

Plenti Lending Platform

Annual Report - 31 March 2022

ARSN 169 500 449

Responsible entity

Plenti RE Limited
(the "Responsible Entity")
ACN: 166 646 635

Registered office

Level 5, 14 Martin Place
Sydney NSW 2000
Australia

Custodian

Australian Executor Trustees Limited
ACN: 007 869 794

Perpetual Corporate Trust Limited
ACN: 000 341 533

Auditor

Grant Thornton Audit Pty Ltd
ACN: 130 913 594

Plenti

plenti.com.au

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Directors' report

The directors of Plenti RE Limited (the "Directors") submit the annual financial report (the "Financial Report") of the Plenti Lending Platform (the "Trust") for the financial year ended 31 March 2022. In order to comply with the provisions of the Corporations Act 2001 the Directors report as follows:

Directors

The names of the Directors of the Responsible Entity who held office during or since the end of the year are:

- Daniel Robert Foggo
- Benjamin Henry Milsom
- Glenn Nicholas Riddell

A brief summary of the experience of each Director is provided below.

Daniel founded Plenti and has acted as CEO since its inception. Prior to that, he worked in investment banking for over a decade, including at Rothschild in London and at Barclays in Sydney. Daniel was a co-founding director of PartPay, a buy-now-pay-later business, which was acquired by Zip Co Limited in 2019. He has been recognised for his achievements in the fintech industry, being named the Fintech Leader of the Year at the inaugural Australian Fintech Awards in 2016 and Fintech Entrepreneur of the Year at the Australian Fintech Business Awards in 2017. Daniel holds a Bachelor of Commerce, Economics (Honours) and a Master of Business, Finance (Distinction) from the University of Otago.

Ben joined Plenti as a co-founder in April 2014 and in April 2018 was appointed to his current position as Chief Commercial Officer responsible for key commercial relationships. Ben has diverse experience in financial services and online strategy, and is well-practised in high-growth digital ventures. Prior to joining Plenti, Ben was a principal at Boston Partners providing advisory services in digital strategy, marketing and online product development. Ben holds a Bachelor of Laws (Honours) and a Bachelor of Engineering (First Class Honours) in Computer Systems. Ben is admitted as a Barrister and Solicitor of the High Court of New Zealand.

Glenn joined Plenti as a co-founder and Chief Operating Officer in April 2014. Glenn has broad experience in building and advising disruptive finance platforms, and was named FinTech CTO/CIO of the year at the inaugural Australian Fintech Awards in 2016. Prior to joining Plenti, Glenn was a principal at Boston Partners providing advisory services in digital strategy, marketing and online product development. Glenn holds a Bachelor of Commerce and a Master of Commerce (First Class Honours) in Economics.

Principal activities

The Trust is a registered managed investment scheme domiciled in Australia.

The principal activity of the Trust is to facilitate the investment of funds in accordance with the provisions of the constitution of the Trust (the "Constitution") and the product disclosure statement relating to the Trust (the "PDS"). Funds are invested via the provision of loans to Australian consumers. Loans are for terms from six months to seven years and are most commonly for amounts less than \$50,000.

The Trust did not have any employees during the year.

Financial year

This report is for the financial year ended 31 March 2022.

Review and results of operations

Results

The results of the operations of the Trust are disclosed in the statement of profit and loss and other comprehensive income of these financial statements. The change in net assets attributable to members of the Trust ("Members") after providing for distributions for the year to 31 March 2022 was a reduction of \$77,306,495, while 2021 was a reduction of \$2,701,602.

Fees paid to and interests held in the Trust by the Responsible Entity or its Associates

Fees paid to the Responsible Entity and its associates out of the Trust's property during the year are set out in the statement of profit and loss and other comprehensive income and further explained in note 3 and 12 to the financial statements.

No fees were paid out of the Trust's property to the Directors of the Responsible Entity during the year.

The interests in the Trust held by the Responsible Entity or its associates as at the end of the year are disclosed in note 12 to the financial statements.

Interests in the Trust

The movement in units on issue in the Trust during the year is disclosed in note 5 to the financial statements. The value of the Trust's financial instruments is disclosed in the statement of financial position and is derived using the bases set out in note 1 to the financial statements.

Distribution

The distribution for the year was \$12,580,800 (2021: \$18,750,064).

Performance

The performance for the year was as follows:

| | 2022 \$ | 2021 \$ |
|------------------|------------|------------|
| Operating profit | 12,580,800 | 18,750,064 |

Change in state of affairs

The PDS was updated on 22 December 2021 to include revisions on how:

- Plenti's fees are described including the fees investors may be required to pay to Plenti in relation to their investment in the Scheme;
- Interest accrues on the loan amount on a monthly basis;
- The basis and assumptions on which interest rates are displayed;
- How investors may receive their investment in a loan back earlier than anticipated (including making clear that borrowers may make equal repayments on their loans on a weekly, fortnightly or monthly instalment basis; and that borrowers may make additional repayments at their discretion);
- Early access to fund will be granted where the amount of funds exceeds the minimum amount set by Plenti;
- Plenti may disclose or reduce an investment market, at its discretion, and the scenarios and implications that may arise for the investors a result of such action;
- For investors with offshore or dual tax residency, Plenti RE may withhold amounts from an investor's returns if required by tax law.

In the opinion of the Directors other than those aforementioned, there were no other significant changes in the state of affairs of the Trust that occurred during the year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 March 2022 that has significantly affected, or may significantly affect the Trust's operations, the results of those operations, or the Trust's state of affairs in future financial years.

Future developments

The Directors of the Responsible Entity anticipate the Trust will continue to remain an important source of funding for loans originated by Plenti into the future and that a material volume of loans will be funded annually on the platform.

Options granted

No options were:

- i. granted over unissued units in the Trust during or since the end of the year; or
- ii. granted to the Responsible Entity or any of its Directors or officers.

No units were issued in the Trust during or since the end of the year as a result of the exercise of an option over unissued units in the Trust.

Indemnification of officers of Responsible Entity and auditors

The Responsible Entity is entitled to be indemnified by the Trust provided the Responsible Entity acts in accordance with the Trust's Constitution and the Corporations Act 2001 (Cth). The Responsible Entity remains indemnified for liabilities or expenses incurred while performing or exercising any of its powers, duties or rights in relation to the Trust. The Directors of the Responsible Entity are entitled to be indemnified under a Deed of Access, Indemnity and Insurance entered into between the Responsible Entity and each director.

The auditors are in no way indemnified out of the assets of the Trust.

No insurance premiums are paid out of the Trust's assets in relation to insurance cover for the Responsible Entity, the Responsible Entity's officers and employees, the compliance committee or the auditors of the Trust.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Daniel Robert Foggo
Director

24 June 2022
Sydney

Auditor's independence declaration



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Auditor's Independence Declaration

To the Directors of Plenti RE Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Plenti Lending Platform for the year ended 31 March 2022, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton Audit Pty Ltd
Chartered Accountants

M A Adam-Smith
Partner – Audit & Assurance

Sydney, 24 June 2022

Grant Thornton Audit Pty Ltd ACN 130 913 594
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Liability limited by a scheme approved under Professional Standards Legislation.

Statement of profit or loss and other comprehensive income

For the year ended 31 March 2022

| | Note | 2022 \$ | 2021 \$ |
|---|------|---------------------|---------------------|
| Revenue | 2 | 27,967,407 | 32,591,649 |
| Impairment loss | 3 | (13,956,313) | (11,594,668) |
| Responsible Entity fees | 3 | (1,426,072) | (2,240,669) |
| Other expenses | 3 | (4,222) | (6,248) |
| Total operating expenses | | (15,386,607) | (13,841,585) |
| Operating profit | | 12,580,800 | 18,750,064 |
| Distributions paid and payable | 6 | (12,580,800) | (18,750,064) |
| Profit before income tax expense | | - | - |
| Income tax expense | | - | - |
| Profit after income tax expense for the year | | - | - |
| Other comprehensive income for the year, net of tax | | - | - |
| Total comprehensive income for the year | | - | - |

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

As at 31 March 2022

| | Note | 2022 \$ | 2021 \$ |
|---|------|--------------------|--------------------|
| Assets | | | |
| Cash and cash equivalents | | 27,601,590 | 23,459,103 |
| Loan receivables | 7 | 202,119,917 | 282,840,371 |
| Trade and other receivables | 8 | 597,631 | 159,949 |
| Total assets | | 230,319,138 | 306,459,423 |
| Liabilities | | | |
| Trade and other payables | 9 | 4,101,393 | 2,935,183 |
| Total liabilities (excluding net assets attributable to Members) | | 4,101,393 | 2,935,183 |
| Net assets attributable to Members | | 226,217,745 | 303,524,240 |

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the year ended 31 March 2022

| | Issued capital \$ | Reserves \$ | Total equity \$ |
|---|----------------------|----------------|--------------------|
| Balance at 1 April 2021 | - | - | - |
| Profit after income tax expense for the year | - | - | - |
| Other comprehensive income for the year, net of tax | - | - | - |
| Total comprehensive income for the year | - | - | - |
| Balance at 31 March 2022 | - | - | - |

The above statement of changes in equity is reported in accordance with AASB 132 Financial Instruments: Presentation. Member funds are classified as a liability and accordingly the Trust has no equity for financial statement purposes.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 31 March 2022

| | Note | 2022 \$ | 2021 \$ |
|---|------|---------------------|---------------------|
| Cash flows from operating activities | | | |
| Investment income received | | 14,011,094 | 20,996,981 |
| Provision Fund compensation received | | 13,956,313 | 11,594,668 |
| Payments of operating expenses | | (15,386,607) | (13,841,585) |
| Capital proceeds from investments | | 81,448,983 | 14,307,025 |
| Net cash from operating activities | 10 | 94,029,783 | 33,057,089 |
| Net cash from investing activities | | | |
| | | - | - |
| Cash flows from financing activities | | | |
| Proceeds from applications by unitholders | | 52,332,498 | 143,637,621 |
| Payments for redemptions by unitholders | | (142,219,794) | (165,089,287) |
| Net cash used in financing activities | | (89,887,296) | (21,451,666) |
| Net increase in cash and cash equivalents | | 4,142,487 | 11,605,423 |
| Cash and cash equivalents at the beginning of the financial year | | 23,459,103 | 11,853,680 |
| Cash and cash equivalents at the end of the financial year | | 27,601,590 | 23,459,103 |

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the year ended 31 March 2022

Note 1: Significant accounting policies

Statement of compliance and basis of preparation

The Financial Report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001 (Cth).

The Financial Report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The Financial Report of the Trust complies with all Australian Accounting Standards in their entirety. Compliance with Australian Accounting Standards ensures that the Financial Report also complies with International Financial Reporting Standards ("IFRS") in their entirety.

Plenti Lending Platform is a for-profit entity for the purpose of preparing the financial statements.

Accounting policies

The accounting policies and methods of computation adopted in the preparation of the Financial Report are consistent with those adopted and disclosed in the Trust's financial report for the year ended 31 March 2020. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards. The Trust has adopted all mandatory accounting standards and interpretations for the year. Adoption of these standards and interpretations are reflected in the Financial Report.

a. Significant management judgement in applying accounting policies

Provision for impairment of loan receivables

AASB 9 introduced an expected credit loss ("ECL") impairment model which differs significantly from the incurred loss approach under AASB 139. The ECL model is forward looking and does not require evidence of an actual loss event for impairment provisions to be recognised.

AASB 9 requires management to make a number of judgements and assumptions and has had a significant impact on the Trust's impairment provisioning methodology. Detailed methodology is consistent with those adopted and disclosed in the annual report for the year ended 31 March 2021.

The Provision Fund is a pool of money funded by borrowers and held on trust by an external trustee. The Responsible Entity may, at its discretion, make a claim to the Provision Fund in the event of a borrower late payment or default on a loan. Any amount paid from the Provision Fund is credited to the investors who funded the loan, in proportion to the amount funded by each investor.

Note 1: Significant accounting policies (continued)

The Directors have determined that a provision for impairment of loans receivables is not appropriate given that, at the end of the reporting period, the Adjusted Coverage Ratio of the Provision Fund, based on the Responsible Entity's analysis of borrower credit characteristics in accordance with the methodology and the amount on loan, was 2.71 times as at 31 March 2022 (31 March 2021: 2.49). The value of the Adjusted Provision Fund Buffer was \$17,805,858 (31 March 2021: \$21,068,176), and the value of the weighted average of three forecast economic scenarios was \$6,554,815.22 (31 March 2021: \$8,448,666), taking into account consideration of the COVID-19 pandemic and its related economic impact. The calculation of the Adjusted Provision Fund Buffer and the Adjusted Coverage Ratio are in accordance with the AASB 9 where a 12 month ECL is applied to loans where no SICR is evident. Expected future cash flows are discounted back to a present value using an effective interest rate in this calculation. The Adjusted Coverage Ratio differs to other Provision Fund coverage metrics published on the Group's website where a lifetime ECL is applied to the whole loan portfolio and future cash flows are undiscounted to a present value.

b. Income tax

Under current income tax legislation, the net income of each sub-trust is assessable in the hands of the beneficiaries (Members) who are "presently entitled" to the income of the respective sub-trust associated with each Member.

No provision has been made for any taxes on capital gains which could arise in the event of a sale of certain investments for the amount at which they are stated in the Financial Report. If any taxable gains were realised, these gains would be distributed to Members.

Realised capital losses are also distributed to Members. If in any year realised capital gains were to exceed realised capital losses, the excess would be included in taxable income that is assessable in the hands of Members in that year and would be distributed to Members in accordance with the requirements of the Trust's Constitution.

c. Foreign currency transactions and balances

Functional and presentation currency

The functional currency of the Trust is measured using the currency of the primary economic environment in which the Trust operates. The financial statements are presented in Australian dollars which is the Trust's functional and presentation currency.

Transaction and balances

Where there are foreign currency transactions, they are translated into functional currency using exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at year-end exchange rates. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of profit and loss and other comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of profit and loss and other comprehensive income.

d. Distributions

In accordance with the Trust's Constitution, the Trust fully distributes its distributable income to members by way of reinvestment into the Trust.

Distributions to Members comprise the income of the Trust to which the Members are presently entitled.

Note 1: Significant accounting policies (continued)

e. Applications and redemptions

No provision has been made for any taxes on capital gains which could arise in the event of a sale of certain investments for the amount at which they are stated in the Financial Report. If any taxable gains were realised, these gains would be distributed to Members.

Realised capital losses are also distributed to Members. If in any year realised capital gains were to exceed realised capital losses, the excess would be included in taxable income that is assessable in the hands of Members in that year and would be distributed to Members in accordance with the requirements of the Trust's Constitution.

Application and redemption prices are set, as per the Constitution, at \$1 per unit.

f. Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks or financial institutions.

g. Trade and other payables

Trade payables and other accounts payable are recognised when the Trust becomes obliged to make future payments resulting from the purchase of goods and services.

h. Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which is disclosed as an operating cash flow.

Note 2: Revenue

| | 2022 \$ | 2021 \$ |
|------------------------------------|-------------------|-------------------|
| Investment income | 13,970,493 | 20,958,269 |
| Provision Fund compensation | 13,956,313 | 11,594,668 |
| Trust bank account interest income | 40,601 | 38,712 |
| Total revenue | 27,967,407 | 32,591,649 |

a. Investment income

Investment income is recognised on a time proportion basis after taking into account the effective yield on the loan portfolio of the Trust. Member interest income is disclosed in the statement of profit and loss and other comprehensive income as part of revenue.

b. Provision Fund compensation

Funds received from the Provision Fund as compensation to the Trust are recognised once the Responsible Entity has instructed the trustee of the Provision Fund to make such payments to cover borrower late payments or defaults. Provision Fund compensation received for the year was \$13,956,313 (2021: \$11,594,668). Provision Fund compensation is disclosed in the statement of profit and loss and other comprehensive income as part of revenue.

Note 2: Revenue (continued)

c. Trust bank account interest income

Trust bank account interest income is recognised on a time proportion basis after taking into account the effective interest rate earned through cash held in bank. Trust bank account interest income earned for the year was \$40,601 (2021: \$38,712). Trust bank account interest income is disclosed in the statement of profit and loss and other comprehensive income as part of revenue.

Note 3: Expenses

| | 2022 \$ | 2021 \$ |
|--|-------------------|-------------------|
| Impairment loss | 13,956,313 | 11,594,668 |
| Responsible Entity fees - interest margin fees | 1,285,828 | 2,021,814 |
| Responsible Entity fees - trust bank account interest fees | 99,643 | 180,143 |
| Responsible Entity fees - early access transaction fees | 40,601 | 38,712 |
| Early access adjustment expense | 4,222 | 6,248 |
| Total responsible entity fees | 15,386,607 | 13,841,585 |

a. Impairment loss

The impairment loss represents the aggregate of all temporary failed payments over the scheduled monthly repayments and loans were written-off during the year. The great majority of failed payments do not ultimately lead to losses on the portfolio. In accordance with Plenti's Provision Fund Policy, the Provision Fund may provide interim compensation to investors on these payments. Loans written-off during the year totalled \$4,001,239 (2021: \$3,587,065). The Trust was compensated by compensation proceeds from the Provision Fund as set out in Note 2. The difference between impairment loss recognised and Provision Fund compensation as set out in Note 2 relates to the timing of losses recognised, but not yet claimed from the Provision Fund.

b. Responsible Entity's fees – interest margin fees

In accordance with the Constitution and the PDS, the interest margin fees paid to the Responsible Entity is an amount equal to 10% of the gross interest earned by Members net of effects from GST and reduced input tax credits ("RITC"). Interest margin fees incurred for the year were \$1,285,828 (2021: \$2,021,814). Interest margin fees are separately disclosed in the statement of profit and loss and other comprehensive income as part of the Responsible Entity's fees.

c. Responsible Entity's fees – early access transaction fees

In accordance with the Constitution and the PDS, the early access transaction fee is payable by the outgoing investor to the Responsible Entity in respect of loans that are transferred using the early access transfer feature. The amount of the fee was 1.5% of the amount paid to the investor who is transferring their interests in a loan or loans (outgoing lender) following an early access transfer. Early access transaction fees incurred for the year were \$40,601 (2021: \$38,712).

d. Trust bank account interest fees

Fees equal to any interest generated on cash held for Members in the Plenti Lending Platform Trust Account (i.e. the bank account in which Members' funds are held) were paid to the Responsible Entity. Trust bank account interest fees paid to the Responsible Entity for the year were \$99,643 (2021: \$180,143) net of effects of GST and RITC. Trust bank account interest fees are separately disclosed in the statement of profit and loss and other comprehensive income as part of Responsible Entity's fees.

Note 3: Expenses (continued)

e. Early access adjustment expense

Early access adjustment expense is incurred when a loan held by an outgoing investor is transferred at a discount in an early access transfer due to a difference between the interest rate on outgoing investor's loan and the interest rate that a replacement investor is prepared to receive in respect of that loan. For example, where the interest rate of a replacement investor's lending order is greater than the interest rate on the relevant early access loan, the early access loan will be discounted to ensure that the economic return expected by the replacement investor (given the rate specified in their lending order) is met while keeping payments under the early access loan the same. Early access adjustment expenses incurred for the year were \$4,222 (2021: \$6,248).

Note 4: Auditors' remuneration

The auditor's remuneration paid or payable for auditing the financial statements and for other assurance services is set out below. The auditor's remuneration is paid by the Australian parent entity of the Responsible Entity, Plenti Pty Limited, and has not been recharged to the Trust.

| | 2022 \$ | 2021 \$ |
|---|---------------|---------------|
| Audit services - Grant Thornton | | |
| Auditing or review of the financial statements | 30,250 | 50,000 |
| Other services - Grant Thornton | | |
| Audit of compliance plan and Agreed Upon Procedures | 8,000 | 7,250 |
| Tax compliance services | 5,600 | 5,100 |
| | 13,600 | 12,350 |
| Total services - Grant Thornton | 43,850 | 62,350 |

Note 5: Issuances, repurchases and repayments of securities

| | 31 March 2022 Units | 31 March 2021 Units | 31 March 2022 \$ | 31 March 2021 \$ |
|--|------------------------|------------------------|---------------------|---------------------|
| On issue at 31 March | 303,524,240 | 306,225,842 | 303,524,240 | 306,225,842 |
| Applications for the year | 52,332,499 | 143,637,621 | 52,332,499 | 143,637,621 |
| Redemptions for the year | (142,219,794) | (165,089,287) | (142,219,794) | (165,089,287) |
| Units issued upon reinvestment of distribution | 12,580,800 | 18,750,064 | 12,580,800 | 18,750,064 |
| On issue at the end of year | 226,217,745 | 303,524,240 | 226,217,745 | 303,524,240 |

Each unit represents a fractional interest in a Member's portfolio. A portfolio comprises the assets held for a member in a separate sub-trust by the Responsible Entity.

Note 6: Distributions paid and payable

| | 2022 | | 2021 | |
|--|----------------|-------------------|----------------|-------------------|
| | | \$ | | \$ |
| Distribution to Members | | (12,580,800) | | (18,750,064) |
| | | | | |
| | 2022 | | 2021 | |
| | Cents per unit | \$ | Cents per unit | \$ |
| Income | | | | |
| Returns on investments | 6.1757 | 13,970,493 | 6.9050 | 20,958,269 |
| Investment income | 0.0179 | 40,601 | 0.0128 | 38,712 |
| Provision Fund compensation | 6.1694 | 13,956,313 | 3.8200 | 11,594,668 |
| Total income | 12.3630 | 27,967,407 | 10.7378 | 32,591,649 |
| Expenses | | | | |
| Lender margin fee | 0.5684 | 1,285,828 | 0.6661 | 2,021,814 |
| Trust bank account interest charge | 0.0179 | 40,601 | 0.0128 | 38,712 |
| Early access transaction fees | 0.0440 | 99,643 | 0.0594 | 180,143 |
| Early access adjustment expenses | 0.0019 | 4,222 | 0.0021 | 6,248 |
| Impairment loss | 6.1694 | 13,956,313 | 3.8200 | 11,594,668 |
| Total expenses | 6.8016 | 15,386,607 | 4.5604 | 13,841,585 |
| Total distributions paid/payable to members | 5.5614 | 12,580,800 | 6.1774 | 18,750,064 |
| Represented by: | | | | |
| Distributions | 5.5614 | 12,580,800 | 6.1774 | 18,750,064 |
| On issue at the end of the year | 5.5614 | 12,580,800 | 6.1774 | 18,750,064 |

Note 7: Current assets - Loan receivables

| | 2022 \$ | 2021 \$ |
|------------------|-------------|-------------|
| Loan receivables | 202,119,917 | 282,840,371 |

| | Loan receivable by maturity | | | | Total \$ |
|-------------------------------|-----------------------------|-------------------|--------------------|-------------------|--------------------|
| | < 1 year \$ | 1-2 years \$ | 2-5 years \$ | > 5 years \$ | |
| 31 March 2022 | | | | | |
| Financial assets | | | | | |
| Loan receivables | 18,881,726 | 38,316,881 | 132,499,381 | 12,421,929 | 202,119,917 |
| Total loan receivables | 18,881,726 | 38,316,881 | 132,499,381 | 12,421,929 | 202,119,917 |
| 31 March 2021 | | | | | |
| Financial assets | | | | | |
| Loan receivables | 14,053,693 | 44,162,885 | 189,376,673 | 35,247,120 | 282,840,371 |
| Total loan receivables | 14,053,693 | 44,162,885 | 189,376,673 | 35,247,120 | 282,840,371 |

Financial assets are comprised of unsecured and secured loans made to borrowers by the Responsible Entity of amounts up to \$500,000 (but commonly less than \$50,000) for initial terms ranging from six months to seven years. They have been recognised at amortised cost in the statement of financial position.

In respect of Loans funded by Members, there are no amounts of borrower late payment or defaults for which the Provision Fund has not compensated Members. The Trust continuously monitors the defaults of customers and other counterparties, identified either individually or by group and incorporates this information into its credit risk controls. This may include data from third parties such as credit bureaus. The Responsible Entity's policy is to lend only to counterparties which it expects will repay their loans.

As per Note 1, The Responsible Entity may make a claim to the Provision Fund in the event of a borrower late payment or default on a loan. Any amount paid from the Provision Fund is credited to the investors who funded the loan.

Note 8: Current assets - Trade and other receivables

| | 2022 \$ | 2021 \$ |
|--|----------------|----------------|
| Provision Fund compensation receivable | 20,440 | 21,981 |
| GST receivable | 577,191 | 137,968 |
| Total trade and other receivables | 597,631 | 159,949 |

Note 9: Current liabilities - Trade and other payables

| | 2022 \$ | 2021 \$ |
|---|------------------|------------------|
| Payable to Members | 1,178,680 | 1,472,561 |
| Unsettled purchases (loans to be drawn) | 1,585,796 | 838,455 |
| Other payables | 702,535 | 459,013 |
| Payable to the Responsible Entity | 634,382 | 165,154 |
| Total trade and other payables | 4,101,393 | 2,935,183 |

Note 10: Reconciliation of profit after income tax to net cash from operating activities

| | 2022 \$ | 2021 \$ |
|--|-------------------|-------------------|
| Profit after income tax expense for the year | - | - |
| Adjustments for: | | |
| Finance costs attributable to unitholders | 12,580,800 | 18,750,064 |
| Changes in assets and liabilities | | |
| Changes in loans and receivables | 80,720,455 | 14,722,731 |
| Changes in creditors and other liabilities | 1,166,210 | (517,075) |
| Other working capital changes | (437,682) | 101,369 |
| Net cash from operating activities | 94,029,783 | 33,057,089 |

a. Non-cash financing and investment activities

During the year income distributions totalling \$12,580,800 (2021: \$18,750,064) were reinvested as additions to the relevant Members' portfolios, represented by the issuance of additional units in the relevant sub-trusts.

b. Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash on hand and in bank. Cash at the end of the year, as shown in the statement of cash flows, is reconciled to the statement of financial position as follows:

| | 31 March 2022 \$ | 31 March 2021 \$ |
|--------------|---------------------|---------------------|
| Cash at bank | 27,601,590 | 23,459,103 |

Note 11: Capital management

The Trust's capital consists of financial liabilities and is supported by financial assets. The Responsible Entity manages the Trust's capital by assessing the Trust's financial risks and responding to changes in these risks and market conditions.

There has been no change to the strategy adopted by the Responsible Entity to control the capital of the Trust since inception. There was no borrowing by the Trust during the year.

Note 12: Related party disclosures

a. Responsible Entity, manager and custodian

The Responsible Entity of Plenti Lending Platform is Plenti RE Limited. Accordingly, transactions with entities related to Plenti RE Limited are disclosed below. Plenti RE Limited also acts as the manager of the Trust. Australian Executor Trustees Limited and Perpetual Corporate Trust Limited are the custodians of the Trust.

On 11 May 2017, the Responsible Entity of the Trust was appointed the responsible entity of the Plenti Wholesale Lending Platform, an unregistered management investment scheme. The Plenti Wholesale Lending Platform is a scheme which is engaged in facilitating secured automotive finance and loans for the purchase of renewable energy products relating to the NSW government-supported Empowering Homes Program. The Responsible Entity manages the potential conflict of interest that it faces between its schemes by, inter alia, maintaining an allocations policy.

The Responsible Entity is a controlled subsidiary of Plenti Pty Limited and its ultimate parent is Plenti Group Limited which is incorporated and domiciled in Australia. Plenti Pty Limited also owns Plenti Early Access Provider Pty Limited, the Trustee for Early Access Facility Trust and is a unitholder in this trust.

b. Key management personnel

The name of each person holding the position of Director of the Responsible Entity during the year were:

- Daniel Robert Foggo
- Benjamin Henry Milsom
- Glenn Nicholas Riddell

There are no employees of the Responsible Entity who meet the definition of key management personnel other than Directors. No loans were made by the Trust to Directors or their personal related entities.

c. Key management personnel remuneration

Set out below is remuneration paid or payable, or otherwise made available, in respect of the year to 31 March 2022, to Directors of the Responsible Entity, directly or indirectly, by the Responsible Entity or by any other related party.

The Trust does not fund the payment of the Directors' remuneration, instead it is paid for by the parent entity of the Responsible Entity. Directors are remunerated as a result of their employment contracts with the ultimate parent entity and do not receive separate remuneration as Directors.

Note 12: Related party disclosures (continued)

c. Key management personnel remuneration (continued)

| | 2022 \$ | 2021 \$ |
|--|------------------|------------------|
| Short-term employee benefits | 1,058,017 | 783,118 |
| Post-employment benefits | 105,802 | 74,396 |
| Long-term benefits | 30,500 | 28,333 |
| Share-based payments | 1,339,279 | 927,991 |
| Total key management compensation | 2,533,598 | 1,813,838 |

d. Key management personnel of Plenti RE Ltd and executive officers of Plenti Pty Limited transactions

From time to time, the Directors of the Responsible Entity and executive personnel of Plenti Pty Limited may invest funds in or withdraw funds from the Trust. These investments or withdrawals are on the same terms and conditions as those entered into by other Members. These investments also include amounts invested by trusts that are related to Directors of the Responsible Entity. At 31 March 2022, units held by the Directors and executive personnel of Plenti Pty Limited were as follows:

| | 2022 | | 2021 | |
|---|-----------------|----------------------|------------------|----------------------|
| | Number of units | Total value of units | Number of units | Total value of units |
| Related executive personnel ¹ | 677,058 | 677,058 | 3,320,885 | 3,320,885 |
| Total units held by key management personnel | 677,058 | 677,058 | 3,320,885 | 3,320,885 |

Note 1:

Daniel Foggo is a discretionary beneficiary of the Westbourne Trust which holds 369,342 units in the Trust, these are included in the table above. However, Mr Foggo does not hold a relevant interest in the 369,342 units which are held by the Westbourne Trust.

e. Transactions with related parties

Transactions with related parties have taken place at arm's length and in the ordinary course of business. Member interest margin fees and early access fees amount to \$1,285,828 (2021: \$2,021,814), calculated in accordance with Note 3, were paid to the Responsible Entity during the year.

Trust bank account interest fees of \$40,601 (2021: \$38,712), calculated in accordance with Note 3, were paid to the Responsible Entity.

During the year, Plenti Pty Limited, the parent entity of Plenti RE Limited, received investment income of \$21,376 (2021: \$104,212). As at the end of the year, Plenti Pty Limited, held a portfolio balance of \$165,366 (2021: \$3,372,098).

At the end of the year, the Trust had a loan of \$18,252,396 (2021: \$16,249,314) to the Early Access Facility Trust to facilitate Early Access Transfers under the terms of the New Facilitating Loan Agreement. The loan facilitates the operation of the early access feature. Further detail of the Early Access feature was provided in the PDS.

No amounts were paid by the Trust directly to the Directors of Plenti RE Limited.

Note 13: Financial instruments

a. Financial risk management objectives

Plenti RE Limited is the Responsible Entity of the Trust and manages the financial risks relating to the operations of the Trust in accordance with the Trust's Constitution and PDS.

The Responsible Entity has adopted risk management policies and procedures appropriate for the size and complexity of its business. The Responsible Entity has a Compliance Officer who monitors risks and reports to the board of the Responsible Entity.

The Trust does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

b. Interest rate risk

Interest rate risk is the risk that the value of the Trust's investment portfolio will fluctuate as a result of changes in interest rates. As the Trust's investments in loans issued are recorded at amortised cost and subject to impairment testing, there is no direct impact on the investment portfolio as a result of fluctuations in interest rates.

c. Market risk

Market risk is the risk that the value of the Trust's investment portfolio will fluctuate as a result of changes in market prices. The Trust's investments in loans issued are not traded publicly and are not traded for speculative purposes and consequently there is no direct impact on the investments held as a result of fluctuations in market prices.

d. Liquidity and cash flow risk

In accordance with the Constitution and the PDS, a Member is only able to withdraw funds from the Trust that are held in cash in their holding account. As such, the Trust is not exposed to liquidity risk as a consequence of Member requests to withdraw funds.

e. Credit risk

Credit risk refers to the risk that a borrower will default on their contractual obligations under a loan resulting in financial loss to the Trust.

In the event of a borrower late payment or default, the Responsible Entity may make, at its discretion, a claim to the Provision Fund. However, the Provision Fund is not a guarantee or an insurance product and members may not be protected from financial loss by the Provision Fund. The carrying amount of financial assets recorded in the financial statements represents the Trust's maximum exposure to credit risk without taking into account the value of any collateral or other security obtained in relation to those assets (where relevant).

In accordance with the Trust's operational policies and Compliance Plan, the Trust's credit exposure is monitored on a daily basis. The Compliance Committee of the Responsible Entity reviews any identified exceptions to internal risk policies and procedures on a quarterly basis.

Note 13: Financial instruments (continued)

e. Credit risk (continued)

| 31 March 2022 | AA- \$ | Other- not rated \$ | Total \$ |
|-----------------------------|-------------------|------------------------|--------------------|
| Cash and cash equivalents | 27,601,590 | - | 27,601,590 |
| Trade and other receivables | - | 597,631 | 597,631 |
| Loans and receivables | - | 202,119,917 | 202,119,917 |
| Interest receivable | - | - | - |
| | 27,601,590 | 202,717,548 | 230,319,138 |
| 31 March 2021 | AA- \$ | Other- not rated \$ | Total \$ |
| Cash and cash equivalents | 23,459,103 | - | 23,459,103 |
| Trade and other receivables | - | 159,949 | 159,949 |
| Loans and receivables | - | 282,840,371 | 282,840,371 |
| Interest receivable | - | - | - |
| | 23,459,103 | 283,000,320 | 306,459,423 |

The tables presented above provide information regarding the aggregate credit risk exposure of the Trust as at the end of the year in respect of the major classes of financial assets held by the Trust. The analysis classifies the assets according to Standard & Poor's counterparty credit ratings. AAA is the highest possible rating. Rated assets falling outside the range of AAA to BBB are classified as non-investment grade. The exposure to credit risk for the cash deposits held by the Trust with St George Bank, a division of Westpac Banking Corporation, is considered low as Westpac Banking Corporation has a rating of AA- as determined by Standard and Poor's rating agency.

Other-not rated assets consist of the Trust's financial assets comprising of loans issued and trade and other receivables. The Trust issued secured loans, holding security against various personal property owned by borrowers. A property security is created when the Trust takes an interest in personal or real property of a grantor (borrower) as security for a loan. The personal property security may be registered on the Personal Property Securities Register, as established by the Personal Property Securities Act 2009.

Note 13: Financial instruments (continued)

f. Amortised cost and impairment testing

The carrying amount of financial assets recorded in the financial statements represent their amortised cost, determined in accordance with Note 1 to the financial statements.

| | 2022 | | 2021 | |
|------------------------------------|-----------------------|---|-----------------------|---|
| | Carrying amount \$ | Present value of future cash flows \$ | Carrying amount \$ | Present value of future cash flows \$ |
| Financial assets | | | | |
| Financial assets at amortised cost | 202,119,917 | 202,119,917 | 282,840,371 | 282,840,371 |
| Trade and other receivables | 597,631 | 597,631 | 159,949 | 159,949 |
| Total financial assets | 202,717,548 | 202,717,548 | 283,000,320 | 283,000,320 |
| Financial liabilities | | | | |
| Trade and other payables | 4,101,393 | 4,101,393 | 2,935,183 | 2,935,183 |
| Total financial liabilities | 4,101,393 | 4,101,393 | 2,935,183 | 2,935,183 |

Note 14: Contingent liabilities

The Trust had no contingent liabilities as at 31 March 2022 (2021: Nil).

Note 15: Subsequent events

No matter or circumstance has arisen since 31 March 2022 that has significantly affected, or may significantly affect the Trust's operations, the results of those operations, or the Trust's state of affairs in future financial years.

Note 16: Additional information

Plenti RE Limited, a public company incorporated in and operating in Australia, is the Responsible Entity of Plenti Lending Platform.

The principal registered office and principal place of business of the Responsible Entity is:

Level 5, 14 Martin Place, Sydney NSW 2000 Australia
Telephone: 1300 768 710
Email: contact@plenti.com.au
Website: www.plenti.com.au

Directors' declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 March 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Daniel Robert Foggo
Director

24 June 2022
Sydney

Independent auditor's report to the members of Plenti Lending Platform



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Independent Auditor's Report

To the Members of Plenti Lending Platform

Report on the audit of the financial report

Opinion

We have audited the financial report of Plenti Lending Platform (the Trust), which comprises the statement of financial position as at 31 March 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Trust is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Trust's financial position as at 31 March 2022 and of its performance for the year ended on that date; and
- b complies with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Trust in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial report and auditor's report thereon

The directors of the Responsible Entity are responsible for the other information. The other information comprises the information included in the Trust's financial report for the year ended 31 March 2022, but does not include the financial report and our auditor's report thereon.

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Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial report

The directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



Grant Thornton Audit Pty Ltd
Chartered Accountants



M A Adam-Smith
Partner – Audit & Assurance

Sydney, 24 June 2022

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