

Voluntary Delisting from ASX

Key Highlights

- **PHL has applied to ASX for removal from the Official List of the ASX**
- **View of the Board is that a delisting of PHL is in the best interests of shareholders**
- **Reasons for pursuing delisting include PHL's liquidity and limited trading on the ASX, potential to improve the Company's cost base, and greater flexibility to execute future funding and strategic opportunities as an unlisted entity**
- **PHL's strategic focus will continue to be the Company's core SME financial platform**
- **Shareholder approval for delisting is expected to be sought at a general meeting to be held in early April 2025 and delisting to occur in May 2025**
- **PHL intends to launch an unmarketable parcel sale facility prior to delisting to enable smaller shareholders to exit**

Propell Holdings Limited (ASX: PHL) (**PHL** or the **Company**) has lodged a formal application with ASX Limited (**ASX**) for removal from the official list of the ASX (**Official List**), pursuant to ASX Listing Rule 17.11 (**Delisting**). Subject to ASX review and confirmation that it will remove PHL from the Official List, PHL will seek approval (**Shareholder Approval**) by way of special resolution from shareholders of the Company (**Shareholders**). Further details, including any conditions imposed by ASX regarding the Delisting, will be included in a notice of meeting, which will be prepared and released subsequent to ASX confirmation being received.

The request follows the receipt of in-principle advice received from the ASX, which provides that it will agree to the Delisting upon satisfaction of the following conditions:

- (a) The Shareholder Approval passing as a special resolution.
- (b) The notice of meeting seeking Shareholder Approval must include, in form and substance satisfactory to ASX:
 - (1) a timetable of key dates, including the time and date at which the Company will be removed from the Official List;
 - (2) a statement to the effect that the removal will take place no earlier than one month after the Shareholder Approval is obtained;
 - (3) a statement to the effect that if Shareholders wish to sell their PHL securities on ASX, they will need to do so before the Company is removed from the Official List, and if they do not, details of the processes that will exist after the Company is removed from the Official List to allow holders to dispose of their holdings and how they can access those processes; and
 - (4) all other information prescribed in section 2.11 of ASX Guidance Note 33.

- (c) The removal of the Company from the Official List must not take place any earlier than one month after the Shareholder Approval has been obtained so that Shareholders have at least that period to sell their PHL securities on ASX should they wish to do so.
- (d) The Company must apply for its securities to be suspended from quotation at least two (2) business days before its proposed removal date.
- (e) The Company releases to the market the full terms of the ASX's decision to grant the removal of the Company from the Official List.

The Company intends to fully comply with the above conditions. The full text of ASX's approval of the Delisting is detailed in the annexure to this announcement.

Reasons for delisting

The proposed delisting is considered by the Board to be in the best interests of the Company in light of various factors which have led them to conclude that the costs and administrative burden of remaining listed on the ASX outweigh any benefits of a continued listing.

The key reasons for seeking that PHL be removed from the Official List are:

(a) Listing and related costs

Maintaining a listing on the Official List and the associated compliance adds significant direct costs to the Company's business. In addition, there are indirect costs associated with the need to devote management time attending to matters relating to the listing, which could be directly applied to commercial furtherment.

The Company has estimated that it may reduce direct annualised costs by up to \$300,000 post-Delisting (as an unlisted disclosing entity), excluding further indirect savings associated with time/attention required by the senior management team and board in meeting compliance and stakeholder obligations as a disclosing entity.

These costs are broadly grouped into 3 areas that will either cease or reduce if the Company delists:

- (1) professional services, including audit, legal and accounting fees that will be reduced if delisted;
- (2) costs of being a listed entity including ASX fees that will cease and share registry fees that will reduce; and
- (3) listed support services, including company secretarial fees that will reduce and investor relations activities.

(b) Limited prospects of raising capital

The Company has faced demand and pricing pressures when it has sought to attract new capital from public markets since listing. This has resulted in sub-optimal raise outcomes, including convertible debt securities. Given PHL's capital-raising experiences to date, the Board has limited confidence in raising new monies at prices that would be satisfactory to existing shareholders.

(c) **Composition of member's register**

The Company has a relatively small number of shareholders, and major shareholders make up a large portion of the member's register. Propell has three shareholders that account for approximately 46% of the register.

(d) **Lack of liquidity**

The average trading volume of the Company's Ordinary Shares (**Shares**) on the ASX remains at low levels compared to current issued share capital. This is highlighted by average daily volumes of 571,000 Shares on days when the stock was traded, which represents 0.21% of the Company's total issued capital. In addition, the Shares only traded on 158 days over the prior 12 months.

Consequences of the delisting

The consequences for the Company and its Shareholders if the Company is removed from the Official List will be detailed in the Notice of Meeting and include:

- (a) shareholders will no longer be able to trade their Shares on ASX;
- (b) the Shares will only be capable of being traded by off-market, private transactions, which will require shareholders to identify and agree terms with potential purchasers of Shares in accordance with the Company's constitution and the *Corporations Act 2001* (Cth) (**Corporations Act**);
- (c) as an unlisted company, the Company will not have the ability to raise capital from the issue of securities by means of limited disclosure fundraising documents, therefore the main means for the Company (as an unlisted company) to raise equity funds will be by way of an offer of securities pursuant to a full form prospectus or by way of placement to sophisticated and other investors to whom an offer of Shares does not require a prospectus and otherwise in accordance with the Corporations Act;
- (d) the Company will no longer be subject to the ASX Listing Rules and the shareholder protections contained in the ASX Listing Rules will no longer apply, including certain restrictions on the issue of Shares by the Company, certain restrictions in relation to transactions with persons in a position of influence and the requirement to address the ASX Corporate Governance Principles and Recommendations on an annual basis. However, the Company will continue to be subject to, and Shareholders will still have the benefit of, certain provisions of the Corporations Act applicable to unlisted public companies including, among other things, the related party provisions in Chapter 2E of the Corporations Act, and the Directors will still be bound to act in accordance with the Corporations Act;
- (e) while the Company continues to have in excess of 100 Shareholders, PHL will be an "unlisted disclosing entity" under the Corporations Act; and
- (f) as an unlisted disclosing entity, the Company will still be required to give continuous disclosure of material matters in accordance with the Corporations Act by filing notices with ASIC under section 675 of the Corporations Act, and the Company will still be required to lodge annual audited and half-yearly financial statements in accordance with the requirements of the Corporations Act. If the Company ceases to be an unlisted disclosing entity there will be no ongoing requirement for the Company to give continuous disclosure of material matters under section 675 or lodge half-yearly financial statements reviewed by an auditor, but as a public company it will continue to be required to lodge annual audited financial statements.

Remedies available to Shareholders

If a Shareholder considers the proposed Delisting:

- (a) to be contrary to the interests of the Shareholders as a whole or oppressive to, unfairly prejudicial to, or unfairly discriminatory against a Shareholder or Shareholders, it may apply to the Court for an order under Part 2F.1 of the Corporations Act. Under section 233 of the Corporations Act, the Court can make any order that it considers appropriate in relation to the Company, including an order that the Company be wound up or an order regulating the conduct of the Company's affairs in the future; or
- (b) involves "unacceptable circumstances", it may apply to the Takeovers Panel for a declaration of unacceptable circumstances and other orders under Part 6.10 Division 2 Subdivision B of the Corporations Act (refer also to Guidance Note 1: Unacceptable Circumstances issued by the Takeovers Panel). Under section 657D of the Corporations Act, if the Takeovers Panel has declared circumstances to be unacceptable, it may make any order that it thinks appropriate to protect the rights or interests of any person or group of persons, where the Takeovers Panel is satisfied that those rights or interests are being affected, or will be or are likely to be affected, by the circumstances.

Securityholder arrangements

If Shareholder Approval is obtained, the proposed date for removal of the Company from the Official List would not take place any earlier than one month after such approval. The purpose of this period is to provide Shareholders with the opportunity to sell their Shares on the market prior to the Delisting, should they wish to do so.

Prior to the Delisting, the Company is also proposing to undertake an unmarketable parcel sale (**UMP**) facility to provide a mechanism for smaller parcel holders to dispose of their Shares prior to delisting. Subsequent to Delisting the Company is considering a share buyback to provide a further mechanism for shareholders to reduce or exit their holdings. Further details regarding the UMP will be included in a separate announcement to be released by the Company in due course.

For shareholders who retain their Shares after the Delisting and the above mechanisms, the Company is also considering implementing a facility to facilitate periodic off-market sale and purchase transactions, by matching buyers and sellers who express their interest. However, there is no assurance that this facility will be implemented, and if implemented, that there will be sufficient liquidity to allow Shareholders to sell their Shares through the facility.

In respect of the unquoted options to subscribe for PHL Shares, the Company intends to engage with relevant optionholders individually.

Indicative timetable

The proposed Delisting is subject to Shareholder approval, as a special resolution at a General Meeting to be held on or around 3 April 2025 (**GM**). Further details relating to the proposed delisting, including potential advantages and disadvantages for Shareholders, will be included in the Notice of Meeting which will be despatched to Shareholders in due course. All Shareholders will be entitled to vote on the resolution.

The indicative timetable for the proposed delisting is set out below. Subject to the Corporations Act and ASX Listing Rules, the Company reserves the right to amend the indicative timetable without prior notice to shareholders.

Event	Date
Formal application for removal submitted to ASX	Thursday, 20 Feb 2025
Despatch Notice of GM	Monday, 3 March 2025
GM held and special resolution considered	Thursday, 3 April 2025
Trading in PHL securities suspended	Monday, 5 May 2025
Delisting effective	Thursday, 8 May 2025

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

For further information, please contact:

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About Propell

Propell Holdings Limited (ASX:PHL) is Australia's first and only all-in-one finance platform providing SMEs with lending solutions that are faster to access, easier to use and simpler to manage using a digital-first approach. Driven by a vision to revolutionise how small businesses manage their finances, Propell centralises access to what those businesses need; deep insights into their financial health, and direct access to a suite of finance tools, including payments and lending, to enable them to operate and grow.

The future of finance is digital. Small businesses, left underserved by traditional providers, are searching for alternative solutions to their finance needs. Australia's 2.3 million small and medium enterprises (SMEs) aren't satisfied with lending solutions provided by banks and are frustrated with their slow and difficult processes and paperwork. 38% of SMEs have indicated they are actively looking for new solutions in a market comprising \$423 billion in SME loans. Propell is positioned for this accelerating shift and disruption of traditional service providers and their business models.

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

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

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