
	2023 $'000	2022 $'000
Lease liability	3,437	2,998

Refer to note 24 for further information on financial instruments.

The weighted average incremental borrowing rate was 1.83% (2022: 1.50%).

Note 19. Derivative financial instruments

	Consolidated	
	2023 $'000	2022 $'000
Interest rate swap contracts – cash flow hedges	2,596	–

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	
	2023 $'000	2022 $'000
Annual leave	1,383	1,227
Long service leave	353	186
Other provisions	1	30
	1,737	**1,443**

Note 21. Issued capital

	Consolidated			
	2023 Shares	2022 Shares	2023 $'000	2022 $'000
Ordinary shares – fully paid	170,887,434	169,422,808	107,797	106,373

Movements in ordinary share capital

Details	Date	Shares	$'000
Balance	1 April 2021	168,923,531	105,934
Exercise of share options	2 August 2021	3,140	5
Exercise of performance rights	1 October 2021	231,581	258
Exercise of share options	26 November 2021	201,698	147
Exercise of performance rights	28 February 2022	62,858	29
Balance	31 March 2022	169,422,808	106,373
Exercise of share options	31 May 2022	463,333	334
Exercise of performance rights	30 September 2022	267,652	402
Exercise of performance rights	28 February 2023	733,641	688
Balance	**31 March 2023**	**170,887,434**	**107,797**

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 optimal 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 2023

Note 22. Reserves

	Consolidated	
	2023 $'000	2022 $'000
Hedging reserve – cash flow hedges	12,777	10,280
Share-based payments reserve	9,633	7,609
	22,410	**17,889**

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 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
Hedging gain	2,497	–	2,497
Share-based payments expense	–	3,385	3,385
Share options exercised	–	(271)	(271)
Exercise of performance rights	–	(1,090)	(1,090)
Balance at 31 March 2023	**12,777**	**9,633**	**22,410**

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:

	2023		2022	
Consolidated	Weighted average interest rate %	Balance $'000	Weighted average interest rate %	Balance $'000
Cash and cash equivalents	3.54%	142,959	0.03%	159,166
Restricted term deposit	1.45%	588	1.19%	405
Net exposure to cash flow interest rate risk		**143,547**		**159,571**

An official increase/decrease in interest rates of 100 (2022: 100) basis points would have an adverse/favourable effect on profit before tax of $1,435,000 (2022: $1,596,000) 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 2023, the Group had a hedge ratio of 100% (2022: 87%). 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.

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Note 24. Financial instruments continued

As at the reporting date, the Group had the following floating rate borrowings and the notional value of interest rate swaps:

	Consolidated	
	2023 $'000	2022 $'000
Floating rate borrowings	1,611,066	1,133,768
Interest rate swap notional amortised principal amount	(1,619,037)	(976,568)

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.

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	
	2023 $'000	2022 $'000
Warehouse facilities	212,893	333,000
Loan settlement facility	22,636	–
	235,529	**333,000**

The warehouse facilities limit excludes $20,750,000 (2022: $19,000,000) of funding provided by Plenti Finance Pty Ltd. Including funding provided by the Group, total unused warehouse capacity was $233,643,000 (2022: $352,000,000).

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 2023. If the warehouse is not extended it will enter an amortisation period.

The Plenti Funding Trust No. 2 has a 13 month availability period which was extended in May 2023 to June 2024.

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

All warehouses contain provisions which could result in the Group either being unable to draw further funds from the facility or the facility being placed into amortisation if certain terms set out in the facility agreements are breached.

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 – 2023	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	4,957	–	–	–	4,957
Subsidies received in advance	1,149	–	–	–	1,149
Other liabilities	10,744	–	–	–	10,744
Interest-bearing					
Unitholder liabilities	90,131	73,094	80,600	2,463	246,288
Warehouse borrowings	583,504	144,277	–	–	727,781
ABS borrowings	382,583	295,892	233,273	–	911,748
Corporate borrowings	3,001	22,766	–	–	25,767
Lease liability	1,004	1,050	1,498	–	3,552
Loan settlement facility	2,437	–	–	–	2,437
Total non-derivatives	**1,079,510**	**537,079**	**315,371**	**2,463**	**1,934,423**
Derivatives					
Interest rate swaps net settled	2,596	–	–	–	2,596
Total derivatives	**2,596**	**–**	**–**	**–**	**2,596**

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Note 24. Financial instruments continued

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**

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

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 – 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**

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**

There were no transfers between levels during the financial year.

Note 26. Key management personnel disclosures

Directors

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

Mary Ploughman – Non-Executive Director

Daniel Foggo – Chief Executive Officer

Susan Forrester AM – Non-Executive Director

Martin Dalgleish – Non- Executive Director (retired on 16 August 2022)

Stephen Benton – Non-Executive Director (appointed on 1 July 2022)

Peter Behrens – Non-Executive Director

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Note 26. Key management personnel disclosures continued

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	
	2023 $	2022 $
Short-term employee benefits	2,311,140	1,915,459
Post-employment benefits	231,549	182,898
Long-term benefits	55,403	30,499
Share-based payments	2,029,518	1,835,077
	4,627,610	**3,963,933**

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	
	2023 $	2022 $
Directors	1,379	575,090
Other key management personnel	155,311	101,968
	156,690	**677,058**

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 outside of the consolidated group 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.

Loans to/from related parties

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

	Consolidated	
	2023 $	2022 $
Unitholder liabilities	219,510,827	257,837,048

Terms and conditions

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

Note 28. Remuneration of auditors

	Consolidated	
	2023 $	2022 $
Audit and review of financial reports		
Group	181,471	79,130
Controlled entities	60,115	129,750
	241,586	208,880
Other assurance services		
AFSL and Compliance plan	19,045	19,500
ABS issuance audits	14,750	14,750
CEFC compliance report	–	3,000
	33,795	37,250
Other services		
Tax compliance services	67,350	58,600
Total services provided by Grant Thornton	**342,731**	**304,730**

Note 29. Contingent liabilities

The Group has given bank guarantees as at 31 March 2023 of $352,000 (2022: $352,000) 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 31 March 2023 of $192,596 (2022: $9,529) 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 31 March 2023 (2022: nil).

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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	2023 %	2022 %
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%	0.1%
– The Trustee for Plenti Wholesale Lending Platform*	Australia	0.5%	0.6%
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%	100.0%
– Plenti Auto ABS Trust 2021-1	Australia	100.0%	100.0%
– Plenti PL Green ABS Trust 2022-1	Australia	100.0%	100.0%
– Plenti Corporate Funding No 1 Pty Limited	Australia	100.0%	100.0%
– Plenti Auto ABS Trust 2022-1	Australia	100.0%	–
– Plenti Risk Retention No.1 Pty Limited	Australia	100.0%	–
– Plenti Risk Retention No.2 Pty Limited	Australia	100.0%	–
– The Trustee for Plenti Settlement Trust	Australia	100.0%	–
– The Trustee for Plenti Note Purchase Trust	Australia	100.0%	–
– Plenti PL Green ABS Trust 2023-1	Australia	100.0%	–

* Management has 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'.

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	2023 $'000	2022 $'000
Interest revenue	13,724	9,184
Other income	47,252	19,553
Transaction costs	(26,319)	(29,535)
Depreciation and amortisation expense	(1,461)	(1,028)
Sales and marketing expense	(12,326)	(13,769)
Product development expense	(10,390)	(7,719)
General and administration expense	(24,151)	(19,969)
Corporate funding costs	(66)	(70)
Operating loss	**(13,737)**	**(43,353)**
Loss before income tax expense	(13,737)	(43,353)
Income tax expense	–	–
Loss after income tax expense	(13,737)	(43,353)
Other comprehensive income for the year, net of tax	–	–
Total comprehensive loss for the year	**(13,737)**	**(43,353)**

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Note 31. Deed of cross guarantee continued

Statement of financial position	2023 $'000	2022 $'000
Assets		
Cash and cash equivalents	3,845	4,610
Term deposits	588	405
Trade receivables	3,492	3,736
Other assets	12,708	15,796
Property, plant and equipment	1,806	1,311
Right-of-use assets	3,277	2,979
Intangibles	–	56
Total assets	**25,716**	**28,893**
Liabilities		
Trade payables	13,320	11,966
Other liabilities	4,416	4,921
Lease liabilities	3,437	2,998
Provisions	1,794	1,534
Total liabilities	**22,967**	**21,419**
Net assets	**2,749**	**7,474**
Equity		
Issued capital	107,797	106,373
Reserves	9,633	7,610
Accumulated losses	(114,681)	(106,509)
Total equity	**2,749**	**7,474**

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

	Consolidated	
	2023 $'000	2022 $'000
Loss after income tax benefit for the year	(13,581)	(6,315)
Adjustments for:		
Depreciation and amortisation	1,461	1,028
Loan impairment expense	24,732	12,284
Tax benefit on unrealised hedging gain	(1,064)	(4,412)
Share-based payments	3,385	2,751
Other non-cash items	327	47
Change in operating assets and liabilities:		
Decrease in customer loans	6,862	98
Decrease/(increase) in trade receivables	45	(69)
Increase in other operating assets	(4,577)	(13,060)
Decrease in trade payables	(1,040)	(510)
Increase in other operating liabilities	4,039	4,248
Net cash from/(used in) operating activities	**20,589**	**(3,910)**

Note 33. Changes in liabilities arising from financing activities

Consolidated	Investor funds on loan $'000	Warehouse and ABS borrowings $'000	Corporate borrowings $'000	Lease liabilities $'000	Total $'000
Balance at 1 April 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
Proceeds from borrowings	69,683	1,509,196	4,500	–	1,583,379
Repayment of borrowings	(108,157)	(1,036,398)	–	(916)	(1,145,471)
Interest	–	–	–	66	66
Acquisition of leases	–	–	–	1,289	1,289
Other changes	144	–	–	–	144
Balance at 31 March 2023	**219,511**	**1,588,566**	**22,500**	**3,437**	**1,834,014**

Note 34. Earnings per share

	Consolidated	
	2023 $'000	2022 $'000
Loss after income tax attributable to the owners of Plenti Group Limited	(13,581)	(6,315)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	170,006,073	169,116,224
Weighted average number of ordinary shares used in calculating diluted earnings per share	170,006,073	169,116,224

	Cents	Cents
Basic earnings per share	(7.99)	(3.73)
Diluted earnings per share	(7.99)	(3.73)

5,312,400 (2022: 13,427,998) options and 5,611,532 share rights (2022: 2,628,812) 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.

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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 2023, a total of 6,913,400 (2022: 2,860,393) 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 issued 1,785,400 options (2022: 4,190,000) to a number of staff under the 2020 EEP. The options were issued to longer term employees who had joined Plenti prior to IPO and carried key organisational knowledge. The options were intended to align those employees with delivering shareholder value and promote retention of tenured employees. The options were structured as zero exercise price options with a barrier price set at $0.88. The options have a vesting window from 1 September 2024 to 31 August 2025. The options were issued as of 1 September 2022.

Historic ESOP

The Company made a grant of options under the Historic ESOP in each of the financial years 2016, 2017, 2018, 2019, 2020 and 2021. Options held are 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. As at 31 March 2023, nil options remain outstanding (2022: 9,419,998).

Share rights

Set out below is a summary of options outstanding as at 31 March 2023 and 31 March 2022 issued under the 2020 EEP:

2023							
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	15/09/2030	nil	210,843	–	(94,878)	(10,543)	105,422
01/10/2020	29/09/2030	nil	512,047	–	(94,878)	(25,605)	391,564
08/12/2020	06/12/2030	nil	173,104	–	(77,896)	(8,656)	86,552
01/06/2021	30/05/2031	nil	1,372,340	–	(176,765)	(13,503)	1,182,072
26/08/2021	24/08/2031	nil	360,478	–	(41,303)	–	319,175
02/06/2022	01/10/2027	nil	–	537,655	(418,738)	–	118,917
02/06/2022	01/07/2028	nil	–	537,655	–	(10,687)	526,968
01/07/2022	29/06/2032	nil	–	2,077,475	–	–	2,077,475
18/08/2022	01/10/2027	nil	–	96,835	(96,835)	–	–
18/08/2022	01/07/2028	nil	–	96,835	–	–	96,835
18/08/2022	16/08/2032	nil	–	632,733	–	–	632,733
17/11/2022	15/11/2032	nil	–	73,819	–	–	73,819
			2,628,812	**4,053,007**	**(1,001,293)**	**(68,994)**	**5,611,532**

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
			–	**2,860,393**	**(231,581)**	**–**	**2,628,812**

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
17/11/2022	73,819	$0.4178
18/08/2022	826,403	$0.6749
01/07/2022	2,077,475	$0.7112
02/06/2022	1,075,310	$0.8661
26/08/2021	401,782	$1.5326
01/06/2021	1,562,617	$1.1122

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Note 35. Share-based payments continued

Set out below are summaries of options outstanding as at 31 March 2023 issued under either the Historic ESOP or 2020 EEP:

2023							
Grant date	Expiry date	Exercise price[1]	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	630,000	–	–	(630,000)	–
14/03/2016	31/05/2022	$0.5000	390,000	–	–	(390,000)	–
01/04/2016	31/05/2022	$0.5000	120,000	–	–	(120,000)	–
31/03/2017	31/05/2022	$0.8250	810,000	–	–	(810,000)	–
09/06/2017	31/05/2022	$0.8250	280,000	–	–	(280,000)	–
20/09/2017	31/05/2022	$0.8250	120,000	–	–	(120,000)	–
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	$0.9567	120,000	–	–	(120,000)	–
03/12/2018	31/05/2022	$1.3333	120,000	–	–	(120,000)	–
06/05/2019	31/05/2022	$1.3333	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	2,190,000	–	–	(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	$1.3833	1,300,994	–	–	(146,999)	1,153,995
01/10/2021	21/11/2024	$1.8250	1,300,994	–	–	(146,999)	1,153,995
01/10/2021	21/11/2025	$1.8250	1,301,012	–	–	(147,002)	1,154,010
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
31/08/2022*	01/08/2025	$0.0000	–	1,785,400	–	–	1,785,400
			13,427,998	**1,785,400**	**–**	**(9,900,998)**	**5,312,400**

Note 1:

* Options issued in September 2022 are structured as zero exercise price options with a barrier price of $0.88 that must be achieved for the option to vest and become exercisable.

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**

The weighted average share price and exercise price during the financial year was $1.21 (2022: $1.36).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.88 years (2022: 0.9 years).

The share-based payment expense during the financial year was $3,385,000 (2022: $2,751,000).

Notes to the financial statements
31 March 2023

Note 35. Share-based payments continued

For the options granted during the current and previous financial year, the inputs used to determine the fair value at the grant date using the Black-Scholes option pricing model, 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
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

For the options granted on 1 September 2022, the inputs used to determine the fair value at the grant date using a barrier option pricing model, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price[1]	Expected volatility %	Risk-free interest rate – spot %	Risk-free interest rate – 2 year tenor %	Risk-free interest rate – 4 year tenor %	Fair value at grant date
01/09/2022	31/08/2025	$0.6200	$0.0000	50.00%	2.35%	3.21%	3.43%	$0.593

Note:
1. Options issued are structured as zero exercise price options with a barrier price of $0.88 that must be achieved for the option to vest and become exercisable.

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	
	2023 $'000	2022 $'000
Loss after income tax	(4,127)	(3,411)
Other comprehensive income for the year, net of tax	–	–
Total comprehensive loss	**(4,127)**	**(3,411)**

Statement of financial position

	Parent	
	2023 $'000	2022 $'000
Total current assets	65,224	65,898
Total non-current assets	1,423	1,423
Total assets	66,647	67,321
Total current liabilities	12	6
Total non-current liabilities	–	–
Total liabilities	12	6
Net assets	**66,635**	**67,315**
Equity		
Issued capital	107,797	106,373
Reserves	(33,186)	(35,209)
Accumulated losses	(7,976)	(3,849)
Total equity	**66,635**	**67,315**

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity has provided a guarantee in support of the obligation of Plenti Finance to pay interest on certain loans issued by the Plenti Note Purchase Trust. As at 31 March 2023, the total value of loans in respect of which a guarantee had been issued was $7.0 million. The guarantee is only in respect of interest payments and not in relation to loan principal. The parent entity had no other guarantees in relation to the debts of its subsidiaries as at 31 March 2023.

Contingent liabilities

The parent entity had no contingent liabilities as at 31 March 2023.

Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 31 March 2023.

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 5 May 2023, the Group was successful in extending the Plenti Funding Trust No.2 facility from June 2023 to June 2024.

On 12 May 2023, the Group was successful in increasing the funding limit on Plenti Funding Trust No.2 facility from $225 million to $350 million.

No other matters or circumstance has arisen since 31 March 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

31 March 2023

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 2023 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

23 May 2023
Sydney

Independent auditor's report

to the members of Plenti Group Limited

Grant Thornton Audit Pty Ltd
Level 17
383 Kent Street
Sydney NSW 2000
Locked Bag Q800
Queen Victoria Building NSW
1230

T +61 2 8297 2400

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 2023, 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 2023 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.

Independent auditor's report

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.

Key audit matter	How our audit addressed the key audit matter
Customer loans recoverability – Note 10	
As at 31 March 2023, the Group recognised $34.3 million in expected credit loss (ECL) provisions in accordance with AASB 9 *Financial Instruments*. The recoverability of the loan carrying values is impacted by the quality of the loan assessment and origination process, the value of the security held, the performance of the loan book and factors external to the Group, such as economic conditions. Under AASB 9, entities must perform a forward-looking analysis to identify internal and external factors that may impact expected credit losses. This analysis requires significant management judgement. The accounting standard also requires a detailed analysis of assets that have experienced a significant deterioration in credit quality based on a 3-stage model. This process is inherently complex and requires significant judgement and assumptions. Accordingly, we have determined that this is a key audit matter.	Our procedures included, amongst others: • Understanding the controls relating to loan approvals and identifying loans in arrears; • Engaging our internal credit risk modelling experts to test the application of management's assumptions and the mathematical accuracy of the models; • Proving mathematical accuracy of the ECL model and testing data inputs to support; • Assessing the appropriateness of assumptions used in the model concerning external and internal factors, including 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 to challenge management's assumptions, including macroeconomic factors and 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* and AASB 9.

Revenue recognition – Note 4 & Note 10

The Group reported interest revenue of $142.1 million for the year ended 31 March 2023 and reported net loans receivable of $1.8 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*. The EIR is used for revenue recognition and will encompass any fees or other charges that a customer incurs when acquiring a loan asset from the Group. Consequently, these fees (or expenses) are not recognised when the cash is collected but over the life of the loan asset contract. Therefore, management employs significant judgement to determine which fees and charges qualify for the EIR method and over which period of time the fees are recognised. As a result, the EIR model has elements of significant complexity. Given the inherent complexity and significant management judgement, we have determined this is a key audit matter.	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 are part of the loan contract; • Obtaining management's effective life model for loans, sampling key data inputs and validating to source documentation, 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* and AASB 9.

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 2023, 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

Independent auditor's report

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: http://www.auasb.gov.au/auditors_responsibilities/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 46 of the directors' report for the year ended 31 March 2023.

In our opinion, the remuneration report of Plenti Group Ltd, for the year ended 31 March 2023 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

Liam Te-Wierik
Partner – Audit & Assurance

Sydney, 23 May 2023

Shareholder information

31 March 2023

The shareholder information set out below was applicable as at 17 May 2023.

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 options on issue	Number of holders	% of total performance rights on issue
1 to 1,000	310	0.11	–	–	–	–
1,001 to 5,000	1,229	1.55	4	0.38	–	–
5,001 to 10,000	253	1.13	–	–	2	0.20
10,001 to 100,000	369	6.50	19	19.25	7	2.43
100,001 and over	112	90.71	17	80.37	6	97.37
	2,273	100.00	40	100.00	15	100.00
Holding less than a marketable parcel	660	–	–	–	–	–

Equity security holders

	Ordinary shares	
	Number held	% of total shares issued
MARJORIE JEAN FOGGO & VERITAS (2012) LIMITED WESTBOURNE A/C >	35,417,643	20.73
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	23,043,798	13.48
EQUITY TRUSTEES LIMITED FED ALT ASS PVT EQ 1A2 A/C >	7,388,027	4.32
UBS NOMINEES PTY LTD	6,395,582	3.74
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	5,330,601	3.12
FIVE V BARE NOMINEE NUMBER 2 PTY LTD	5,228,253	3.06
FIVE V FUND II LP	4,461,590	2.61
D'AZUR HOLDINGS PTY LTD CHALONER FAMILY A/C>	4,290,000	2.51
JAMES ANTHONY CARNIE & LUCY ANNABEL HARRIET MILSOM ARDLUSSA A/C >	4,068,000	2.38
ROBYN LESLEY BARNETT SIMON GLENN RIDDELL WHAKAAHU WHAKAMUA A/C >	4,068,000	2.38
ORCHID EQUITY LIMITED	3,652,098	2.14
CITICORP NOMINEES PTY LIMITED	3,317,120	1.94
BIRDSONG CAPITAL LIMITED	3,177,595	1.86
MR ANDREW WADE JONES	3,055,212	1.79
GPMG HOLDINGS LIMITED KENDRICK FAMILY A/C >	2,725,374	1.59
CORUNNA ASSET MANAGEMENT LIMITED GARDNER FAMILY A/C >	2,624,149	1.54
DANIEL ROBERT FOGGO	2,102,862	1.23
WILBOW GROUP PTY LTD WILBOW GROUP A/C>	1,862,411	1.09
MR ANTHONY JOHN HUNTLEY	1,741,226	1.02
NATIONAL NOMINEES LIMITED	1,623,979	0.95
MICHAEL WHITE	1,589,478	0.93
	127,162,998	**74.41**

Shareholder information

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	5,312,400	40
Performance rights over ordinary shares issued	5,611,630	15

Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Marjorie Jean Foggo and Veritas (2012) Limited as trustees for the Westbourne Trust	35,417,643	20.73
The Myer Family Investments Pty Ltd	23,043,798	13.48
Five V Group[1]	9,689,843	5.67

Notes:
1. Includes Five V Bare Nominee Number 2 Pty Ltd and Five V Fund II IP which combined are a substantial shareholder with over 5% of the 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.

Corporate directory

Directors

Mary Ploughman
Daniel Foggo
Susan Forrester AM
Martin Dalgleish (retired on 16 August 2022)
Peter Behrens
Stephen Benton (appointed on 1 July 2022)

Company Secretary

Georgina Koch

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
8 August 2023 at 3pm

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

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www.plenti.com.au