

Q3 FY21 Summary of Activities

- **\$5m raised in oversubscribed IPO round and commenced trading on ASX 14 April 2021**
- **Continued growth in total customers to 595, up 20.5% on the previous quarter**
- **Solid growth in total loans, up 38% on the previous quarter**
- **Launched new features including invoice payments capability, to drive growth in transaction volumes**
- **Achieved a record month in key metrics in April 2021**

Leading SME focused Fintech, Propell Holdings Limited (**ASX:PHL, Propell or the Company**) is pleased to announce an update on its activities for the quarter ended 31 March 2021 (Q3 FY21) and subsequent events.

Propell has built a leading digital, cloud-based, open API and data-driven platform (Platform). The Platform offers tailored finance products to help small to medium businesses manage and optimise their cash flow with products including funds for operating and growth (lending) and broad payment acceptance (Instant payment receipts).

Propell has a well-defined strategy to continue to attract new customers and further enhance the Platform by adding additional proprietary and third-party products to underpin growth in both overall revenues and revenue per customer.

The growth in customers during the quarter to 595, reflects an acceleration in customer take up since the end of February when the Company began IPO investor marketing, when there were 430 customers. This growth reflects mostly organic growth and was achieved without a substantial investment in marketing.

Propell launched the current full-service Platform product in mid-2020 and part of its strategy is to migrate customers from the previous two standalone offerings to the Platform, which is progressing well. The solid growth overall during the quarter included particularly strong growth in the number of customers on the Platform, which grew by 152% to 320. Furthermore, there was record growth in total loans, which grew by 38%, resulting in total loans of \$450,400 at the end of the period.

Subsequent to the end of the quarter, Propell has already achieved a record month in key metrics during April as management increased marketing and onboarding initiatives. Customers on the Platform increased to 339 with \$210,000 in new loans added for these customers.

During April, the Company launched a new invoice payments capability on the Platform allowing SME customers to accept instant online invoice payments by embedding a payment option directly into the electronic invoice issued to their end customers. End customers are either business (B2B payments) or consumers (B2C payments). This capability also allows seamless integration with Xero's cloud-based accounting software to incorporate a 'pay now' feature into their invoices. Invoices account for a large share of Propell's customer transactions and this feature will broaden the payment acceptance capability. SME customers will be charged a fixed percentage fee for processing payments received via this new invoice feature.

Propell CEO, Michael Davidson said: "Following the successful capital raise as part of the IPO, Propell is well placed to continue to execute its strategy to rapidly scale the Platform and to become the leading digital only finance platform for SMEs. There was solid growth across all areas of the business during the third quarter and pleasingly the growth has accelerated during April which bodes well for a strong Q4 FY21. Importantly, the recent capital raising will enable us to invest in marketing which we are confident will underpin continued growth across all areas of our business.

"The focus during the remainder of FY21 will continue to be on customer acquisition and product development to enhance the products and grow revenue per customer. Over the longer term we are targeting onboarding more than 3,000 SME customers."

During the quarter, the Company made several appointments to strengthen the team including a product manager to support the delivery of the product roadmap, a digital marketing specialist, a lending manager and senior IT developers to accelerate the development of the Platform.

Figure 1: Total customers including customers on the Platform

Propell has made good progress in migrating customers from previous standalone products onto the Propell Platform.

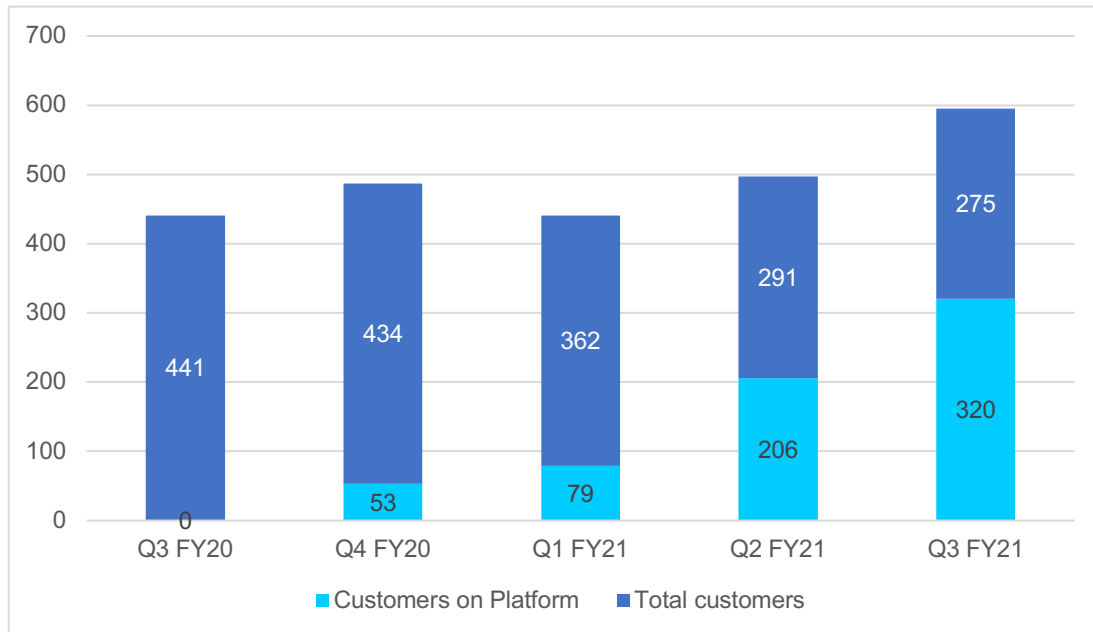
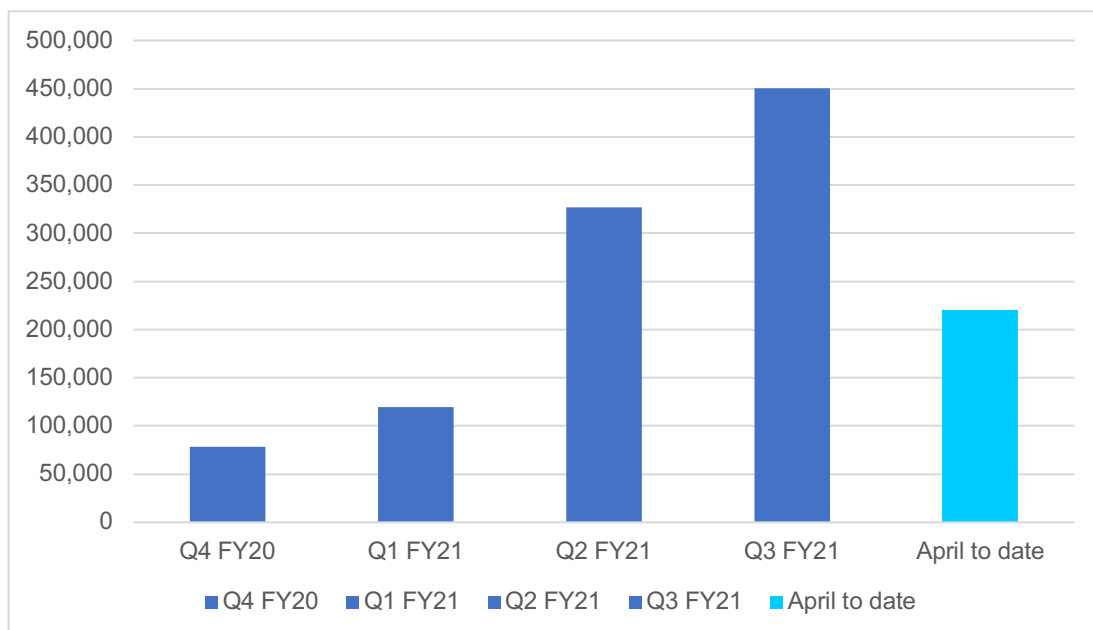


Figure 2: Total loans to customers (\$)



Payments to related parties of the entity and their associates detailed in Section 6 of the Appendix 4C relate to the directors' fees paid during the quarter.

Authorised for release by the Board of Propell Holdings Limited.

About Propell

Propell Holdings Limited (ASX:PHL) is an Australian fintech company providing intelligent finance solutions to small-medium enterprises (SMEs).

Propell's digital platform is aimed at improving SME cashflow 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.

For more information see <https://propellme.com.au/> and the investor website <https://propellholdings.com/>.

For more information, please contact

Michael Davidson
CEO
Propell Holdings Limited
investor@propellme.com.au

Matthew Wright
NWR Communications
+61 (0) 451 896 420
matt@nwrcommunications.com.au

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Propell Holdings Limited

ABN

62 614 837 099

Quarter ended ("current quarter")

31 March 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	110	252
1.2 Payments for		
(a) research and development	(85)	(118)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(203)	(424)
(d) leased assets	-	(30)
(e) staff costs	(276)	(736)
(f) administration and corporate costs	(66)	(281)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	2
1.5 Interest and other costs of finance paid	(39)	(199)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	268	497
1.8 Other (transaction costs related to IPO)	(235)	(423)
1.9 Net cash from / (used in) operating activities	(525)	(1,460)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	(256)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (net customer receivable disbursements)	(243)	(430)
2.6	Net cash from / (used in) investing activities	(243)	(686)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	5,000	6,578
3.2	Proceeds from issue of convertible debt securities	-	410
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(50)	(173)
3.5	Proceeds from borrowings	100	133
3.6	Repayment of borrowings	(1)	(39)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	5,049	6,909

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,001	519
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(525)	(1,460)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(243)	(686)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5,049	6,909
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	5,282	5,282

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,282	1,001
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,282	1,001

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	18
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Item 6.1 Includes Directors fees, Salaries and related payment paid to the Directors and / or their associated entities.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	2,000	1,173
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	2,000	1,173
7.5	Unused financing facilities available at quarter end		827
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>The Company holds a \$2m warehouse facility with private investment firm, Altor Capital Management Pty Ltd ("Altor"). The facility has an interest rate of 13% and a maturity date of 30 March 2023.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(500)
8.2	Cash and cash equivalents at quarter end (item 4.6)	4,782
8.3	Unused finance facilities available at quarter end (item 7.5)	727
8.4	Total available funding (item 8.2 + item 8.3)	5,510
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	11.0
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer:	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer:	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer:	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: Friday, 30 April 2021

Authorised by: By the board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.