

# Entitlement Offer Document

**Propell Holdings Limited ACN 614 837 009**

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## **Offer to Eligible Shareholders**

A non-renounceable entitlement offer to Eligible Shareholders of 1 New Share for every 2.5 Shares held at an Issue Price of \$0.058 to raise up to approximately \$2.2 million before costs of the Offer.

**The Lead Manager of the Offer is Reach Markets Pty Ltd. The Offer is not underwritten.**

**Your Application Monies must be received by the Share Registry by no later than 5.00pm (Sydney time) on 19 May 2022.**

## **Important notice**

This document is important, and it should be read in its entirety. This document is not a prospectus under the *Corporations Act 2001* (Cth) and does not contain all of the information that an investor may require in order to make an informed investment decision regarding the New Shares offered by this document. The New Shares offered by this document should be considered speculative.

If after reading this document you have any questions about the Offer or the New Shares then you should consult your stockbroker, accountant or other professional advisor.

## Important information

### Key Offer Statistics

|  |   |
|--|---|
| Issue Price  | \$0.058 per New Share                     |
| Ratio  | 1 New Share for every 2.5 Existing Shares |
| Maximum number of New Shares to be issued under the Offer <sup>(1)</sup> | Approximately 38.3 million New Shares     |
| Number of Shares issued under the Placement                              | Approximately 23.5 million                |
| Maximum amount to be raised under the Offer                              | Approximately \$2.22 million              |
| Maximum amount to be raised under the Offer and Placement                | Approximately \$3.58 million              |
| Number of Shares on issue following the Offer and Placement              | Approximately 157.54 million              |

*(1) Excludes any New Shares which may be issued in the event that any Existing Options are exercised prior to the Record Date.*

### Key dates for investors

|   |  |
|---|--|
| Record Date for determining entitlements under the Offer  | 7.00pm (Sydney time) on 27 April 2022    |
| New Shares issued under the Placement   | 28 April 2022                            |
| Offer Document and Entitlement and Acceptance Form despatched                                   | 29 April 2022                            |
| Offer opens   | 29 April 2022                            |
| Offer expected to close   | 5.00pm (Sydney time) on 19 May 2022      |
| Announcement of results of Offer  | 24 May 2022                              |
| Offer issue date  | Before noon (Sydney time) on 26 May 2022 |
| Commencement of trading of New Shares issued under the Offer on ASX                             | 27 May 2022                              |
| Expected date for despatch of New Shareholding statements for New Shares issued under the Offer | 27 May 2022                              |

*All dates are subject to change and accordingly are indicative only. In particular, the Company has the right to vary the dates of the Offer, without prior notice. Investors are encouraged to submit their Entitlement and Acceptance Forms as soon as possible after the Offer opens.*

## Important notice

The Offer made pursuant to this Offer Document is for a rights of continuously quoted securities (as defined in the *Corporations Act 2001* (Cth) (**Corporations Act**)) of the Company. This Offer Document is not a disclosure document for the purposes of chapter 6D of the Corporations Act and has not been lodged with the Australian Securities and Investments Commission. The Company is offering the securities under this Offer Document without disclosure to investors under chapter 6D of the *Corporations Act* pursuant to section 708AA of the *Corporations Act*. Accordingly, the level of disclosure contained in this Offer Document is significantly less than that required under a prospectus and Eligible Shareholders should consider all relevant facts and circumstances, including their knowledge of the Company and disclosures made to the ASX and should consult their professional advisors before deciding whether to accept the Offer.

This Offer Document is dated 29 April 2022 and was lodged with the ASX on that date. The ASX does not take any responsibility for the contents of this Offer Document.

Securities will only be issued on the basis of this Offer Document in accordance with the terms set out in this Offer Document.

As at the date of this Offer Document, the Company has complied with:

- the provisions of chapter 2M of the *Corporations Act*, as they apply to the Company; and
- section 674 of the *Corporations Act*.

The Offer is only made to those Shareholders who are Eligible Shareholders on the Record Date (being Shareholders who have a registered address in Australia or New Zealand).

## No excluded information

As at the date of this Offer Document the Company is not aware of any excluded information of the kind which would require disclosure in this Offer Document pursuant to subsections 708AA(8) and (9) of the *Corporations Act*.

## Foreign shareholders

This document does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

The Company has decided that it is unreasonable to make offers under the Offer to Shareholders with registered addresses outside of Australia and New Zealand, having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by, and no New Shares will be issued to Ineligible Shareholders.

The Company has not made any investigation as to the regulatory requirements that may prevail in the countries, outside of Australia and New Zealand, in which the Company's Shareholders may reside. It is the responsibility of overseas Applicants to ensure compliance with all laws of any country relevant to their Acceptance. The Offer may only be accepted by Eligible Shareholders and does not constitute an offer in any place in which or to any person to whom, it would be unlawful to make such an offer.

The distribution of this Offer Document in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Offer Document should observe those restrictions. Any failure to comply with restrictions might constitute a violation of applicable securities laws.

## New Zealand

The New Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016* (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013 (New Zealand)*. This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

## United States

This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

## How to accept Entitlement to New Shares

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which is accompanying this Offer Document or making payment of Applications Monies by BPAY® in accordance with the instructions set out in this Offer Document and on the Entitlement and Acceptance Form.

This Offer Document is available in electronic form on the internet at [www.propellholdings.com](http://www.propellholdings.com). If you wish to obtain a free copy of this Offer Document, please contact the Company on 1300 804 091 or [info@propellme.com.au](mailto:info@propellme.com.au).

## Enquiries

If you are an Eligible Shareholder and have any questions in relation to the Offer, please contact your stockbroker or professional adviser. If you have questions in relation to the Shares upon which your Entitlement has been calculated, or how to complete the Entitlement and Acceptance Form, take up

your Entitlement, please call the Lead Manager on:

(a) 1300 805 795 callers within Australia; or

(b) +61 1300 805 795 for overseas callers.

## Deciding to accept the Offer

No person named in this Offer Document, nor any other person, guarantees the performance of Propell, the repayment of capital or the payment of a return on the New Shares.

Please read this document carefully before you make a decision to invest. An investment in the Company has a number of specific risks which you should consider before making a decision to invest. Some of these risks are summarised in section 4. This Offer Document is an important document and you should read it in full before deciding whether to invest pursuant to the Offer. You should also have regard to other publicly available information about the Company, including ASX announcements, which can be found at the Company's website: [www.propellholdings.com](http://www.propellholdings.com)

## Terms used

A number of terms and abbreviations used in this Offer Document have defined meanings, which are explained in the definitions and glossary in section 7.

Money as expressed in this Offer Document is in Australian dollars unless otherwise indicated.

## Forward looking statements

Some of the information contained in this Offer Document constitutes forward-looking statements that are subject to various risks and uncertainties. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'should', 'will', 'expects', 'plans' or similar expressions. These statements discuss future objectives or expectations concerning results of operations or financial conditions or provide other forward-looking information. The Company's actual results, performance or achievements could be

significantly different from the results or objectives expressed in, or implied by, those forward-looking statements. This Offer Document details some important factors that could cause the Company's actual results to differ from the forward-looking statements made in this Offer Document.

### **No representations**

No person is authorised to give any information or to make any representation in

connection with the Offer which is not contained in this Offer Document. Any information or representation in connection with the Offer not contained in this Offer Document may not be relied on as having been authorised by the Company or its officers. This Offer Document does not provide investment advice or advice on the taxation consequences of accepting the Offer. The Offer and the information in this Offer Document, do not take into account your investment objectives, financial situation and particular needs (including financial and tax issues) as an investor.

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## Chairman's letter

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29 April 2022

Dear Shareholder,

On behalf of the Board of Propell Holdings Limited (**Company**), I invite you to participate in the Company's non-renounceable pro-rata entitlement offer of one (1) New Shares for every two and a half (2.5) Shares held at the Record Date of 27th April 2022 at an issue price of \$0.058 per New Share (**Offer**).

As announced on 13 April 2022, the Company, as part of its current overall capital raising, has received approximately \$1.36 million via a private placement (**Placement**) at an issue price of \$0.058 per share.

The funds raised under the Placement and from this Offer will be used as working capital to increase the Company's lending facility and drive organic growth.

Propell has grown more than 30% per quarter since listing 12 months ago, rapidly increasing our customer base and hitting a record 211% increase in lending at Q3 of FY22. Propell is poised to continue growing exponentially, representing an exciting time for both the Company and shareholders. Please refer to the Investor Presentation contained in the Offer Booklet.

Propell Holdings is providing existing shareholders with the opportunity under this Offer to participate at the same issue price as under the Placement. The Offer is to be made pursuant to s708AA of the Corporations Act and may be summarised as follows:

- Australian and New Zealand residents holding Shares may subscribe under the Offer for 1 New Share for every 2.5 Shares held as at the Record Date of 7.00 pm AEST on 27 April 2022 (**Entitlement**).
- New Shares are priced at \$0.058 per New Share (**Issue Price**). The Offer of approximately 38.3 million New Shares may raise up to \$2.22 million if fully subscribed.
- This Issue Price represents a 20.63% discount to the 30 day volume-weighted average price of Shares (being \$0.0731) as at 11 April 2022 and a 18% discount to the theoretical ex- Offer price (**TERP**)<sup>1</sup> of \$0.071.
- The Directors intend to participate in the Offer.
- Shareholders (other than Directors and related parties of the Company) may subscribe for **Additional New Shares** in excess of their Entitlement on the basis that some existing Shareholders may be either ineligible (non-Australian or New Zealand residents) or may not fully take up their Entitlement. This additional ability is restricted only to eligible holders and is referred to as the **Top-Up Facility**.
- If there remains any Entitlement Shortfall after allocation of the Additional Shares, the Directors reserve the right for up to 3 months after the close of the Offer to place any Entitlement Shortfall to wholesale or exempt investors at the Board's discretion but at a price no less than the Offer Price.

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<sup>1</sup> The theoretical ex-rights price of \$0.071 is calculated using the Company closing price on 8 April 2022 assuming proceeds from the Offer are approximately \$2.22 million. TERP is the theoretical price at which shares should trade immediately after the ex-date of the Offer assuming 100% take-up of the Offer. TERP is a theoretical calculation only and the actual price at which shares trade immediately after the ex-date for the Offer will depend on many factors and may not be equal to the TERP. The TERP includes the New Shares to be issued under the Placement.

A copy of this Offer Document has been lodged with the ASX and can be accessed on the ASX website or via the Propell Holdings website.

Pursuant to the Corporations Act, Propell is not required to prepare a prospectus for the Offer. A summary of the key information with respect to the Offer is set out in this Offer Document. Please read the Offer Document carefully before deciding whether or not to invest. If there is any matter on which you require further information, you should consult your stockbroker, accountant or other professional advisor.

A personalised Entitlement and Acceptance Form is attached to this Offer Document and sets out the number of New Shares you are entitled to subscribe for as an Eligible Shareholder (**Entitlement**). Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which accompanies this Offer Document or making payment of Applications Monies by BPAY®, in accordance with the instructions set out below, and on the Entitlement and Acceptance Form. Applications Monies for the New Shares must be received by the Company at its Share Registry by the Closing Date. Please refer to the timetable for the important dates of the Offer.

The Offer is non-renounceable and therefore your Entitlements will not be tradeable on the ASX or otherwise transferable.

If you are an Eligible Shareholder, you will be eligible to participate in the Offer on the terms set out in this Offer Document. Shareholders may request for an electronic copy of their personalised Offer Application Form here - <https://propell.investorportal.com.au/register-rights-issue/>

**Should you wish to apply for an amount greater than your allocation, use the same BPAY details to fund the full amount you would like to be allocated.**

The Company has appointed Reach Markets Pty Ltd as Lead Manager to the Offer. If you have any questions on the Entitlement Offer, please contact the Lead Manager on [advisers@reachmarkets.com.au](mailto:advisers@reachmarkets.com.au) or 1300 805 795.

The Offer is not underwritten. The Company will work with the Lead Manager to place any shortfall of New Shares not subscribed for by Eligible Shareholders to new investors.

In the coming days, CEO and Managing Director Michael Davidson will be giving an update on behalf of the Board, via a live and interactive online shareholder briefing where we will discuss the Entitlement Offer. You can register your attendance here - <https://propell.investorportal.com.au/shareholder-briefing/>

As a Board, we appreciate the support of our existing Shareholders and we have been mindful of providing existing Shareholders this opportunity to maintain their position in the Company.

We look forward to your participation in the Offer.

Yours sincerely,

**Ben Harrison**  
Chairman  
Propell Holdings Ltd



## 1. Offer details

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### 1.1 The Offer

This Offer Document is for the non-renounceable entitlement offer of approximately 38.3 million New Shares at an issue price of \$0.058 per New Share (**Issue Price**), on the basis of 1 New Share for every 2.5 Shares held by Eligible Shareholders as at the Record Date.

The Offer is being made pursuant to section 708AA of the Corporations Act (as modified by *ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84*) which allows rights issues without a prospectus provided certain conditions are satisfied.

The Offer constitutes an offer to Eligible Shareholders only. The Offer will raise approximately \$2.22 million.

The Issue Price of \$0.058 per New Share represents a 20.63% discount to the 30 day volume-weighted average price for Shares (being \$0.0731) as at 11 April 2022.

If all holders of Existing Options exercise their Existing Options prior to the Record Date, the number of New Shares issued under the Offer will increase from 38.3 million to 55.7 million.

On the same date as announcing the Offer, the Company applied to the ASX for the New Shares to be granted official quotation on the ASX. Official quotation of the New Shares is expected to occur on or about 27 May 2022.

The Directors may (in consultation with the Lead Manager) at any time decide to withdraw this Offer Document and the offer of New Shares made under this Offer Document, in which case the Company will return all Application Monies (without interest) within 28 days of giving notice of such withdrawal.

### 1.2 Top Up Facility

Eligible Shareholders who take up their Entitlements in full may subscribe for Additional New Shares in excess of their Entitlements (**Shortfall Election**). This can be done by lodging a Shortfall Election for a dollar amount of Additional New Shares on the personalised Entitlement and Acceptance Form.

Subject to section 1.11 and section 2.8 of this Offer Document and applicable legal and regulatory requirements, there is no cap on the amount of Additional New Shares that Eligible Shareholders can apply to take up through their Shortfall Elections.

Additional New Shares will only be available to the extent that there are Entitlements under the Offer that are not taken up by Eligible Shareholders, or Entitlements that would have been offered to Ineligible Shareholders had they been invited to participate. If you apply for Additional New Shares there is no guarantee you will be allocated any.

The Company will only issue Shares under the Top Up Facility where the directors are satisfied, in their discretion, that the issue of such Shares will not increase a Shareholder's voting power in contravention of the takeovers prohibitions in the Corporations Act.

### 1.3 Eligibility of Shareholders

The Offer is being offered to all Eligible Shareholders only.

Determination of eligibility of investors for the purposes of the Offer is determined by reference to a number of factors, including legal requirements, logistical and registry constraints, and the discretion of the Company. The Company disclaims any liability in respect of the exercise or otherwise of that determination and discretion to the maximum extent permitted by law.

Eligible Shareholders are Shareholders at 7pm (Sydney time) on the Record Date who:

- (a) have a registered address in Australia or New Zealand or are a Shareholder that the Company has otherwise determined is eligible to participate;
- (b) are not in the United States and are not a person (including a nominee or custodian) acting for the account or benefit of a person in the United States; and
- (c) are eligible under all applicable securities laws to receive an offer under the Offer without any requirement for a prospectus or other disclosure document to be lodged or registered.

#### **1.4 Ineligible Shareholders**

Shareholders who are not Eligible Shareholders are Ineligible Shareholders.

The Company has decided that it is unreasonable to make offers under the Offer to Shareholders with registered addresses outside of Australia and New Zealand having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by, and no New Shares will be issued to, Shareholders having registered addresses outside Australia or New Zealand.

#### **1.5 Minimum subscription**

Entitlements allotted under the Offer are non-renounceable and can be taken up in whole or in part. There is no minimum subscription to the Offer.

Fractional Entitlements will be rounded up to the nearest whole number of New Shares.

#### **1.6 Acceptance of Entitlement to New Shares**

The number of New Shares to which each Eligible Shareholder is entitled is calculated as at the Record Date and the total amount an Eligible Shareholder would have to pay if they choose to take up all of their rights to subscribe for New Shares is shown on the personalised Entitlement and Acceptance Form accompanying this Offer Document. This Offer Document is for the information of Eligible Shareholders who are entitled and may wish to apply for the New Shares. Fractional entitlements will be rounded up to the nearest whole number.

Entitlements to New Shares can be accepted in full or in part by making payment of Application Monies by BPAY®, in accordance with the instructions set out below, and on the Entitlement and Acceptance Form. Applications Monies should be rounded up to the nearest cent.

Application Monies for the New Shares must be received by the Company at its Share Registry by the Closing Date. Please refer to the timetable for the important dates of the Offer.

#### **1.7 Purpose of the Offer**

The Offer is proposed to raise approximately \$2.22 million (before costs). Together with the Placement, the Company will raise approximately \$3.58 million (before costs).

The Directors intend to apply the proceeds from the Offer and the Placement to provide funds for the purposes of:

- (a) support increase in company's lending facility;

- (b) the costs of the Offer and the Placement; and
- (c) general working capital.

The estimated sources and intended use of funds raised are summarised as follows:

| Source of Funds | \$m           | Use of Funds                     | \$m           |
|-----------------|---------------|----------------------------------|---------------|
| Placement       | \$1.36        | Tech Development                 | \$0.24        |
|                 |               | Marketing & Customer Acquisition | \$0.38        |
|                 |               | Working Capital                  | \$0.64        |
|                 |               |                                  |               |
| Offer           | \$2.22        | Tech Development                 | \$0.39        |
|                 |               | Marketing & Customer Acquisition | \$0.61        |
|                 |               | Working Capital                  | \$1.04        |
|                 |               |                                  |               |
|                 |               | Capital Raising costs            | \$0.26        |
| <b>TOTAL</b>    | <b>\$3.58</b> | <b>TOTAL</b>                     | <b>\$3.58</b> |

*\* Assumes that the Offer is fully subscribed, and does not take account of brokerage (if any) discussed at section 6.2*

However, in the event that circumstances change, or other better opportunities arise the Directors reserve the right to vary the proposed uses to maximise the benefit to Shareholders.

## 1.8 New Share terms

Each New Share will rank equally with all existing Shares then on issue. Full details of the rights and liabilities attaching to the Shares are set out in the Company's constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

This Offer Document does not contain a summary of the principal rights and liabilities of holders of the New Shares.

## 1.9 Directors' intentions in respect of Entitlements

Each of the Directors, being Michael Davidson, Jeremy Loftus and Benjamin Harrison intend to participate in the Offer.

## 1.10 Lead Manager

Reach Markets has been appointed as the Lead Manager to the Offer pursuant to an agreement dated 8 April 2022, with a management fee of 6% and 1 option issued for every \$1 raised.

## 1.11 Allotment and allocation policy

The Company will proceed to allocate New Shares as soon as possible after the Closing Date and receiving ASX permission for official quotation of the New Shares.

In the case that there is less than full subscription by Eligible Shareholders to their Entitlements under this Offer Document, the Directors reserve the right to issue any Entitlement Shortfall Shares at their discretion, as contemplated within the Listing Rules.

Additional New Shares applied for by Eligible Shareholders under the Top Up Facility will be allocated and allotted in accordance with the allocation policy set out in section 2.8. Successful Applicants will be notified in writing of the number of Additional New Shares allocated to them as soon as possible following the allocation being made.

#### **1.12 ASX listing**

Subject to approval being granted, quotation of the New Shares issued under the Offer is expected to commence on 27 May 2022. ASX Participating Organisations (as defined in the ASX Business Rules) cannot deal in the New Shares either as principal or agent until granted official quotation on the ASX.

Any applicant that sells New Shares before receiving confirmation of their holding in the form of a holding statement will do so at their own risk. The Company disclaims all liability (to the maximum extent permitted at law) to persons who trade New Shares before receiving their holding statements, whether on the basis of confirmation of allocation provided by the Company or the registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

#### **1.13 CHESS**

The Company will apply for the New Shares to participate in the Securities Clearing House Electronic Subregister System known as CHESS.

The Company will not issue certificates to Shareholders with respect to the New Shares. After allotment of the New Shares, Shareholders who are issuer sponsored will be provided with an issuer sponsored statement and those who are CHESS Holders will receive an allotment advice.

The CHESS statements, which are similar in style to bank account statements, will set out the number of New Shares allotted to each successful applicant pursuant to this Offer Document. The statement will also advise holders of their holder identification number. Further statements will be provided to holders which reflect any changes in their holding in the Company during a particular month.

#### **1.14 Notice to nominees and custodians**

Nominees and custodians may not distribute any part of this document in the United States or in any other country outside of Australia and New Zealand, except to beneficial Shareholders in another country (other than the United States) where the Company may determine it is lawful and practical to make the Offer. Any person in the United States with a holding through a nominee may not participate in the Offer.

#### **1.15 Electronic Offer Document**

An electronic version of this Offer Document is available on the Internet at [www.investors.propellme.com.au](http://www.investors.propellme.com.au).

You can request an electronic copy of your Entitlement and Acceptance form at: <https://propell.investorportal.com.au/register-rights-issue/>

The Entitlement and Acceptance Form may only be distributed together with a complete and unaltered copy of the Offer Document. The Company will not accept a completed Entitlement and Acceptance Form if it has reason to believe that the investor has not received a complete paper copy or electronic copy of the Offer Document or if it has reason to believe that the Entitlement and Acceptance Form or electronic copy of the Offer Document has been altered or tampered with in any way.

While the Company believes that it is extremely unlikely that in the Offer period the electronic version of the Offer Document will be tampered with or altered in any way, the Company cannot give any absolute assurance that it will not be the case. Any investor in doubt concerning the validity or integrity of an electronic copy of the Offer Document should immediately request a paper copy of the Offer Document directly from the Company or the Share Registry.

#### 1.16 **Option Holders**

Option Holders will not be entitled to participate in the Offer unless they:

- (a) have become entitled to exercise their Existing Options under the terms of their issue and do so prior to the Record Date; and
- (b) participate in the Offer as a result of being an Eligible Shareholder at 7.00pm (Sydney time) on the Record Date.

There are currently 17,436,578 Existing Options on issue (the details of which are set out in section 3.2). If all Option Holders elect to exercise their Existing Options prior to the Record Date to participate in the Offer, a further 6,974,631 New Shares may be issued under this Offer Document.

## 2. How to apply

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### 2.1 Your choices as an Eligible Shareholder

The number of New Shares to which each Eligible Shareholder is entitled is calculated as at the Record Date of **7.00pm Sydney time on 27 April 2022** and is shown on the personalised Entitlement and Acceptance Form accompanying this Offer Document. If you have more than one registered holding of Shares, you will be sent more than one Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

You can request an electronic copy of your Entitlement and Acceptance form at:  
<https://propell.investorportal.com.au/register-rights-issue/>

Eligible Shareholders may:

- (a) take up their Entitlement in full, refer to section 2.2;
- (b) take up their Entitlement in full, and apply for Additional New Shares from the pool of Entitlement Shortfall Shares (refer to Section 2.3);
- (c) take up part of their Entitlement, in which case the balance of their Entitlement would lapse (refer to Section 2.4); or
- (d) allow their Entitlement to lapse (refer to Section 2.6).

Ineligible Shareholders may not take up any of their Entitlement.

Please note that the Entitlement stated on your Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Shares on behalf of a person in the United States or an Ineligible Shareholder (refer to the definition of Eligible Shareholders in section 1.3).

Eligible Shareholders should be aware that an investment in the Company involves risks. The key risks identified by the Company are set out in section 5 of this Offer Document.

The Company reserves the right to reject any application that is not correctly completed or received after the Closing Date. Unless extended in the discretion of the Company in consultation with the Lead Manager, the Closing Date for acceptance of the Offer is **5.00pm (Sydney time) on 19 May 2022** (however, the date may be varied by the Company in accordance with the Listing Rules).

### 2.2 How to accept your Entitlement in full

If you wish to accept the whole of your Entitlement, you can make payment by BPAY® in accordance with the instructions set out on your Entitlement and Acceptance Form by no later than **5.00pm (Sydney time) on 19 May 2022** and as otherwise described in Section 2.5. The Issue Price of \$0.058 per New Share is payable in full on acceptance of part or all of your Entitlement.

### 2.3 How to accept your Entitlement in full and apply for Additional New Shares

If you wish to accept all of your Entitlement and also apply for Additional New Shares, payment must be made by BPAY® as set out in Section 2.5

In order to apply for Additional New Shares under the Top Up Facility you must be an Eligible Shareholder and must have first taken up your Entitlement in full.

If you apply for Additional New Shares under the Shortfall Election and your application is successful (in whole or in part), your Additional New Shares will be issued at the same time that other New Shares are issued under the Offer.

## 2.4 How to accept your Entitlement in part

Eligible Shareholders may accept their Entitlement in part and allow the balance to lapse.

If you wish to take up only a part of your Entitlement, complete payment via BPAY® as set out in Section 2.5. If the Company receives an amount that is less than the Issue Price multiplied by your Entitlement (**Reduced Amount**), your payment will be treated as an application for as many New Shares as your Reduced Amount will pay for in full.

If you do not take up all of your Entitlement in accordance with the instructions set out above, any offer of New Shares that you would have otherwise been entitled to under the Offer will lapse and be offered under the Shortfall Election.

## 2.5 Payment

You are encouraged to pay your Application Monies using BPAY®. Eligible Shareholders who do not have an Australian bank account and other shareholders who do not wish to pay using BPAY® should contact the Lead Manager on 1300 805 795 or the Share Registry on 1300 554 474 between 8:30am and 5:00pm (Sydney time) at least **2 days prior to 5.00pm (Sydney time) on 19 May 2022** to arrange an alternate method of payment.

You can only make payment via BPAY if you are the holder of an account with an Australian financial institution that supports BPAY transactions.

Cash or cheque payments will not be accepted. Receipts for payment will not be issued.

The Company will treat you as applying for as many New Shares as your payment will pay for in full up to your Entitlement.

No brokerage, handling fees or stamp duty is payable by Applicants in respect of their applications for New Shares under this Offer Document. The amount payable on acceptance will not vary during the period of the Offer and no further amount is payable on allotment.

Applications Monies will be held in trust in a subscription account until allotment of the New Shares. Any interest earned on the Application Money will be retained by the Company irrespective of whether allotment takes place. The subscription account will be established and kept by the Company on behalf of the Applicants.

Refund amounts (greater than \$2.00), if any, will be paid in Australian dollars. You will be paid either by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders), or by direct credit to the nominated bank account (if any) as noted on the share register as at the Closing Date of the Offer.

If you make payment by BPAY®, you do not need to return your Entitlement and Acceptance Form, however, your payment must be received by no later than **5.00pm (Sydney time) on 19 May 2022**. **It is your responsibility to ensure that your BPAY® payment is received by the Company's share registry by no later than 5.00pm on the Closing Date.** You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should take this into consideration when making payment.

If you are paying by BPAY, your unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form. If you are paying by BPAY, please also make sure you use the specific Biller Code on your personalised Entitlement and Acceptance

Form. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your Application will not be recognised as valid.

You can request an electronic copy of your Entitlement and Acceptance form at:  
<https://propell.investorportal.com.au/register-rights-issue/>

Please note that by paying by BPAY®:

- (1) you do not need to return your Entitlement and Acceptance Form, however you are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form; and
- (2) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

## **2.6 If you do not wish to accept any of your Entitlement**

Eligible Shareholders do not have to accept any of their Entitlement.

If you do not wish to accept any of your Entitlement, do not take any further action and your Entitlement will lapse. New Shares that you would have otherwise been entitled to under the Offer will be offered under the Top Up Facility.

## **2.7 Binding effect of Entitlement and Acceptance Form**

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY®, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Offer Document and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Money or making a payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you are an Eligible Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Offer;
- (b) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act. You further acknowledge that the New Shares may not be offered or sold, directly or indirectly, in the United States, except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
- (c) you are subscribing for or purchasing the New Shares outside the United States in an "offshore transaction" (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act;
- (d) you will not send any materials relating to the Offer to any person in the United States, or elsewhere outside of may distribute such materials to Institutional Investors in other Permitted Jurisdictions);



- (e) if in the future you decide to sell or otherwise transfer the New Shares acquired under the Offer you will only do so in “regular way” transactions on ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the United States; and
- (f) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is (i) resident in Australia or New Zealand or is an Institutional Investor in another Permitted Jurisdiction, and (ii) is not in the United States or elsewhere outside the Permitted Jurisdictions.

## 2.8 Allotment and allocation policy

An Entitlement Shortfall will exist if any Eligible Shareholder does not take up their full Entitlement, resulting in the Offer being undersubscribed. The Entitlement Shortfall will be allocated as part of the Top Up Facility.

Accordingly, Additional New Shares will only be allocated and issued from the pool of New Shares comprising the Entitlement Shortfall (**Entitlement Shortfall Shares**). The Entitlement Shortfall Shares will be allocated in accordance with the following policy:

- (a) The Directors will allocate the Entitlement Shortfall Shares to Eligible Shareholders that have applied to take up their full Entitlements and in addition have indicated that they wish to take up Additional New Shares as provided for in Section 2.3.
- (b) The Company reserves the right to allocate Entitlement Shortfall Shares to Eligible Shareholders who wish to take up Additional New Shares at its discretion. In exercising its discretion and determining which applications to accept or reject, Propell will have regard to facilitating the increase in the number of Shareholders with marketable parcels of Shares.
- (c) The Directors reserve the right, for up to 3 months after the close of the Offer, to allocate any of the Entitlement Shortfall Shares to any other investors at the Board's discretion but at a price no less than the Issue Price.
- (d) Following the allocation of Entitlement Shortfall Shares as contemplated in paragraphs (a) to (c) above, any remaining Entitlement Shortfall Shares will lapse.
- (e) No Eligible Shareholder associated with the Directors will participate in the Entitlement Shortfall.
- (f) The Company will not allocate or issue Entitlement Shortfall Shares where it is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant legislation or law. Eligible Shareholders wishing to apply for Additional New Shares must consider whether or not the issue of those further Shares would breach the Corporations Act or the Listing Rules having regard to their own circumstances. For the avoidance of doubt, the Company will not allocate or issue Entitlement Shortfall Shares where to do so would result in a shareholder obtaining voting power in excess of 20% in breach of the Corporations Act. Additionally, the Company does not expect any person will obtain (or hold), voting power in excess of 20% at the conclusion of the Offer.
- (g) There is no guarantee that Eligible Shareholders will be successful in being allocated any of the Additional New Shares that they apply for. The Company may reject any application for Additional New Shares or allocate fewer Entitlement Shortfall Shares than applied for by Applicants for Additional New Shares in accordance with the policy set out above. The Directors reserve the right at their discretion to place a maximum on the number of Entitlement Shortfall Shares that will be issued to Eligible Shareholders who apply for Additional New Shares. In determining whether to accept or reject any applications for

Additional New Shares, the Company in consultation with the Lead Manager will act fairly and reasonably in determining which applications to accept or reject.

### 3. Control issues arising from the Offer on the Company

#### 3.1 Present position

At the date of this Offer Document the Company does not expect the Offer to result in any change of control of the Company. The substantial Shareholders of the Company prior to the date of this Offer Document (and excluding any shares proposed to be issued under the Offer or Placement) are as follows:

| Name                       | Shares     | %     |
|----------------------------|------------|-------|
| Adman Lanes Pty Ltd        | 15,600,000 | 17.05 |
| Tomanovic Multiown Pty Ltd | 9,950,000  | 10.88 |

#### 3.2 Capital structure

The share capital structure of the Company immediately following the Offer, assuming the Offer is fully subscribed, will be as follows:

| Ordinary Shares                             | Number             | %           |
|---|--------------------|-------------|
| Ordinary Shares on issue prior to the Offer | 95,790,160         | 60.79       |
| Ordinary Shares issued under the Placement  | 23,475,947         | 14.90       |
| Maximum number of New Shares under Offer    | 38,316,064         | 24.31       |
| <b>Total:</b>                               | <b>157,582,171</b> | <b>100%</b> |

*If any of the Existing Options are exercised prior to the Record Date, additional New Shares will be issued under the Offer under this Offer Document. If all Existing Options on issue as at the date of this Offer Document were exercised prior to the Record Date, the Company's issued shares would increase by 17,436,578 resulting in a further 6,974,631 New Shares being issued pursuant to this Offer Document. This would increase the Company's total Shares on issue after completion of the Offer to 164,556,802 Shares.*

As at the date of this Offer Document, the Company has a total of 17,436,578 Existing Options on issue as follows:

| No of options | Exercise price | Vesting date/performance hurdle | Expiry date |
|---------------|----------------|---------------------------------|-------------|
| 1,100,000     | \$0.40         | vested                          | 01/12/2023  |
| 5,433,333     | \$0.30         | vested                          | 01/10/2024  |
| 1,403,245     | \$0.20         | vested                          | 10/11/2024  |
| 2,000,000     | \$0.30         | vested                          | 07/04/2024  |
| 4,000,000     | \$0.40         | vested                          | 07/04/2024  |
| 3,500,000     | \$0.20         | vested                          | 07/02/2024  |

#### 3.3 Potential effect of the Placement and Offer

Whilst the Offer is a pro-rata offer, the conduct of the Placement in conjunction with the Offer means that all Eligible Shareholders will have their percentage interest in the Company diluted if they only accept their Entitlement and do not apply for (and receive) a sufficient number of Additional New Shares from the Top Up Facility. If Eligible Shareholders take up their

Entitlements in full without receiving Additional New Shares, the voting power of Eligible Shareholders will be reduced by a maximum of 25%.

To the extent that Shareholders do not accept their Entitlements in full, an Entitlement Shortfall will arise and will be allocated as part of the Top Up Facility. Accordingly, Eligible Shareholders can reduce the extent of the dilution of their voting power in the Company by accepting their Entitlement in full and applying for Additional New Shares under the Top Up Facility.

However, the Directors reserve the right to place the Entitlement Shortfall Shares at their sole discretion subject to the Corporations Act and the Listing Rules. Any Entitlement Shortfall Shares will only be placed to the extent that such placement is in compliance with the takeover provisions of the Corporations Act, which restrict a person and their associates from having a relevant interest in the Company of not more than 19.99%, subject to a number of exemptions.

In any event, Eligible Shareholders who do not take up all of their Entitlements will have their interest in the Company diluted. In addition, the proportional shareholdings of Shareholders who are not resident in Australia and New Zealand may be diluted as those Shareholders are not entitled to participate in the Offer.

As the Placement has taken place, the Company expects to issue 23,475,947 Shares under the Placement to existing and new institutional and sophisticated investors on or around 28 April 2022.

While the final percentage interests held by Shareholders of the Company is entirely dependent on the extent to which they are Eligible Shareholders and to the extent to which the other Shareholders take up their Entitlements, the Company expects that the potential effect of the issue of Shares under the Offer on the control of the Company will be minimal.

#### **3.4 Potential Shortfall Participants**

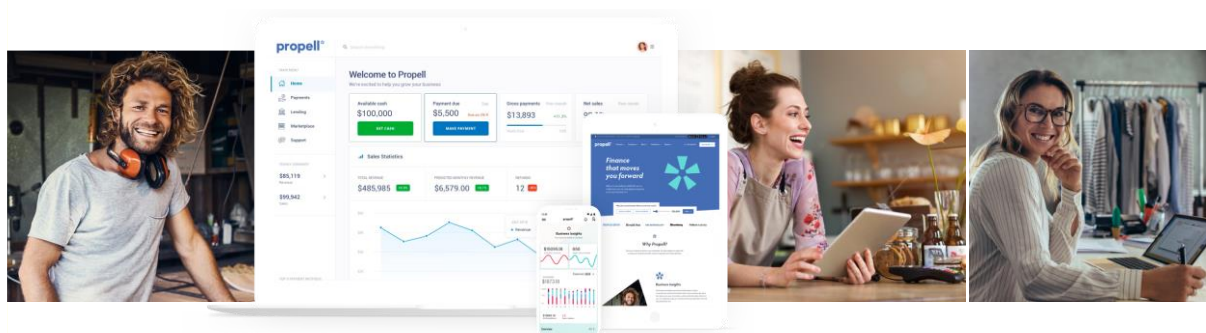
[In the event that there is an Entitlement Shortfall, the Company will apply the allocation policy set out in section 2.8 above. The participants in the Top Up Facility are not currently known and may consist of existing Eligible Shareholders or new investors, however, in the event that no Shares are issued under the Shortfall Facility, the Entitlement Shortfall Shares will lapse.]

## 4. ASX Announcement and Investor Presentation



### Smart Finance Platform for Small Businesses

April 2022 Investor Presentation



Michael Davidson | CEO

L2 307 Queen Street Brisbane | [ceo@propellme.com.au](mailto:ceo@propellme.com.au) | 1300 804 091

## Disclaimer

The following notice and disclaimer applies to this investor presentation (Presentation or document) and you are therefore advised to read this carefully before reading or making any other use of this Presentation or any information contained in this Presentation.

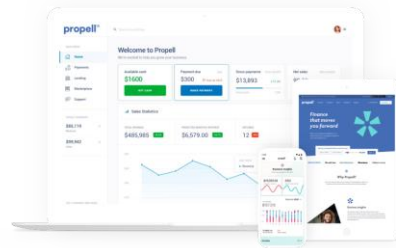
By accepting this Presentation you represent and warrant that you are entitled to receive the Presentation in accordance with the restrictions, and agree to be bound by the limitations, contained within it.

This Presentation has been prepared and is issued by Propell Holdings Limited ACN 614 837 099 (Propell or the Company) and is dated 11 April 2022

### Summary Information

This Presentation contains summary information about the Company and its activities current as at 11 April 2022. The information in this Presentation is of a general nature and does not purport to be complete nor does it contain all information which a prospective investor may require in evaluating a possible investment in the Company or that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act. The historical information in this Presentation is, or is based upon, information that has been released to the ASX. This Presentation should be read in conjunction with the Company's other periodic and continuous disclosure announcements lodged with the ASX, which are available at [www.asx.com.au](http://www.asx.com.au).

## Propell – The Finance Super App for Small Businesses



*The only multi-product financial services platform targeted at addressing all financial needs of Australian small business owners, in one simple app.*

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## Company Highlights

- \* **Multi-financial-product platform** targeted at **all needs of small business owners**, all in one simple app
- \* **1,700 businesses on the platform** and growing exponentially at >30% per quarter
- \* Working with **leading industry partners** like Square, Stripe, Zip to offer high quality finance solutions on one platform
- \* **Platform technology in place** to quickly launch new products for deeper customer base penetration
- \* **Pathway towards profitability** through scale, using highly automated processes and 100% digital experience

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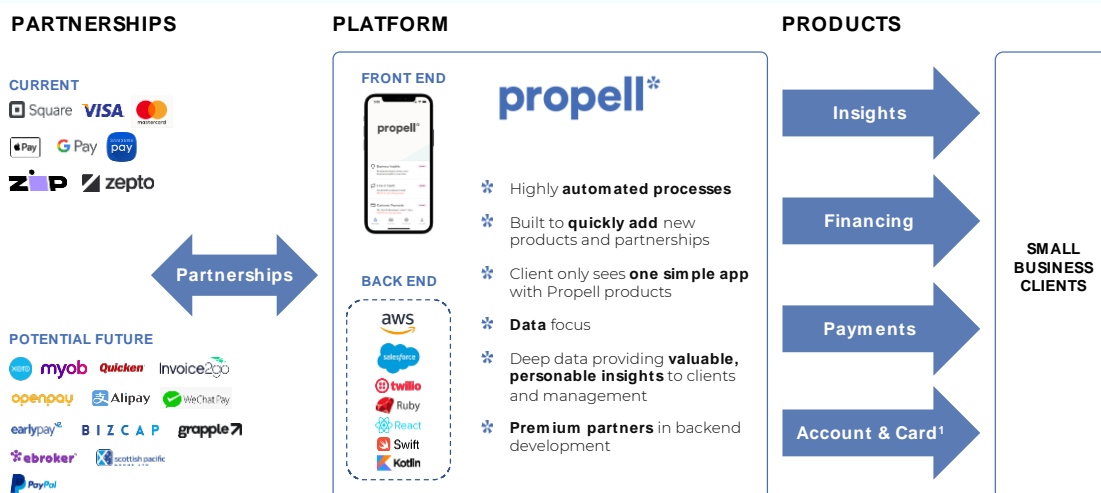
## Challenges for small business owners

| NEED               | TYPICAL PAIN POINTS   | CHALLENGES FOR SMALL BUSINESSES   |
|--------------------|---|---|
| Financial Insights | <i>"How healthy are my finances?"</i>                               | * Lack of financial knowledge   |
| Financing          | <i>"How do I finance this?"</i>                                     | * No time/resources   |
| Payments           | <i>"How can I make it easy for my customers to pay me quickly?"</i> | * Large banks cumbersome to deal with & don't understand small businesses       |
| Accounts & Cards   | <i>"How do I handle the daily ins and outs of my business?"</i>     | * Fintech's only provide limited product range each, leading to dispersed setup |
|                    |   | * Quick fixes (e.g. use of personal cards) can exacerbate problems              |

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## The platform addressing these challenges



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## How our Platform addresses customer needs

| NEED               | PAIN POINT   | PROPELL PRODUCT <sup>1</sup>  |
|--------------------|--|---|
| Financial Insights | "How healthy are my finances?"                               | <ul style="list-style-type: none"> <li>❖ Credit insights</li> <li>❖ Cash flow insights / trends</li> <li>❖ Payments, lending and transaction reporting</li> <li>❖ Product suggestion / placement</li> <li>❖ Accounting package integration</li> </ul>   |
| Financing          | "How do I finance it?"                                       | <ul style="list-style-type: none"> <li>❖ Line of credit (6/12 months)</li> <li>❖ Equipment financing</li> <li>❖ Overdraft</li> <li>❖ Invoice financing</li> <li>❖ Cash flow financing / Merchant Cash Advance</li> </ul>  |
| Payments           | "How can I make it easy for my customers to pay me quickly?" | <ul style="list-style-type: none"> <li>❖ Card (Visa, Mastercard, AMEX)</li> <li>❖ BNPL (Zip, Afterpay)</li> <li>❖ Mobile Terminal</li> <li>❖ Online payments</li> <li>❖ MOTO and In-App</li> <li>❖ Smart Terminal, SoftPOS, Crypto-processing</li> </ul>  |
| Card & Account     | "How do I handle the daily ins and outs of my business?"     | <ul style="list-style-type: none"> <li>❖ Transactional accounts</li> <li>❖ Virtual &amp; physical Debit &amp; Credit cards</li> <li>❖ Business expense management</li> <li>❖ Corporate card / spend control</li> <li>❖ Multi-banking</li> <li>❖ Smart Terminal, SoftPOS, Crypto wallet</li> </ul> |

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### BENEFITS

- ❖ All pain points addressed
- ❖ Fast & easy process
- ❖ One simple app
- ❖ 100% digital

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<sup>1</sup> Products in grey are yet to be launched

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## Case study – Jane's plumbing business

### MEET JANE...

- ❖ Owns plumbing business with 5 FTEs
- ❖ Just won big contract, needs to buy inventory now, but no cash on hand
- ❖ Management of her business is messy and distracting (but cash shortage is the burning need)



Credit: Prowess.org.uk

### 1. IMMEDIATE USER EXPERIENCE

- ❖ **5 mins sign-up** via app, all digital, no paperwork
- ❖ Business Pulse gathers info and provides her with **valuable immediate insights** (e.g. credit score)
- ❖ **Instant credit pre-approval**
- ❖ Money available **same day**

### 2. FOLLOW-ON USER EXPERIENCE

- ❖ Based on her data feed, **app suggests further products** e.g. payment options, account & card<sup>1</sup>
- ❖ Jane learns she can **address all her needs**, e.g.
  - ❖ Offer her clients multiple **payment options**
  - ❖ **Issue cards<sup>1</sup>** to her employees to manage expenses

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<sup>1</sup> feature in development

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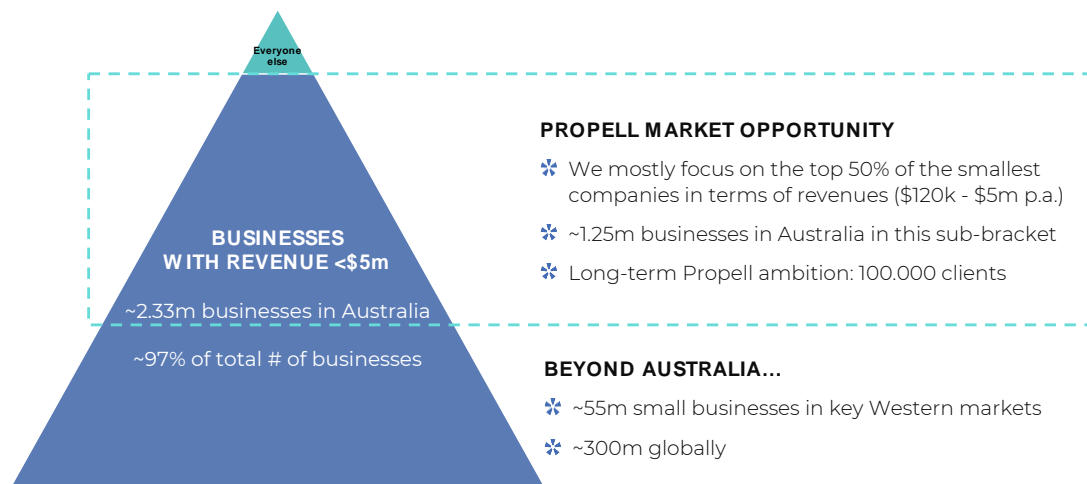


# Market Opportunity

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## Market opportunity



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Source: Australian Bureau of Statistics and own estimates

1 ABS report 8 65.0

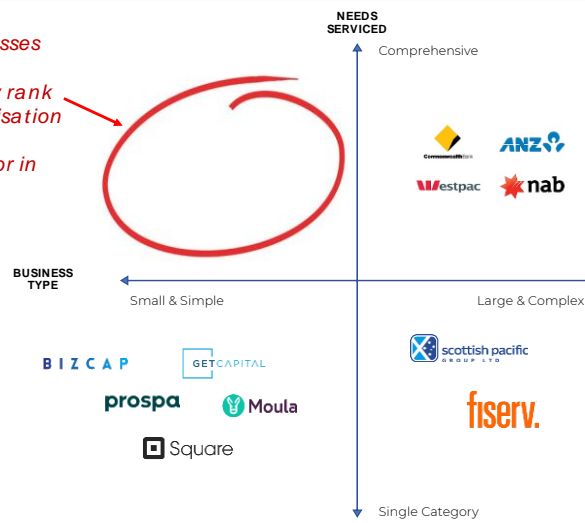
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## Competitive environment

*Millions of small businesses*

*Speed and accessibility rank above price and optimisation*

*Propell the sole operator in this space*



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## Company Update

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## Where we stand on our growth journey

### CUSTOMER

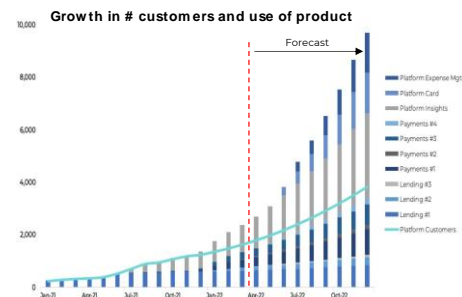
- \* **>1,700 clients** on the platform, ahead of plan & growing **exponentially** at >30% QoQ
- \* **Lending rising fast** and at attractive margins
- \* **Partnerships** and new acquisition channels to boost customer growth further

### PRODUCT

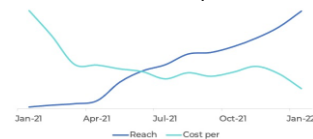
- \* **# products used per client** up and rising
- \* Revenue driven by finance product with several **new products** planned
- \* Every new product added can be **immediately sold** to all platform clients

### PROCESS

- \* **Fully automated processes** means scaling fast with very limited headcount added
- \* E.g. cost of acquiring one client has **reduced substantially** over past year



Decrease in customer acquisition cost



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## Revenue model

### PRODUCT RANGE

### CURRENT

### FUTURE

#### Financial Insights

FREE

- ❖ SaaS fees for premium insights and services

#### Financing

- ❖ Interest income from existing Line of Credit product

- ❖ Interest income from further financing products (overdraft, invoice, equipment financing)

*Main source of revenue for now*

#### Payments

- ❖ Processing fees on Cards
- ❖ BNPL
- ❖ Invoice payment

- ❖ Processing fees on new payment options (phone, international)
- ❖ Terminal sales fee

#### Card & Account

- [IN DEVELOPMENT]
- ❖ Transaction fees

- ❖ Subscription fees

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# Future Strategy

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## Where we want to go from here

### PLAN

#### CUSTOMER

- \* **Organic growth** at falling client acquisition cost
- \* Extra boost through **partnerships**

#### PRODUCT

- \* New **financing** products to grow lending book
- \* Business **account & cards**
- \* **SaaS** for premium insights and features
- \* Full **accounting integration** (Xero, MYOB, etc)
- \* Business **expense management**

#### PROCESS

- \* Cost efficiency & **scale through technology**
- \* **Cross-selling** of new products
- \* Smart use & monetisation of **data**

### GOALS

**100,000 clients in 5 years**

*..using a ...*

**Finance Super App**

*..provided by a ...*

**company that breaks even at a \$30-40m lending book and ready for US expansion**

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## Management team and board



**MICHAEL DAVIDSON**  
CEO

Michael found his passion for technology and small enterprise early in his career in Australia and UK. He has been CEO of a leading SME payments provider for 5 years, growing the business from mobile payments to in-store payments as well as expanding the alternative payment methods offering. Michael was integral in securing service provider deals with large Australian banks.



**BRETT WAYNE**  
CFO

Brett is a highly experienced and strategic finance executive having spent 25 years in the financial services and insurance sectors across Europe and Australia. Brett has a passion for fintech, mostly recently working for one of Australia's leading fintech companies overseeing multiple well known consumer brands.



**SHAWN LOY**  
CTO

Shawn has over 20 years' global experience in technology generating real business value through varying IT executive and management positions. He oversaw the launch of a new digital banking platform across three major clients, including core banking, internet banking and loan origination services and led the IT transformation at RACQ Bank.



**BEN HARRISON**  
EXECUTIVE CHAIRMAN

Ben has broad experience in advising and investing in companies. He is CIO of alternative asset manager Altor Capital. Ben has been instrumental in numerous successful exits and is actively involved at the board level of investee companies.



**JEREMY LOFTUS**  
DIRECTOR

Jeremy's experience spans more than 20 years & has included several ASX listed companies as well as multiple start-ups. Within a diverse range of sectors in Australia, he has contributed in early growth phases through to public listing & beyond, capturing opportunities in equity & debt funding to sustain high growth.

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## Investment thesis summary



Vast **market opportunity** with a proven demand for the product, evidenced by exponential growth in client numbers



**Unique positioning** in an underserved segment as sole provider of a finance super app



Significant past **investment in technology paying off** enabling us to onboard clients, products and partnerships quickly and efficiently, at scale



Successful **track record** around delivering on KPIs and product rollouts at or above plan



**Strategy and roadmap** clearly defined with multiple strategic opportunities

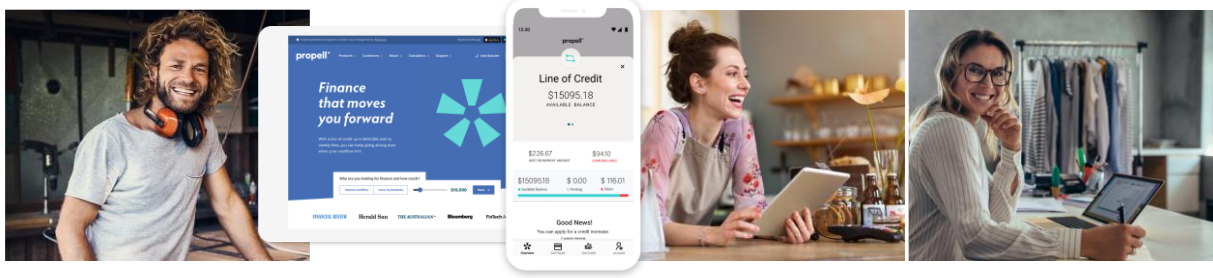
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# Thank you / Q&A

[propellme.com.au](https://propellme.com.au)



## **5. Risk factors**

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### **5.1 Introduction**

The activities of the Company, as in any business, are subject to risks which may impact on its future performance. The Company has appropriate actions, systems and safeguards for known risks, however, some are outside its control.

Prior to making any decision to accept the Offer, Eligible Shareholders should carefully consider the risk factors which the Company has previously disclosed (many of which are listed below), as well as those risks of which the Eligible Shareholder is aware or should be aware of through their own knowledge and enquiries.

Some of the risks may be mitigated by the Company using safeguards and appropriate systems and taking certain actions. However, as noted above and previously, some of the risks are outside the control of the Company and are not capable of mitigation. There are also general risks associated with any investment in shares.

The risks listed below (and previously disclosed by the Company) should not be taken as exhaustive of the risks faced by the Company. Factors other than those listed may in the future materially affect the financial performance of the Company and the value of the New Shares. Eligible Shareholders should read this Offer Document in its entirety and consult their stockbroker, accountant or other professional advisor without delay before deciding whether to accept the Offer.

### **5.2 General risks**

The New Shares that are to be issued pursuant to the Offer are speculative because of the nature of the business of the Company. The value of shares can go up as well as down and a dividend may or may not be paid in the future, depending on the Company's operating successes. As the holding of the Company's securities can involve certain risks, Eligible Shareholders in doubt as to the course they should follow should consult their stockbroker, accountant or other professional advisor without delay.

A summary of the major general risks are described below:

#### ***Nature of investment***

Any potential investor should be aware that subscribing for New Shares involves risks. The New Shares to be issued pursuant to this Offer carry no guarantee with respect to the payment of dividends, return on capital or the market value of those New Shares. An Applicant may not be able to recoup his or her initial investment. More specifically, the risks are that:

- (a) the price at which the Applicant is able to sell the New Shares is less than the price paid due to changes in market circumstances;
- (b) the Applicant is unable to sell the New Shares; and
- (c) the Company is placed in receivership or liquidation making it reasonably foreseeable that Shareholders could receive none, or only some of their initial investment.

#### ***Stock market***

The New Shares may trade on the ASX at higher or lower prices than the Issue Price following listing. Investors who decide to sell their New Shares after listing may not receive the entire amount of their original investment.

The Shares are currently listed on the ASX. However, there can be no guarantee that there is or will be an active market in the Shares or that the price of the New Shares will increase.

The price at which the New Shares trade on the ASX may be affected by the financial performance of the Company and by external factors over which the Directors and the Company have no control. These factors include movements on international share markets, local interest rates and exchange rates, domestic and international economic conditions, government taxation, market supply and demand and other legal, regulatory or policy changes.

#### ***Economic factors***

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions including the levels of consumer confidence and spending, business confidence and investment, employment, inflation, interest rates, exchange rates, access to debt and capital markets, fiscal policy, monetary policy and regulatory policies. A prolonged deterioration in any number of the above factors may have a material adverse impact on the Company's business and financial performance.

#### ***Management actions***

The Directors will, to the best of their knowledge, experience and ability (in conjunction with their management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its securities.

#### ***Unforeseen expenses***

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

#### ***Additional capital requirements***

The Company's ability to effectively implement its business strategy over time may depend in part on its ability to raise additional funds. There can be no assurance that any such equity or debt funding will be available to the Company on favourable terms or at all. If adequate funds are not available on acceptable terms, the Company may not be able to take advantage of opportunities or otherwise respond to competitive pressures.

#### ***Regulatory risk, Government policy***

Changes in relevant taxation, interest rates, other legal, legislative and administrative regimes and Government policies in Australia, may have an adverse affect on the assets, operations and ultimately the financial performance of the Company and the market price of its securities.

### **5.3 Risks specific to an investment in the Company**

In addition to the general risks noted in section 5.2, Eligible Shareholders should be aware of risks specific to an investment in the Company, which may include, but are not limited to the following:

#### ***Customers Failing to Repay their Financial Obligations to the Company***

The Company's lending technology, software and product (together, the **Lending Product**) derives its revenue and cash flows from receiving the interest and any other fees owing under the finance agreements with the Propell customers. If Propell's customers do not fulfil their financial obligations, the Company may experience a decrease in revenue, increase expenses



(impairment and funding costs), and/or resulting in a decrease in operating cash flows received.

The effect of Customers failing to repay their financial obligations to the Company could have potential flow on effects regarding the Company's ability to repay Altor Capital Management Pty Ltd ACN 616 053 653 (**Altor** or the **Lender**) under the relevant funding arrangements.

***Default or breaches under the Company's Funding Arrangements leading to loss of current available funding***

The Company has current funding arrangements with the Lender (**Funding Arrangements**), which requires Propell to comply with certain obligations and restrictions. If Propell does not comply with its obligations (whether as a result of its own actions or arising from factors outside of Propell's control), Propell may:

- (1) be unable to draw on the loan agreement between the Company and the Lender to originate new loans or extend existing loans; and
- (2) be in default under the terms of the Funding Arrangements and be required by the Lender to repay any outstanding amounts immediately.

This would have a material impact to Propell's revenue, overall financial position, impact growth and the value of the Shares and potentially Propell's ability to operate. In particular, the Company's ability to offer the Lending Product would be adversely affected.

The Company is actively pursuing potential back-up or replacement funding arrangements should additional or alternate funding be required to operate the business.

***Inability to Access Alternative Debt Funding on Favourable Terms***

The loss or material limitation to one or more of Propell's funding sources (including the Funding Arrangements with Altor) may limit Propell's ability to write new loans and continue to fund current loans under the Lending Product. If Propell fails to maintain its current Funding Arrangements, the Company would be required to seek out alternative debt funding in order to continue to offer the Lending Product to current customers. Further, in order to expand the Company's loan book to new customers, it will require additional loan funds either from Altor under the Funding Arrangements or from a third party. There is no guarantee that Propell will be able to access alternative funding and accordingly there is a risk that this may have a material impact on Propell's ability to offer the Lending Product.

Additionally, if Propell receives alternative funding, there is no guarantee that such funding arrangements will be on the same or similar terms to the current Funding Arrangement with Altor. In circumstances where Propell is required to enter into alternative funding arrangements which are not considered to be on favourable terms to the Company, Propell's profitability and its ability to provide loans (and therefore generate revenue) in the future may be adversely affected.

Further, the potential increase in costs of funding and loss of revenue may also mean that Propell's capital requirement may need to increase to fund loans. If Propell is unable to fund loans, existing customers and new customers may move to a competitor which may adversely affect the financial performance of the Company.

***Defects with the Propell Platform and credit assessment tool***

As the Company's digital banking platform (**Platform**) is complex, there may be errors or defects identified and/or experience by customers or users of the Platform which could harm the Company's reputation and business. Web and App-based products frequently contain undetected errors when first introduced or when new versions or enhancements are released.

This may affect the retention of customers and attraction of new customers and impact the financial performance of the Company.

### ***Future Capital Risk***

As a fast-growing business, Propell is likely to require additional debt and equity capital in the future to pursue business objectives and respond to business opportunities, challenges or unforeseen circumstances. Propell's growth initiatives include growth of the loan book, technology investment, new product offerings, and further funding for the Company's expansion. Whilst some of the proceeds raised from the Offer will be utilised for this, further funding is expected to be required to achieve the Company's objectives. A failure to raise incremental debt and/or equity capital in the medium term could have a material adverse effect on Propell's business, financial condition, operating and financial performance, and/or growth.

### ***Credit Assessment Risks***

There is a risk that Propell's credit systems and process will not produce an accurate evaluation of a customer's credit risk.

This may be as a result of inaccuracy of data provided by third parties, human error by a credit officer or other employee, software bugs, technological failures, software errors, and incorrectly understood statistical evaluations/algorithm errors. If the above risks eventuate, this may impact the ability of Propell's customers to comply with their financial obligations, which could in turn impact Propell's obligations to its financier. This could have a material effect on Propell's financial performance and ultimately the value of Shares.

### ***Regulatory compliance and changes to the regulatory environment***

Propell is subject to a range of laws, regulations and industry compliance requirements in the jurisdictions in which it currently operates. Failure to comply with laws, regulations and industry compliance requirements (including in other jurisdictions in which Propell may operate in the future), or appropriately respond to any changes, could adversely impact Propell's reputation and financial performance.

### ***Development of new products and services***

When developing a new product or service, the Company may encounter delays in development, an inability to create a cost-effective commercial product or a lack of support by new or existing customers for the product or service. There is no guarantee that any newly developed product or service will be successful or profitable in either of the Company's business lines.

Furthermore, research and development are often uncertain and there is a risk that investment in a new development may yield unexpected results, no results or negative results. There is a risk that investment in research and development may not generate an above-cost return.

### ***Competitive Market with a Range of Alternative Products***

The lending sector is a very competitive market as there are a variety of alternative lending solutions. In addition to other online balance sheet and marketplace lenders, the Company also competes with bank loans, debtor financing, equipment financing, credit cards and invoice financing.

There is the possibility that an alternative small business financing solution may have access to lower funding costs, greater scale and resource benefits, and may offer a product that is better priced which could adversely affect the Company's competitiveness. The Company's direct competitors include other FinTech or online lending businesses who may look to take market share from the Company through aggressive marketing.

### ***Reliance on Third Parties and Contractual Risk***

The operations of the Company are supported by various material contracts with key third-parties. The success of the Company's operations is heavily reliant upon the counterparties to its material contracts continuing to meet their obligations under those contracts. The failure of counterparties to perform their obligations as prescribed in the material contracts, or the termination of the material contracts, may have an adverse impact upon the financial performance of the Company.

The Company relies on the payment processing capability of a number of third parties. These third parties provide clearing and settlement services. Failure of these third parties or termination of commercial agreements with these third parties may have an adverse impact on the ability of the Company's products to service customers and generate revenue.

### ***Economic Factors and COVID-19***

General economic conditions (both domestically and internationally), long-term inflation rates, exchange rate movements, interest rate movements and movements in the general market for ASX and internationally listed securities may adversely affect the market price of the Company's Shares.

The full impact of the COVID-19 pandemic is inherently uncertain and there is a risk that the economic and financial markets and business conditions could further weaken. This could result in borrower default on existing loans. There is a risk that worsening economic conditions driven by COVID-19 could impact on the demand for Propell's products. This could impact Propell's future financial performance and the price or value of the Shares.

### ***Security breaches***

A malicious attack on any of the Company's systems, processes or people from external or internal sources may put customer data and technologies used to run the Platform at risk. Any unidentified vulnerability could make any of the Company's Platforms unavailable for an unspecified period of time, which may significantly impact the operations of the company and affect its operating and financial performance. The Company may also incur scrutiny as well as financial and/or operating penalties from regulators.

The Company has existing policies and procedures in respect of security procedures, automated and manual protections, encryption systems and staff screening to minimise the risk of a security breach. If the Company's efforts to combat any malicious attack are unsuccessful or if the Platform has actual or perceived vulnerabilities, the Company's business reputation and brand name may be harmed, which may have a material adverse effect on the Company's operational and financial performance.

### ***Protection of intellectual property***

There is a risk that Propell's intellectual property may be compromised in a number of ways, including through unauthorised use or copying of Propell's software. In addition, there is a risk that the validity, ownership or authorised use of intellectual property relevant to Propell's business may be challenged by third parties.

Any such breaches or the introduction of competing technologies could take away from Propell's competitive position, which could have a material adverse impact on Propell's business and financial performance.

### ***Rate of Propell Customer adoption, ability to scale and key personnel***

The ability of Propell to increase revenue and achieve profitability is dependent on its ability to scale its business in its key markets.

The ability to scale Propell's business is dependent on a number of factors, including its ability to onboard new SMEs, attract new customers and encourage repeat business and develop new technologies to enhance customer experience. Failure to expand in this way may materially and adversely impact Propell's ability to increase revenue, achieve economies of scale, optimize its systems and expand its operations, all of which may have a negative impact on Propell's profitability.

Propell relies heavily on its existing key management personnel and the departure of key management personnel could negatively affect Propell's ability to effectively execute its growth strategy and affect future operating and financial performance. In addition, Propell is reliant upon growing its staff numbers in order to maintain and develop its product and services.

### ***Loss of Customers***

In addition, to attracting new customers through marketing and adoption strategies, the revenue of the Company is dependent upon customers and their continued use of the Platform. Accordingly, the Company must ensure that its customers continue to use the Platform for current and future product offerings by the Company. If the Company fails to retain its customers, this is likely to affect the financial performance of the Company.

### ***Limited trading history***

Although the Company believes that its proposed operations and business model will be successful on the basis of its success to date, the experience of its key personnel in the industry and the key areas of differentiation between Propell and its competitors, the Company is a start-up company with limited trading history and any number of factors could adversely affect the operations and business model of Propell.

Shareholders should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for the New Shares.

## **6. Additional information**

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### **6.1 Section 708AA Corporations Act**

Propell is a disclosing entity and therefore subject to regular reporting and disclosure obligations under the *Corporations Act*. Under those obligations, the Company is obliged to comply with all applicable continuous disclosure and reporting requirements in the Listing Rules.

This Offer is being undertaken pursuant to section 708AA of the *Corporations Act*. This section enables disclosing entities to undertake a rights issue in relation to securities in a class of securities which has been quoted by ASX at all times during the 12 months before the date of the Offer. Apart from formal matters a notice under section 708AA(2)(f) need only:

- (a) contain information that is excluded information as at the date of the Offer Document pursuant to section 708AA(8) and (9); and
- (b) state:
- (c) the potential effect the issue of the New Shares will have on the control of the Company; and
- (d) the consequences of that effect.

A notice under section 708AA(2)(f) was lodged with the ASX on 20 April 2022.

### **6.2 Expenses of the Offer**

All expenses connected with the Offer are being borne by the Company. Total expenses of the Offer are estimated to be in the order of \$0.26m (assuming that the Offer is fully subscribed).

In addition, the Company may if it deems it necessary for the placement of any Entitlement Shortfall Shares, pay stockbrokers' fees which will be equal to a percentage of the Issue Price (including GST) of New Shares issued under the Entitlement Shortfall.

### **6.3 Rights and liabilities attaching to New Shares**

The New Shares will have from issue the same rights attaching to all existing Shares on issue.

The rights attaching to ownership of the New Shares are set out in the Company's Constitution, a copy of which is available for inspection at the registered office of the Company during business hours.

This Offer Document does not contain a summary of the principal rights and liabilities of holders of the New Shares.

### **6.4 Privacy**

By submitting an Entitlement and Acceptance Form for shares you are providing to the Company personal information about yourself. If you do not provide complete and accurate personal information, your application may not be able to be processed.

The Company maintains the register of members of the Company through Link Market Services an external service provider. The Company requires Link Market Services to comply with the National Privacy Principles with performing these services. The Company's register is required under the Corporations Act to contain certain personal information about you such as your name and address and number of shares and options held. In addition the Company

collects personal information from members such as, but not limited to, contact details, bank accounts and membership details and tax file numbers.

This information is used to carry out registry functions such as payment of dividends, sending annual and half yearly reports, notices of meetings, newsletters and notifications to the Australian Taxation Office. In addition, contact information will be used from time to time to inform members of new initiatives concerning the Company.

The Company understands how important it is to keep your personal information private. The Company will only disclose personal information we have about you:

- (a) when you agree to the disclosure;
- (b) when used for the purposes for which it was collected;
- (c) when disclosure is required or authorised by law;
- (d) to other members in the Propell group of companies;
- (e) to your broker;
- (f) to external service suppliers who supply services in connection with the administration of the Company's register such as mailing houses and printers, Australia Post and financial institutions.

You have the right to access, update and correct your personal information held by the Company and Link Market Services, except in limited circumstances. If you wish to access, update or correct your personal information held by Link or by the Company please contact our respective offices.

The Lead Manager, Reach Markets, have their own privacy policy which can be viewed here - <https://reachmarkets.com.au/privacy-reach/>, along with their Financial Services Guide, available here - <https://reachmarkets.com.au/financial-services-guide>.

If you have any questions concerning how the Company handles your personal information please contact the Company.

## **6.5 Consents and disclaimers**

Written consents to the issue of this Offer Document have been given and at the time of this Offer Document have not been withdrawn by the following parties:

Link Market Services Limited has given and has not withdrawn its consent to be named in this Offer Document as the Share Registry of the Company in the form and context in which it is named. It has had no involvement in the preparation of any part of this Offer Document other than recording its name as share registrar to the Company and it takes no responsibility for any part of the Offer Document other than the references to its name.

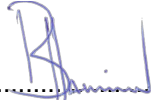
Reach Markets Pty Ltd has given and has not withdrawn its consent to be named in this Offer Document as the Lead Manager of the Offer in the form and context in which it is named. It has had no involvement in the preparation of any part of this Offer Document other than recording its name as Lead Manager to the Offer and it takes no responsibility for any part of the Offer Document other than the references to its name

HopgoodGanim Lawyers has given and has not withdrawn their consent to be named in this Offer Document as legal advisers to the Company in the form and context in which they are named. They take no responsibility for any part of the Offer Document other than references to their name.

6.6 **Directors' statement**

This Offer Document is issued by Propell Holdings Limited. Each director has consented to the lodgement of the Offer Document with ASX.

Signed on the date of this Offer Document on behalf of Propell Holdings Limited by:



.....  
Benjamin Harrison  
Director

## 7. Definitions and glossary

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Terms and abbreviations used in this Offer Document have the following meaning:

|  |   |
|--|---|
| <b>Acceptance</b>                      | An acceptance of Entitlements   |
| <b>Additional New Share</b>            | A New Share issued to an Eligible Shareholder in excess of their Entitlement  |
| <b>Applicant</b>                       | A person who submits an Entitlement and Acceptance Form   |
| <b>Application Money</b>               | The Issue Price multiplied by the number of New Shares applied for  |
| <b>ASX</b>                             | ASX Limited ACN 008 624 691   |
| <b>ASX Settlement Operating Rules</b>  | The operating rules of ASX Settlement Pty Ltd   |
| <b>Board</b>                           | The board of Directors of the Company   |
| <b>CHESS</b>                           | means the Clearing House Electronic Sub-register System, an automated transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in paperless form. |
| <b>Closing Date</b>                    | The date by which valid acceptances must be received by the Share Registrar being 5.00pm (Sydney time) 19 May 2022 or such other date determined by the Board   |
| <b>Company or Propell</b>              | Propell Holdings Limited ACN 614 837 099  |
| <b>Constitution</b>                    | The Constitution of the Company   |
| <b>Corporations Act</b>                | <i>Corporations Act 2001</i> (Cth)  |
| <b>Directors</b>                       | The Directors of the Company  |
| <b>Eligible Shareholder</b>            | A shareholder of the Company that holds shares in the Company on the Record Date whose registered address is located in a Permitted Jurisdiction, and otherwise as described in section 1.3                 |
| <b>Entitlement and Acceptance Form</b> | An entitlement and acceptance form in the form attached to this Offer Document  |
| <b>Entitlement Shortfall</b>           | The pool of New Shares not taken up under this Offer Document from which Additional New Shares may be issued to Eligible Shareholders   |
| <b>Entitlement Shortfall Shares</b>    | Those New Shares comprising the Entitlement Shortfall   |
| <b>Entitlements</b>                    | The entitlement to accept New Shares under this Offer Document  |
| <b>Existing Options</b>                | All existing options to subscribe for Shares currently on issue as at the date of this Offer Document   |
| <b>Ineligible Shareholder</b>          | A Shareholder who is not an Eligible Shareholder  |
| <b>Offer or Offer</b>                  | The offer and issue of New Shares in accordance with this Offer Document  |
| <b>Issue Price</b>                     | \$0.058 for each New Share applied for  |
| <b>Listing Rules</b>                   | The official listing rules of the ASX   |



|                                      |   |
|--------------------------------------|---|
| <b>New Shares</b>                    | Shares proposed to be issued under the Offer  |
| <b>Offer Document</b>                | This Offer Document dated 29 April 2022 as modified or varied by the Company  |
| <b>Opening Date</b>                  | The date of commencement of the Offer, expected to be 29 April 2022   |
| <b>Option Holders</b>                | The holders of the Existing Options   |
| <b>Options</b>                       | Options on issue in the Company from time to time   |
| <b>Permitted Jurisdictions</b>       | Australia and New Zealand   |
| <b>Placement</b>                     | A placement by the Company of approximately 25 million Shares to institutional investors at the Issue Price, raising approximately \$1.36 million |
| <b>Reach Markets</b>                 | Reach Markets Pty Ltd ACN 145 312 232   |
| <b>Record Date</b>                   | 27 April 2022   |
| <b>Register</b>                      | The company register of Propell   |
| <b>Relevant Interest</b>             | Has the meaning given to that term in the <i>Corporations Act</i>   |
| <b>securities</b>                    | Has the same meaning as in section 92 of the <i>Corporations Act</i>  |
| <b>Share Registry or Link Market</b> | Link Market Services Limited ACN 083 214 537  |
| <b>Shares</b>                        | The ordinary shares on issue in the Company from time to time   |
| <b>Shareholder or Shareholders</b>   | The holders of Shares from time to time   |
| <b>Shortfall Election</b>            | An election by an Eligible Shareholder that it wishes to take up Additional New Shares  |
| <b>Top Up Facility</b>               | The facility described in section 1.2 under which Eligible Shareholders may apply for Additional New Shares                                       |
| <b>US Securities Act</b>             | The US Securities Act of 1933, as amended   |

## Corporate directory

| Directors  | Legal Advisers  |
|--|---|
| Benjamin Harrison<br>Michael Davidson<br>Jeremy Loftus   | HopgoodGanim Lawyers<br>Level 8 Waterfront Place<br>1 Eagle Street<br>Brisbane QLD 4000 |
| Administration and Registered Office   | Share Registry  |
| Level 2, 307 Queen Street,<br>Brisbane QLD 4000<br>Tel: 1300 804 091<br>Email: <a href="mailto:info@propellme.com.au">info@propellme.com.au</a><br>Website: <a href="http://www.investor.propellme.com.au">www.investor.propellme.com.au</a>                                 | Link Market Services<br>Level 21, 10 Eagle Street,<br>Brisbane QLD 4000                 |
| Lead Manager   | Underwriter   |
| Reach Markets Pty Ltd<br>Level 7, 440 Collins Street<br>Melbourne VIC 3000<br>Tel: 1300 805 795<br>Email: <a href="mailto:advisers@reachmarkets.com.au">advisers@reachmarkets.com.au</a><br>Website: <a href="https://reachmarkets.com.au/">https://reachmarkets.com.au/</a> | N/A   |