

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



Release date: 5 April 2024

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

The PROSPARous Trust 2024-1 is the third of its kind in Australia, following Prospa’s two previous transactions. Moody’s is expected to lift their credit rating cap from Aa3 to Aa2, demonstrating Prospa’s continuing role as an innovator in Australia’s securitisation market.

The transaction was fully subscribed for Class A-F Notes, with demand from large real money local investors. It takes place as the Australian SME market continues to demonstrate resilience in the current environment.

Ross Aucutt, Chief Financial Officer of Prospa said:

“We’re happy to have priced our third ABS in four years; establishing us as a regular and reliable issuer. We are grateful for the strong engagement from investors, and this will allow us to support small business owners with working capital and investment headroom. We were extremely pleased at the strong support from new and existing investors in the transaction.”

The PROSPARous Trust 2024-1 transaction includes:

Note Class	Issuance Amount (A\$m)	Expected Ratings (Moody’s)	Coupon margin over 1M BBSW
A	124.40	Aa2 (sf)	2.00% p.a.
B	10.40	A2 (sf)	2.60% p.a.
C	25.00	Baa2 (sf)	3.45% p.a.
D	11.00	Ba2 (sf)	5.80% p.a.
E	11.60	B2 (sf)	7.75% p.a.
F	7.60	NR	11.00% p.a.
Seller ¹	10.00	NR	Undisclosed
Total	200.00		

¹ The Seller Note is retained by Prospa.

The transaction is expected to settle on 11 April 2024, subject to the satisfaction of customary conditions precedent. National Australia Bank, Societe Generale, and Westpac Banking Corporation acted as Joint Lead Managers of the transaction, with National Australia Bank also acting as Arranger of the transaction.

This announcement has been authorised for release by the Board.

ENDS

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About Prospa

Prospa Group Limited (ASX: PGL) is a leading fintech with a commitment to unleash the potential of small business in Australia and New Zealand. We do this through an innovative approach to developing simple, stress free and seamless financial management products and services.

Since 2012, we have provided more than \$4.0 billion of funding to support the growth and operations of thousands of small businesses. We also work with more than 16,000 trusted brokers, accountants, and aggregator partners, to deliver flexible funding solutions to their clients.

At Prospa, we're serious about our impact on our people, communities, and the planet. Our core company value of One Team is backed by our recognition as a Great Place To Work in Australia and a WORK180 Endorsed Employer for Women.

For more information about Prospa, visit prospa.com or investor.prospa.com.