

Commitments received for additional placement & finalisation of existing convertible note facility

Key highlights:

New Placement

- Following the completion of the recent Placement and SPP, new applications have been received for approximately \$163k to be filled by a New Placement to existing sophisticated investor shareholders on the same terms as the SPP
- The New Placement allowed all applicants under the SPP to receive their full entitlement and avoid scale-back
- The Company has raised a combined total of \$1.5m across its recent raisings
- Greater than 80% of funds raised have come from existing shareholders, demonstrating confidence in the Company's progress and plans

Existing Convertible Note Facility

- Following the successful capital raisings the board has decided to finalise the existing convertible note facility at \$2.3m.

Propell Holdings Limited (ASX: PHL) (**the Company**), is pleased to announce that following the completion of the placement announced on 18 December 2023 (**Placement**) and the Share Purchase Plan (**SPP**) announced on 23 January 2024, the Company has received applications totalling circa \$163k, which will be filled by a new placement (**New Placement**) on the same pricing terms.

This Placement completes a successful capital raising campaign, initiated in December 2023, that finishes with the Company securing capital above expectations with circa \$1.5m in new funds before costs.

Propell CEO, Michael Davidson said,

“We have received tremendous support from our shareholders, including Directors, current shareholders and new shareholders alike. Our existing shareholders have contributed greater than 80% of funds raised, and created the demand for this additional placement, which we believe demonstrates confidence in both the progress we have made, and our plans moving forward.

“The successful completion of this raise puts us on a solid footing to pursue our plans to transition to monthly EBITDA positive during H2 FY2024.”

The Company intends to issue approximately 16.3m new shares (**New Shares**) under its available 7.1 15% placement capacity to existing shareholders that are sophisticated investors, none of whom are Related Parties as defined under Chapter 19 of the Listing Rules.

Participants in the New Placement agreed to withdraw their applications under the SPP, allowing all other shareholders who applied under the SPP to receive their full allocation.

Shares issued in relation to the New Placement are expected to be allotted on Wednesday, 21 February 2024 and commence trading on Thursday, 22 February 2024.

There was no lead manager in relation to the New Placement, and no fees or commissions will be paid on the monies raised.

The Company will lodge an Appendix 3B in relation to the New Placement and an Appendix 2A following the allotment of the associated shares to apply for their quotation.

Finalisation of existing convertible note

The Company announced that it had entered into a Convertible Note Deed on 11 July 2022 which was subsequently approved by shareholders at a general meeting held on 24 August 2022, with a facility limit of \$2.8m, of which to date \$2.3m has been drawn. Following the success of the recent capital raisings through which the Company has raised a combined total of \$1.5m before costs, the board has determined to finalise the Convertible Note Facility at the existing drawn amount of \$2.3m. The Company will consequently formally issue a Convertible Note certificate for \$2.3m and the associated number of Bonus and Arranger Options (**Options**) based pro rata on the drawn amount being:

Bonus Options: 16,100,000 ex \$0.10, expiring 30 September 2024

Arranger Options: 2,300,000 ex \$0.10, expiring 30 September 2025

The details of the Convertible Note Facility and the associated Options are set out in the notice of meeting released 22 July 2022, with the Bonus Options and Arranger Options being re-approved on the same terms at the 2023 Annual General Meeting held 28 November 2023 per the notice of meeting released 26 October 2023.

The Company will lodge an Appendix 3B and an Appendix 3G in relation to the Convertible Note and the Options.

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

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About Propell

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

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

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

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

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