



SOLAR

**Building for
Sustainable
Growth**

ANNUAL REPORT 2025

About Solvar Limited

Solvar Limited is a leading provider of automotive finance focussed on expanding its operations across consumer and commercial asset finance segments in Australia.

Our Consumer finance offerings include loans for:

- Purchasing new or used vehicles;
- Funding car repairs;
- Covering medical expenses; and
- Supporting special occasions such as weddings and holidays.

Our Commercial finance offering is targeted at sole traders and small to medium enterprises with financing for vehicles and essential business equipment.

We operate in Australia through a portfolio of trusted brands – Money3, Automotive Financial Services (AFS), the recently launched Bennji. Our dedicated team of talented professionals is committed to delivering exceptional service to our customers.

Our products and services are accessible through an extensive distribution network of brokers, dealers and referral partners, operating both locally and online – ensuring broad reach, flexibility and convenience for our customers.

Acknowledgement of country

We acknowledge the Traditional Custodians of the land on which we work, live and travel. We pay respect to Elders past, present and emerging.



Our Values



Customers are at the Heart of everything we do

We deliver empowering, innovative products designed around the customers' needs.



Care and Respect

We don't judge. We treat people as individuals and with the utmost respect.

We listen, we empathise, we help.



Growing Together

We grow great people who are always up for the challenge and look out for one another.

We love to have fun together and celebrate our wins.



Delivering with Integrity

We always do our best.

We are responsible for our actions and not afraid to learn from our mistakes.

Our Vision



Solvar's vision is to empower people through accessible, responsible and flexible financial products.

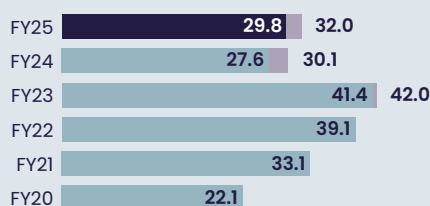
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Financial Highlights 2025

Australia Continuing Operations

NPAT (millions)

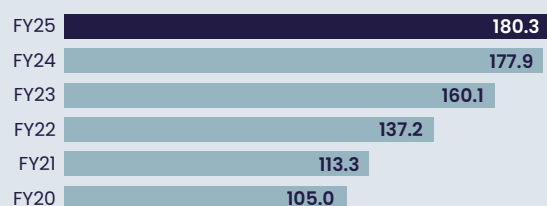


■ NPAT ■ Normalisation

↑ CAGR 6.2%

↑ 8.0% on PCP

Interest income (millions)

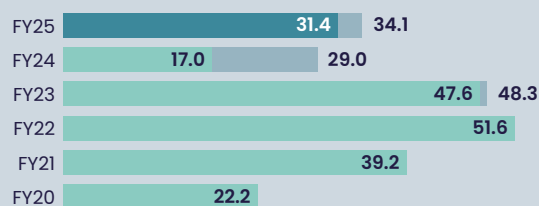


↑ CAGR 11.4%

↑ 1.4% on PCP

Group

NPAT (millions)

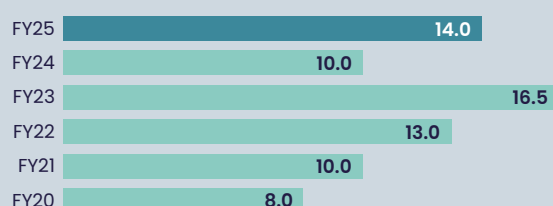


■ NPAT ■ Normalisation

↑ CAGR 7.2%

↑ 84.4% on PCP

Dividends for the year (cents)



↑ CAGR 11.8%

↑ 40.0% on PCP

Interest Income

\$207.4m

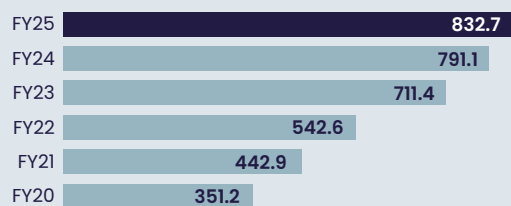
Loan Book

\$910.1m

Notes:

- Interest income includes fees and charges.
- Review of Operations section within Director's report includes a reconciliation from Statutory to Normalised NPAT.

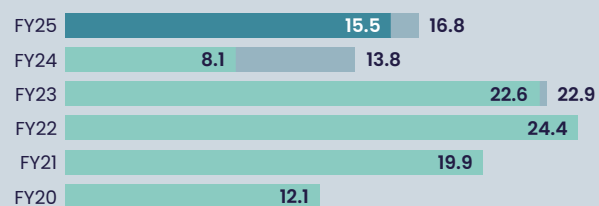
Loan book (millions)



↑ CAGR 18.8%

↑ 5.3% on PCP

EPS (cents)



■ EPS ■ Normalisation

↑ CAGR 5.1%

↑ 90.4% on PCP

Lending

\$ **390.8m**



Our Brands & Products

Solvar Group targets consumer and commercial finance not covered by the mainstream banks.

money3

Money3 has a long tradition of providing lending products, assisting customers who may be under-served or excluded by traditional automotive finance lenders, enabling these customers to obtain the same level of opportunity and access to finance.

AFS AUTOMOTIVE FINANCIAL SERVICES

Founded in 1988 and celebrating over 30 years of lending, is focussed on the near prime segment for consumer and commercial assets. AFS has competitive interest rates and an easy online application for customers. AFS was acquired by Solvar in January 2021.

bennji

Bennji launched in 2025, expands Solvar's portfolio into commercial lending. Bennji is designed for Small and Medium business – offering fast approvals and flexible deal structures, supported by a modern digital experience and real people.

Product Offering & Loan Profile

Product	Money3		AFS		Bennji
Purpose	Consumer Vehicle Finance	Consumer Personal Finance	Consumer Vehicle Finance	Commercial Vehicle Finance	Secured Commercial Asset Finance
Maximum loan amount	Up to \$100,000	Up to \$35,000	Up to \$130,000		Up to \$500,000
Term	24–72 months	24–60 months	12–84 months		Up to 84 months
Interest rate	Fixed rate from 13.95%		Fixed rate from 7.95%		Fixed rate from 7.95%



Portfolio of Assets Financed



47,825
CARS



5,418
UTILITY VEHICLES



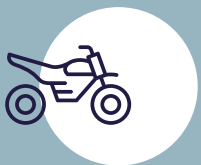
67
TRACTORS



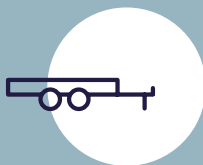
884
CARAVANS



715
HORSE FLOATS



1,809
MOTOR BIKES



756
TRAILERS



85
TRUCKS

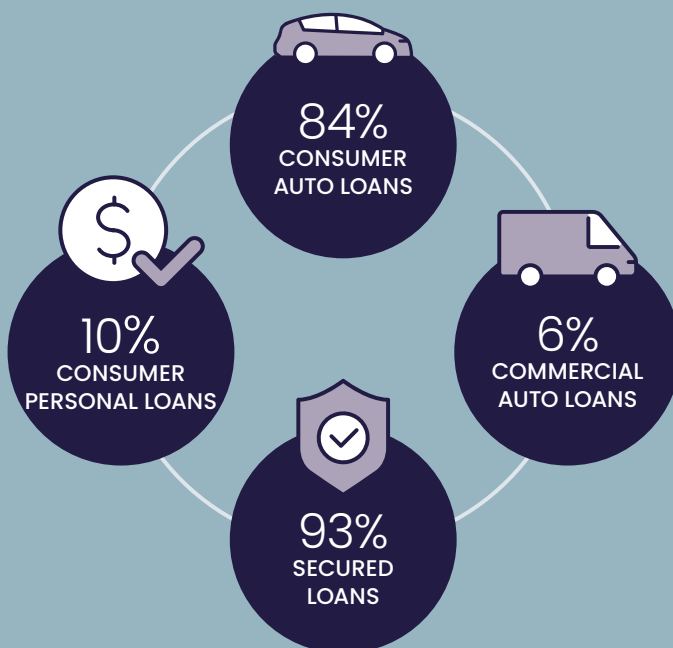


201
BOATS & JET SKIS



6
EQUIPMENT

Loan Profile



How We Create Value

Our Inputs

Financial Capital

Empowered by a strong equity base, built through capital raising and a long history of profitability, the Group is well positioned to manage market uncertainty without impacting its growth journey.

Relatively low levered, the Group is also well positioned to access debt capital to fuel loan book growth well beyond \$3bn.

People

Our talented team brings deep expertise and a strong customer focus, consistently delivering on our value proposition by understanding client needs. Our leaders foster a collaborative, aligned and high-performing culture that drives productivity and shared success.

Partnerships

Our wide network of channel distribution partners broaden our market reach, strengthen our competitive position and expand our lending capacities.

Strong relationships with our diversified funding partners provides scalable and cost efficient funding.

Technology

Use of modern technology enhances customer experiences.

With a strong focus on cyber resilience we reduce operational and compliance risks.

What we do

We make credit more accessible and transparent, enabling customers to purchase essential assets and improve their financial wellbeing.

Attract Customer

Deliver targeted, compelling value propositions to draw in the right customers.

Customer Loyalty

Ensure lending practices support customer wellbeing and long-term financial health.

Value created

Our Share Holders

- Sustainable and profitable growth underpinned by focus and disciplined execution.
- Consistent and reliable dividend payments, reflecting strong earnings and a commitment to shareholder returns.
- Opportunistic share buybacks enhancing capital efficiency and long-term value creation.
- A prudent and resilient balance sheet ensuring financial stability and flexibility to pursue growth opportunities.

Our Customers

- Supporting their financial goals with tailored, accessible solutions.
- Providing convenient access to funding designed to meet diverse needs.
- Being a trusted lender focused on customer well-being and long-term relationships.
- Delivering reliable service backed by a commitment to quality, fairness and transparency.

Our People

- Working environment that inspires our people to realise their potential, apply their skills and stay motivated.
- Operating in a safe, inclusive and respectful culture where diversity is valued and celebrated.
- Investing in professional development empowering our teams to lead, innovate and grow.
- Recognising and rewarding performance aligned with our values and strategic objectives.

Our Community

- Responsible Corporate Citizen.
- Supporting economic growth and job creation.
- Promoting financial inclusion by expanding access to fair and flexible financial solutions.
- Backing initiatives that improve social outcomes through our philanthropic committee and community partnerships.

Tailored Product

Design financial solutions that meet specific customer needs and preferences.

Customer Care

Maintain Strong relationships through proactive service and continuous engagement

Strategic Objectives

Solvar is executing its strategy in a disciplined fashion to drive sustainable long-term shareholder value, with a focus on profitable growth, capital efficiency and future readiness.

1

Diversify into new segments and deepening market penetration

Objective: Sustained top-line growth by expanding into commercial market and pursuing strategic investments, diversifying earnings and reduce cyclical

- Launch of Bennji – Commercial Lending Arm: Introduction of Bennji, a dedicated commercial product offering tailored for small and medium enterprises (SMEs).
 - Focused on under-served asset categories with flexible deal structures and streamlined processes; and
 - Positions Solvar to tap into a fragmented, underpenetrated commercial lending market.

Investor Value: Diversification of revenue streams through product offerings creating stability through market cycles.

2

Invest in Future Capabilities for Sustainable Growth

Objective: Build long term resilience and earnings growth by investing in technology and talent that strengthen competitiveness and efficiency.

- Technology and Innovation:
 - Investing in Artificial Intelligence (AI), automation, cloud infrastructure and advanced data analytics; and
 - Enabling scalable solutions like AI-powered technologies and digital onboarding platforms.
- People & Leadership Development:
 - Upskilling workforce in critical areas: data analytics automation; and
 - Strong focus on talent retention and succession planning to support future leadership needs.

Investor Value: Investments in technology and people enhance long-term competitiveness, compliance readiness and brand equity in capital markets.



3

Simplify and Standardise to Scale

Objective: Drive sustainable margin expansion and risk management through disciplined consolidation, process simplifications and consistent governance practices.

- Operational Streamlining:
 - Implementing a shared services model to reduce costs and increase scalability; and
 - Standardising policies and procedures to support centralisation and governance efficient; and
 - Platform consolidation, system unification and process automation.
- Strategic Exit from New Zealand:
 - Exiting the New Zealand market to improve return on equity; and
 - Focus redirected to core Australian operations where higher returns and scale advantages exist.

Investor Value: Lower cost base, improved governance and platform efficiency create a leaner, more focused business primed for scale.

4

Optimise Capital Structure for Maximum Shareholder Returns

Objective: Drive EPS growth by aligning capital allocation with high-return opportunities and securing cost effective funding.

- Capital Reallocation:
 - Reinvest capital from New Zealand run-down into higher-growth Australian commercial book, especially Bennji.
- Expanded Share Buy-Back Program:
 - Buy-back limits increased from \$15.0 million to \$35.0 million, reflecting strong cash generation from customer loan repayments.
- Funding Efficiency:
 - Commenced term securitisation program (ABS), transforming debt warehouse into a revolving facility thereby creating a sustainable funding model.

Investor Value: Capital deployment is focused on high-return growth areas while simultaneously delivering direct value through buy-backs and improved funding margins.

Our Commitment



**Customers are
at the heart of
our mission and
our success.**



Our People

Commitment to Our Workforce

Our people remain fundamental to delivering sustainable value for shareholders and stakeholders. As the primary interface between our business and customers, we recognise that investing in our workforce drives operational excellence and competitive advantage.

Solvar maintains an unwavering commitment to the health, safety and welfare of employees, contractors and visitors across all operations. Our people and culture approach encompass:

- **Culture and Inclusion:** Creating an environment where diversity and inclusion are embedded in our operational framework;
- **Capability Development:** Building organisational capability through targeted development programs aligned with our strategic objectives; and
- **Workplace Safety:** Maintaining comprehensive health and safety standards across all facilities.

The Board continues to monitor and assess our workplace culture and alignment with our principles, values and strategy. Data used in the assessment is collected via several sources:

- Feedback from line managers and performance review processes;
- Employee engagement via 'Your Say' Engagement Survey;
- Indicators such as employee turnover and absenteeism rates; and
- Workplace Gender Equality Agency (WGEA) reporting.

Employee Engagement and Feedback

Solvar operates a comprehensive employee feedback framework through our annual 'Your Say' engagement survey. These voluntary, anonymous mechanisms enable continuous assessment of workplace culture and employee satisfaction.

Key FY25 engagement metrics include:

- 72% response rate to our comprehensive annual engagement survey;
- 88% of respondents are clear on how their role contributes to the Solvar strategy;
- 84% of respondents confirmed Solvar promotes an inclusive and welcoming environment for employees of all backgrounds, including different genders, ethnicities and cultural backgrounds; and
- Employees' sense of belonging to Solvar improved by 10% when compared to the previous survey.

Flexible Work Arrangements

Recognising the evolving nature of work practices, Solvar continues to support hybrid working arrangements that balance operational requirements with employee wellbeing. Our FY25 employee engagement survey demonstrated strong satisfaction with these initiatives, with 72% of participants responding favourably that Solvar effectively supports their flexible working requirements.



People Development

Solvar's commitment to people development remains strong and our 'Accelerate Leadership Development Program' continues to enhance our talent pipeline, strengthening our succession planning capabilities. We have empowered our staff through tailored training designed to enhance their capabilities, knowledge and skills.

In collaboration with Uniting Victoria Tasmania, we delivered inclusive, face-to-face training to our teams, equipping them with the knowledge and tools to provide safe, informed and empowering support to customers navigating challenging personal circumstances.

Additionally, our partnership with Kaplan Institute allows employees to earn a Certificate IV in Credit Management, aligning professional development with industry standards.

Our newly launched Study Assistance policy supports employees seeking to expand their job-related skills and knowledge. Furthermore, the introduction of the Upstander training program in FY25 underscores our commitment to fostering a respectful and empowering workplace.

Looking ahead, FY26 will see an expansion of professional development opportunities as we further invest in building organisational capability.

Diversity and Inclusion

Solvar's Board-approved Diversity Policy ensures equitable treatment regardless of gender, age, ethnicity, cultural background, disability, sexual orientation or religion. The Remuneration and Nomination Committee oversees policy implementation and establishes measurable diversity objectives.

Our workplace framework prioritises:

- Transparent and equitable employment practices;
- Recognition and utilisation of distinctive employee skills and perspectives;
- Work-life balance support through appropriate policies and procedures;
- Merit-based opportunity allocation; and
- Zero tolerance for discrimination, harassment and bullying.

During the year we celebrated International Women's Day, proudly hosting a series of events to accelerate action for gender equality. Highlights included a powerful keynote speech by Fernanda Gazal, Self Development, Business and Leadership Specialist and celebrating our female colleagues and their contributions across the Group.

In celebration of International Men's Day, the Group hosted the inspiring Australian Paralympic Triathlete Liam Twomey who shared his powerful story of overcoming cancer and amputation to triumph in both his mental and physical health, emphasising themes of gratitude, resilience, and finding purpose in life.



Performance Against Diversity Targets

Gender equality is a key part of our diversity objectives. Solvar has targets with respect to reducing the gender pay gap and to increase the number of women in management positions.

Gender Pay Gap: Solvar last reported a median base salary pay gap of 21.3% to WGEA for 2023–24. Pleasingly, our median base salary pay gap improved when compared to the prior 12-month period.

Representation Metrics (as of 30 June 2025):

- **Management Diversity:** 40% of management roles are held by women across the Group; and
- **Workforce composition:** 58% female participation across the Group.

At an executive level, we continue to strive to increase female participation through workplace leadership identification, leadership training, career development programs and flexible work conditions.

Outlook

Solvar will continue expanding professional development programs in FY26, reinforcing our commitment to building organisational capability while maintaining our focus on diversity, inclusion and employee wellbeing as core strategic enablers.

40%
management roles
are held by women

Environmental, Social, Governance



Social impact

At Solvar, our commitment to social responsibility extends beyond our business operations as a leading lender. Our board-endorsed Philanthropic Committee ensures strategic giving that reflects our values – care and respect, delivering with integrity and growing together. During FY25, Solvar committed ~\$300,000 to charitable organisations and environmental initiatives.

Our partnership with Big Group Hug (BGH) supports families facing financial crisis due to conflict, unemployment, homelessness, or refugee circumstances. Beyond monthly financial support, our workforce is actively engaged in BGH initiatives. Our BGH Christmas donations drive saw staff collect bedding, stationery, toys and toiletries for local families to help provide a Clean and Comfy Christmas. The BGH annual double donation day in March demonstrated our commitment to amplifying community generosity by matching contributions, doubling the impact of every dollar donated and our annual Winter Warmers drive was made successful by employees donating warm clothing for families during challenging winter months.

Our community health-focused charitable efforts include supporting Diabetes Camps Victoria, providing specialised programs for young people managing diabetes through camp programs that offer both medical support and positive social experiences. Through our Biggest Morning Tea participation and matched staff contributions, we funded cancer research and patient care services. We also support Save A Child's Heart foundation, an international organisation that provides life-saving cardiac surgery to children from developing countries.

This year Solvar contributed to the Financial Counselling Industry Fund (FCIF) and sponsored the Financial Counselling Australia's (FCA) annual conference, supporting efforts to improve financial counselling availability in the community.

Solvar has made a three year commitment to FCIF, which was established in 2024 as a registered charity enabling Australians to access financial counselling services. Financial Counselling Australia serves as the peak body for financial counsellors in Australia, working to build financial literacy skills and provide support to those experiencing financial hardship.

Solvar's success stems from authentic staff engagement rather than simply financial commitment. Our volunteer leave policy provides one paid day annually, while our contribution-matching approach amplifies individual generosity rather than replacing it. Looking ahead, we remain committed to expanding our social impact through strategic partnerships addressing critical community needs. By combining structured corporate support with employee-driven initiatives, we continue building a culture where giving back defines who we are by working together toward positive change.





Governance and Risk Management

Solvar's governance and risk management frameworks, overseen by the Board and the Audit, Risk and Compliance Committee, continue to mature and underpin our corporate objective of implementing the highest standards of corporate governance throughout the organisation. We are aligned with the core principles and best practice recommendations of the ASX Corporate Governance Council and strive for full compliance with all obligations including Credit Licence conditions, Responsible Lending, AML/CTF, DDO and Privacy.

Delivery of our frameworks comes through a collective approach from all three lines of defence. Our second and third lines comprise distinct teams covering the core disciplines of Credit Risk, Enterprise Risk, Compliance and Internal Audit. These teams work closely with the Businesses Units and Group Functions to collectively monitor and manage material risks.

Key achievements in FY25 include:

- Development of enhanced analytics, continuous monitoring and regular controls assurance testing in higher risk areas;
- Supporting the cyber resilience enhancements detailed separately in this report; and
- Proactive assessment and preparation for upcoming legislative change impacts including climate reporting and Consumer Data Rights.

COMMITTED

~\$300,000

to charitable organisations
and environmental initiatives



Environment

While Solvar's businesses do not have a large direct environmental impact, we recognise the importance of all organisations playing a role in minimising the effects of climate change where possible. First and foremost, this involves focusing on our direct operations and supporting employees in making choices that reduce individual and collective impacts. Solvar's Sustainability Committee meets regularly to generate ideas and provide guidance on various initiatives that lead to the minimisation of office waste and energy waste. For example:

- All our offices use certified recycling for hard waste such as office furniture and electronics;
- In our Brisbane office, a bin tracker system has been introduced that measures the proportion of waste being recycled; and
- Our Melbourne office has installed smart printing technology and smart lighting technology which automatically switches off lighting when no movement is detected.

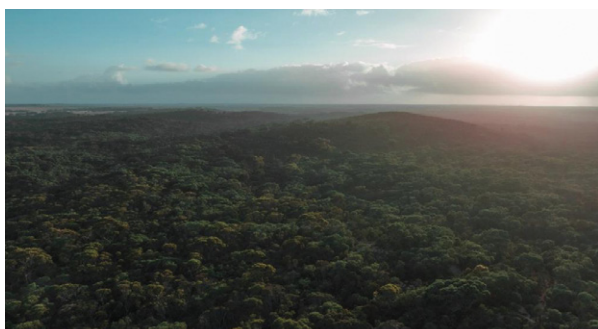
Solvar's supplier policy engages vendors who can demonstrate that their activities align with Solvar's commitment to taking climate action and to minimise the Group's impact on the environment. Emissions related to purchased goods and services are included in Solvar's carbon footprint measurement. Our key technology and cloud

services provider has publicly committed to help its customers to be more sustainable by providing state of the art and energy efficient data centres.

Solvar also continues to partner with Trace, a Climate-Tech company that assists organisations by enabling them to efficiently measure, report and reduce their carbon footprint. In conjunction with Trace, Solvar funds carbon reduction projects both in Australia and overseas, including cool fire traditional land management in Arnhem Land and Coorong Lakes biodiversity conservation in South Australia.

Australia's climate-related financial disclosure regime has now commenced. For Solvar, this means that a sustainability report is expected to be FY27. A key element of this report will be the inclusion of financed emissions, which are the greenhouse gas (GHG) emissions that are a result of a financial institution's investments and lending activities. They are indirect emissions categorised as Scope 3 in the GHG Protocol.

Once Solvar's climate report is introduced, Solvar will continue its commitment to the environment through both internal waste-reduction initiatives and funding of carbon reduction projects. However, while we will continue to seek carbon neutrality for those activities we control, we will no longer be fully carbon neutral when financed emissions are included in our overall profile.





Cyber Resilience

As a regulated financial services business, we recognise protecting our information assets is at the forefront of our responsibilities, particularly given the increasing frequency and sophistication of cyberattacks. This year, the Office of the Australian Information Commissioner (OAIC) again received the highest number of data breach notifications since mandatory reporting began in 2018.

In FY25, our strategic investments and sustained focus on cyber security delivered measurable outcomes, reinforcing our commitment to safeguarding sensitive data. We continued to mature our capabilities across several critical areas:

- **ISO 27001 Certification:** We successfully achieved ISO/IEC 27001 certification, reflecting our alignment with globally established standards for information security management. This milestone represents a significant advancement in our operational resilience and risk management maturity;
- **Protection of Confidential Information:** We continue to strengthen our data governance practices by categorising, minimising and securing confidential information across the organisation. These efforts mitigate the risk of both accidental exposure and deliberate misuse; and
- **System and Vendor Security:** We expanded our security testing programmes to enhance protection against evolving cyber threats. We also initiated audits of key third-party vendors to expand security coverage across the breadth of our technology ecosystem.

Our people play a central role in protecting the sensitive information entrusted to us, yet they continue to be a key target of cyber threats. To mitigate this risk, we maintain robust human-centric security practices that include regular phishing simulations and re-training, password vault audits and evolving data controls. These efforts are supported by our Security Operations Centre which continuously monitors, detects and blocks suspicious activity 24/7.



Chairman's Letter



Stuart Roberston
CHAIRMAN

Dear Shareholders,

Looking back at FY25, I am pleased with the meaningful progress we achieved in our strategic initiatives and operational performance. In particular, the business has continued to create the platform necessary for deliberate sustained growth in the coming years through prioritising lending quality, diversification of product offering, expanding our addressable market, and cost optimisation (including technology harmonisation) which is expected to create strong growth momentum in future years.

Back to Growth – Built on Strength

The Solvar Group posted a Normalised NPAT of \$34.1 million in FY25 recording a 17.4% increase from prior year, signalling the return to NPAT growth. The Australian operations continued to grow with gross loan book increasing by 5.3% to \$832.7 million and revenue increasing by 1.4% to \$180.3 million.

The Group has focused on strengthening its business model through broadening our product offering and building the infrastructure that will accelerate the business growth into the future.

With this continued focus, I expect the Group to continue to deliver strong loan book growth, underpinned by credit quality focus, lending discipline, streamlined systems and processes driving productivity.

Growing market share through targeted diversification

Solvar continued to execute on its strategy to expand market share by selectively diversifying into market segments that complement our core strengths. The establishment of a dedicated commercial lending division in FY25 is designed to participate in market segments with a large addressable market (~\$22.0 billion) and areas

where our competitive advantage and strong balance sheet can deliver lasting value.

Investing in future capabilities

Solvar is sharpening its long-term advantage by doubling down on the two levers that are critical for durable value creation – technology and talent. We are building scalable and data rich platforms that accelerate product development, strengthen credit decisioning and simplifying compliance – while focusing on improving productivity repeatability and customer experience.

Our technology harmonisation continued in FY25 through the simplification of our technology infrastructure, including retiring legacy platforms in our AFS business unit and creating a more agile and scalable operating environment.

A notable achievement for the Group was in securing ISO27001 certification, affirming our commitment to a robust and resilient risk management framework in the face of growing digital threats.

Equally important is our investment in people, we continued to attract, develop and retain high-calibre talent with skills and leadership capabilities needed to execute our strategy.

This included targeted senior appointments, structured succession planning and a performance driven culture that rewards accountability and innovation.

Robust and resilient funding

Solvar continued to execute on its strategy to establish a scalable and sustainable funding model through its inaugural ~\$200.0 million Asset Backed Securitisation (ABS) in March 2025. This not only diversified the funding capabilities but also contributed to margin expansion by ~1% p.a. improvement in our funding margins.

As the Group continues to grow, the Solvar Treasury team has taken proactive steps to ensure strong returns on Group capital across various market cycles by extending, the Group's hedging strategy to the Money3 business unit thereby stabilising cash flows and earnings from interest rate volatility.

These measures will help lock our Net Interest Margin and secure return on capital across market cycles.

Capital efficiency

Disciplined capital allocation remains at the core of our approach to enhance shareholder value. We evaluate every deployment decision – whether for organic growth, strategic investment or share buyback through a rigorous Return on Equity (RoE) lens ensuring that each dollar is committed where it can generate sustained value.

In FY25, we strengthened the Group's financial position by using available equity to reduce debt in our New Zealand operations, lowering leverage and improving balance sheet flexibility.

We continued the share buyback program initiated in June 2024 and repurchased 14.3 million shares during the year for \$20.9 million (\$23.9 million to date) at an average price of \$1.46 per share, effectively returning capital to shareholders at an attractive valuation. Backed by our strong financial position, we increased the maximum allocation for share buyback program to \$35.0 million in April 2025, giving us an opportunity to capitalise on price opportunities during periods of volatility.

By optimising our capital structure and maintaining a focus on returns, Solvar is well positioned to deliver enhanced value to shareholders, with a balance sheet that is strong, flexible and aligned to our growth ambitions.

Adding expertise at Board level

During the year, Solvar welcomed Craig Parker to its Board of Directors and who replaced Kate Robb as the Chair of the Audit, Risk and Compliance Committee. Kate retired in November 2024 completing five years with the Group. Kate added significant value in strengthening the governance functions within the business. I wish her the best for the future. Craig brings extensive experience in financial services, where he was responsible for Westpac's global structured finance and securitisation activities and is a valuable addition to the Solvar Group.

Outlook

We enter FY26 with a positive outlook pursuing growth. Our commercial lending business, Bennji, provides a new growth engine for the Group along with over \$300.0 million headroom in funding, and a strong balance sheet positions the Group strongly for future growth.

I thank my fellow directors for their stewardship, the Managing Director and Chief Executive Officer for his leadership and the dedicated management teams for their continued focus on creating shareholder value. I want to also thank our talented staff for delivering the strong results set out in this annual report. Finally, on behalf of the Board, I would like to thank our shareholders for their ongoing support of Solvar.



Stuart Roberston
Chairman

Chief Executive's Letter



Scott Baldwin
MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER

Dear Shareholders,

I am delighted to present the 2025 Annual Report. The conclusion of the financial year coincides with the completion of several significant milestones that enables the Group to build a platform for growth for future financial years.

FY25 Performance

FY25 was a year of solid execution, with the Group delivering a Normalised NPAT of \$34.1 million, up 17.4% on pcp. Return on normalised net tangible equity was 10.6%, reflecting disciplined capital use, cost control, and stable credit performance during a year of strategic transition, including the exit from New Zealand.

As previously noted the Group made the strategic decision to cease new lending in New Zealand and commence collection of the loan book with the repatriation of capital back to Australia supporting the Group's capital management initiatives. This has seen the reshaping of Go Car Finance operations to collections only.

The regulatory matter faced by Money3 has concluded at trial and we await judgement to be handed down. Anticipated to be before the end of calendar year 2025. Bennji commercial division underwent a soft launch to select Brokers with positive reviews and is anticipated to underwrite record new lending for the Group in FY26. The Group's focus on productivity resulted in a pleasing milestone, with all Australian consumer operations now operating from the same modern software platform for loan origination and loan management.

An additional key milestone was reached throughout the year and with the backdrop of ever increasing cyber risk to the financial services sector, Solvar achieved ISO27001 certification to enhance the safeguard for our customers and staff information.

Australian Operations

In May 2025, the Group launched "Bennji", our dedicated brand for commercial lending, closing the financial year with ~\$1.0 million gross loan book. The brand is well positioned in the ~\$22 billion commercial lending market and is expected to accelerate loan book growth in FY26. The Group focused on greater discipline on credit in the Australian consumer lending operations, and funded in excess of \$200 million for the year. Pleasingly, Solvar has now funded in excess of \$2 billion through various credit cycles since inception.

New Zealand Operations

In August 2024, the Group ceased new lending in New Zealand as part of its focus on larger, higher growth opportunities in Australia. Throughout FY25, the New Zealand team prioritised customer service and an orderly run down of the loan book.

During the year, the loan book contracted 44.4% to \$77.4 million as of 30 June 2025. The Group also fully repaid external borrowings of \$73.0 million, funded through available unrestricted cash.

Financial Performance

Australian operations posted interest income growth of 1.4% to \$180.3 million, driven by loan book expansion of 5.3%. However, At the Group level, interest income was \$207.4 million, down 6.1% which reflects the contraction in the New Zealand portfolio.

Group interest expense fell 12.6% to \$52.1 million, supported by the repayment of New Zealand debt and more favourable funding margins within Australian facilities. Australian loan book growth of 5.3% to \$832.7 million was through organic expansion offsetting some of the contraction in New Zealand, contributing to a 1.4% rise in Australian interest income. Portfolio yield reduced to 22.2% from 23.1% as the portfolio mix shifted towards higher credit quality customers. Net Interest Income (NII) Margin for Australia operations was at 16.7% (2024: 17.3%) supported by a reduction in interest expense. At Group level, the NII Margin was 16.9% (2024: 17.5%).

Funding and Capital Management

In FY25, the Group advanced its funding diversification strategy by deepening relationships with existing partners and adding new sources of funding. A key highlight was the successful inaugural Asset Backed Securitisation (ABS) in March 2025, sized at ~\$200.0 million with ~\$140.0 million in external debt amortising over the term.

The ABS transferred \$200.0 million of loans out of the existing Money3 warehouse into the ABS trust, was competitively priced with margins reducing by ~1% p.a. and creating additional capacity within existing debt facilities. On 30 June 2025, the Group had funding headroom exceeding \$300.0 million. In addition, the hedging strategy was extended to Money3, resulting in 57.5% of variable rate debt being hedged (up from 28.9% a year earlier), further insulating the Group from rate volatility.

Solvar's loan book quality continues to improve allowing for an increase in leverage and improving funding margins. Along with a rundown of New Zealand operations the Group anticipates having free cash allowing for a range of capital management initiatives. The Group has sought out acquisition opportunities that will complement existing distribution channels and broaden available products.



In the past 12 months two small loan books were acquired along with a strategic stake in Earlypay Ltd. During FY25 a share buy back was in place acquiring 14.3 million shares at an average price of \$1.46 per share. This will benefit investors for years to come, uplifting Earnings Per Share and improving Return on Equity. The Board determined a Share buy back continues to be an appropriate use of shareholder funds to improve returns to shareholders.

Regulatory Matters

The preparation and attendance at the trial of Australian Securities & Investment Commission (ASIC) versus Money3 consumed considerable resources throughout the year. While legal expenses are easily quantifiable at \$4.0 million the hidden cost is reflected in Money3's operational performance.

As we commence FY26, the trial between ASIC and Money3 has concluded, awaiting judgement. The product and underwriting standards at Money3 have been reviewed and tightened considerably.

In March 2024, the Commerce Commission commenced civil proceedings in the High Court of New Zealand alleging Go Car Finance Limited had breached its responsible lending obligations with respect to certain loans. Both Go Car Finance Limited and Solvar Limited are defending the legal proceedings and are of the view Go Car Finance Limited has appropriate processes in place that comply with its legal obligations. It is not practical to estimate the potential effect of the claim but Go Car Finance Limited is of the view that it is not probable that a material liability will arise.

Community, Environment and Social Engagement

At Solvar, our commitment to social responsibility extends beyond our operations with the Philanthropic committee ensuring strategic giving reflects the Groups values, committing ~\$300,000 to charitable organisations and environmental initiatives throughout the year. Our flagship partnership with Big Group Hug (BGH) supports families facing financial crisis due to conflict, unemployment, or homelessness. Beyond monthly financial support, our workforce actively engaged in BGH initiatives supporting the Christmas donation drive, BGH annual double donation day, and the annual Winter Warmers drive. Solvar also support Save a Child's Heart foundation, an international organisation providing life saving cardiac surgery to children from developing countries.

This year Solvar contributed to the Financial Counselling Industry Fund (FCIF) and sponsored the Financial Counselling Australia's (FCA) annual conference, supporting efforts to improve financial counselling availability in the community. Financial Counselling Australia serves as the peak body for financial counsellors in Australia, working to build financial literacy skills and provide support to those experiencing financial hardship.

While Solvar's businesses do not have a large direct environmental impact, we recognise the importance of all organisations playing a role in minimising the effects of climate change where possible. First and foremost, this involves focussing on our direct operations and supporting employees in making choices that reduce individual and collective impacts on climate change. Solvar's Sustainability Committee generates ideas and provides guidance on initiatives that lead to the minimisation of office waste and energy usage.

Solvar partners with Trace, a company that assists organisations by enabling them to efficiently measure, report and reduce their carbon footprint. In conjunction with Trace, Solvar funds carbon reduction projects both in Australia and overseas, including cool fire traditional land management in Arnhem Land and Coorong Lakes biodiversity conservation in South Australia. Trace then certifies that Solvar is carbon neutral by offsetting 100% of our measured emissions. With the commencement of Australia's climate related financial disclosure regime, including reporting on the emissions from used vehicles financed by the Group under Scope 3 of the GHG Protocol, Solvar will no longer be able to claim carbon neutral status. Solvar's climate reporting is scheduled to commence in financial year 2027, with Scope 3 emissions to be reported a year later. However, Solvar will continue to seek to reduce carbon emissions from the activities within its control, and will continue our commitment to the environment through both internal waste reduction initiatives and the use of energy efficient office equipment.

Conclusion

I would like to acknowledge the outstanding contributions of all our team members in both Australia and New Zealand. The Group continues to transform itself with the challenging task of driving change throughout the organisation, and it is testament to the team's resilience that we start the new financial year focussed on driving growth. Thank you to our shareholders and business partners for their continued support and shared long term commitment to the continued growth and success of the Group.

The Group remains in an exceptionally strong position to capitalise on the opportunities that will deliver sustainable growth and profits in years to come.



Scott Baldwin
Managing Director and
Chief Executive Officer



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Corporate Governance Statement

The statement outlining Solvar Limited's corporate governance framework and practices in the form of a report against the Australian Securities Exchange Corporate Governance Principles and Recommendations, is available on the Solvar website, www.solvar.com.au, under Corporate Governance in the Investors tab in accordance with listing rule 4.10.3.

Directors' Report

Your Directors present this report for the year ended 30 June 2025 on the consolidated entity consisting of Solvar Limited ("the Company") and the entities it controlled ("the consolidated entity"/"the Group") at the end of or during the year ended 30 June 2025.

Directors and Company Secretary

The following persons were Directors of the Company during the whole year, unless otherwise stated, and up to the date of this report:

- Stuart Robertson;
- Symon Brewis-Weston;
- Kate Robb (resigned on 21 November 2024);
- Craig Parker (appointed on 18 September 2024); and
- Scott Baldwin.

Terri Bakos is the Company Secretary.

Principal Activities

The principal activities of the Group during the financial year were the provision of consumer and commercial finance specialising in the delivery of secured automotive loans as well as secured and unsecured personal loans.

There have been no significant changes to the Group's principal activities during the year, other than those disclosed in "Review of Operations" and "Significant Changes in the State of Affairs" section in this report.

Dividends – Solvar Limited

Dividends paid to shareholders during the financial year were as follows:

	2025 Cents per share	2025 \$'000	2024 Cents per share	2024 \$'000
Final dividend paid during the year – fully franked at 30% tax rate	5.00	10,368	9.00	18,742
Interim dividend paid during the year – fully franked at 30% tax rate	6.00	12,153	5.00	10,499
Total Dividends Paid		22,521		29,241

Since the end of the financial year the Directors have declared the payment of a final dividend of 8.00 cents per fully paid share. Based on the current number of shares on issue, the dividend payment is expected to be \$15.525 million. This dividend will be paid on 08 October 2025 by the Company.

Review of Operations

Strategy

In July 2024, post a review of the Group's strategy it was decided to cease lending in New Zealand and refocus the Group's capital into the Australian market, including expanding commercial lending through a dedicated business unit.

Bennji launch – Commercial offering

In May 2025, the Group launched a new business unit "Bennji" to expand its product offering. Bennji is designed for small to medium businesses and focuses on funding vehicles and equipment. At 30 June 2025, loan book was \$0.735 million. Operating in a segment with a market opportunity of ~\$22 billion, Bennji is well positioned towards a strong growth in the coming years.

Acquisitions

In May 2025, the Group acquired 19.9% stake in Earlypay Ltd, a provider of working capital finance to Australian small and medium enterprises with its equipment finance and invoice financing products. This strategic investment is part of the Group's focus on expanding its exposure to commercial lending.

Capital management

The Group demonstrated prudent capital management practices by using available equity to reduce debt level in its New Zealand operations and deploying excess equity in share buyback. Supported by a strong balance sheet, the Group increased the maximum amount allocated for on-market share buyback to \$35.000 million in April 2025, to capitalise during periods of market volatility. During the year, the Group bought back 14,320,306 shares for \$20.888 million with an average buyback price of \$1.46 per share. In line with the Group's dividend policy, the Group paid fully franked interim dividend of 6.00 cents per share during the year and declared final dividend of 8.00 cents per share aggregating to dividend of 14.00 cents per share for the financial year ended 30 June 2025.

Funding

In March 2025, the Group executed its first Asset Backed Securitisation for \$199.850 million, Group's first term securitisation for Money3 business unit, which resulted in ~ 1.0% p.a. improvement in funding margins. During the year, the Group also diversified funders across warehouse funding structures in Australia, expanding its debt facility limits to \$914.074 million (2024: \$760.713 million) with \$326.748 million of available headroom at 30 June 2025. The external borrowings in New Zealand (\$73.003 million at the beginning of the financial year) was fully repaid in January 2025. During the year, the Group expanded its existing hedging strategy into Money3 business unit by executing Interest Rate Swaps. These measures collectively contributed to decrease in interest expense by \$7.495 million (12.6%) from prior year.

Operational performance

Solvar has demonstrated its resilience and adaptability throughout FY25, building on over 20 years of consistent profitability. The Group has significantly enhanced its credit assessment capabilities and risk management frameworks, positioning the business to better serve underserved markets while maintaining prudent lending standards. This strengthened foundation, combined with our deep expertise in consumer and commercial finance, positions Solvar to leverage its proven skills across a greater breadth of markets and customer segments. The Group's continued focus on operational excellence and strategic diversification ensures we remain well-placed to capitalise on emerging opportunities while delivering sustainable returns to shareholders.

The Group's new lending in FY25 decreased by 8.6% to \$390.814 million (2024: \$427.592 million) due to ceasing lending in New Zealand. Lending in Australian operations decreased by 2.5% to \$389.103 million. While first half lending was strong, the second half was impacted by weather events in Queensland and Western Australia and federal elections in Australia affecting sale of vehicles.

Directors' Report continued

The Group continued to manage its loan book quality despite challenging market conditions and subdued customer confidence. The aggregate of Strong and Good category of loans receivable was 76.3% on 30 June 2025 (2024: 77.2%) by limiting the deterioration below 1%.

With key focus on data security and cyber resilience, the Group invested in uplifting Group's cyber security posture and obtained ISO27001 certification. The Group was also committed towards simplification and harmonisation of its technology platforms to boost efficiency, productivity and broker and customer experience. This included retiring legacy system, eliminating duplicate workflows, increase automation and drive approval efficiencies.

Financial Performance

During the year, the Group delivered interest income of \$207.381 million with gross loan book of \$910.093 million. The gross loan book at group level have reduced by 2.2%, which is driven by the New Zealand book run-down while in Australia operations gross loan book grew by 5.3%.

Highlights of operations:

- \$34.050 million Normalised Net Profit After Tax ("Normalised NPAT"¹) up 17.4% on pcip.
- \$180.349 million Interest income from our operations in Australia up 1.4% on pcip.
- \$832.721 million Australian gross loan book up 5.3% on pcip.
- \$77.372 million gross loan book in New Zealand down 44.4% on pcip due to strategic repositioning.
- \$98.241 million Earnings Before Interest Tax Depreciation and Amortisation ("EBITDA"²) up 9.9% on pcip.

Table 1 – Reconciliation of Statutory NPAT to Normalised NPAT (Consolidated)

	2025 \$'000	2024 \$'000
Statutory NPAT	31,420	17,040
<i>Items excluded from normalised NPAT³</i>		
Impairment of goodwill and other intangible assets	–	9,163
Legal fees	3,757	4,000
Tax effect (legal fees)	(1,127)	(1,200)
Normalised NPAT	34,050	29,003

1 Normalised NPAT is reconciled to Statutory NPAT in Table 1.

2 EBITDA is reconciled to NPAT in Table 2.

3 To better reflect the underlying performance of the business, normalised NPAT excludes impairment of goodwill and other intangible assets of Go Car Finance and legal fees associated with the regulatory related legal action.

Directors' Report continued

Table 2 – Reconciliation of Statutory NPAT to Normalised EBITDA (Consolidated)

	2025 \$'000	2024 \$'000
Statutory NPAT	31,420	17,040
<i>Add backs</i>		
Interest ¹	52,069	59,564
Depreciation and amortisation	1,476	2,079
Tax	13,276	10,724
EBITDA	98,241	89,407
<i>Items excluded from normalised EBITDA²</i>		
Impairment of goodwill and other intangible assets	–	9,163
Legal fees	3,757	4,000
Normalised EBITDA	101,998	102,570

Normalised NPAT and EBITDA are non-International Financial Reporting Standard ("IFRS") financial measures.

Business Unit performance

The Group has three business units in Australia – Money3, Automotive Financial Services ("AFS") and Bennji; and one business unit in New Zealand – Go Car Finance ("GCF"). Money3, AFS and Bennji business units operate in Australia with broker networks and direct as primary distribution channels. GCF business unit operates in New Zealand and has ceased lending since August 2024.

- Money3 – \$626.280 million gross loan book up 4.9% on pcp and \$152.101 million Interest income up 0.3% on pcp.
- AFS – \$205.706 million gross loan book up 5.9% on pcp and \$27.627 million Interest income up 11.4% on pcp; and
- GCF – \$77.372 million gross loan book down 44.4% on pcp and \$27.032 million Interest income down 36.9% on pcp.

Segment Performance

(a) Australia

	2025 \$'000	2024 \$'000	% Change
Interest income (incl. fees and charges)	179,728	176,466	1.8%
EBITDA	101,165	89,886	12.5%
Gross loan book	832,721	791,089	5.3%
Loans receivable	774,596	734,516	5.5%

(b) New Zealand

	2025 \$'000	2024 \$'000	% Change
Interest income (incl. fees and charges)	27,032	42,864	(36.9%)
EBITDA	14,044	10,647	31.9%
Gross loan book	77,372	139,163	(44.4%)
Loans receivable	73,833	131,838	(44.0%)

¹ Comparative figures have been adjusted to conform to changes in presentation for the financial year ended 30 June 2025.

² To better reflect the underlying performance of the business, normalised EBITDA excludes impairment of goodwill and other intangible assets of Go Car Finance and legal fees associated with the regulatory related legal action.

Significant Changes in the State of Affairs

Regulatory Action

Further to the information provided in prior periods and during half year, there are no material developments regarding ongoing legal action with Australian Securities and Investments Commission and the Commerce Commission of New Zealand.

Apart from the above, there were no other significant changes in the state of affairs of the Group other than those referred to in the review of operations and financial statements or notes thereto.

Significant Matters Subsequent to the Reporting Date

Refer to Note 20 in the Financial Report for dividends proposed to be declared since the end of the reporting period.

On 25 August 2025 the Group appointed Kellie Cordner as an Independent Non-Executive Director with effect from 1 September 2025.

No other matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Group, the results or the state of affairs of the Group.

Likely Developments and Expected Results of Operations

The likely developments in the Group's operations, to the extent that such matters can be commented upon, are covered in the 'Review of Operations' section in this Report.

Environmental Regulation

The operations of the Group are not subject to any significant environmental regulations under Australian Commonwealth, State or Territory law. The Directors are not aware of any breaches of any environmental regulations.

Indemnification and Insurance of Directors and Officers

The Group has indemnified the Directors and Officers for costs incurred, in their capacity as a Director or Executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Group paid a premium in respect of a contract to insure the Directors and Executives against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnification of Auditors

The Group has not indemnified or agreed to indemnify the auditor of the Group or of any body corporate against a liability incurred as such by the auditor, during or since the financial year, except as permitted by law.

Non-Audit Services

Details of the amounts paid or payable to the auditor for audit and non-audit services during the year are disclosed in Note 27 Auditor's Remuneration.

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

Directors' Report continued

The board of directors, in accordance with advice provided by the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor, and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.



Proceedings on Behalf of the Group

Other than the items outlined under the section Regulatory Action (above), no person has applied to the Court for leave to bring proceedings to which the Group is a party, for taking responsibility on behalf of the Group for all or part of these proceedings. No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 237 of the *Corporations Act 2001*.





Rounding of Amounts

The Group is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in some cases, to the nearest dollar.






Our Board

	<p>Stuart Robertson (Age 54), Non-Executive Director & Chair of the Board</p> <p>Qualification: B.Com CA FINSIA GAICD MBA</p> <p>Experience: Stuart brings experience in business advisory, investment banking, alternative investments and funds management. Stuart provides consulting services focused on deal origination and structuring primarily in the unlisted market. Stuart is also a member of the Audit Committee and Remuneration & Nomination Committee.</p> <p>Other listed directorships: Praemium Limited (director since 2017)</p> <p>Former directorships in last 3 years: None</p>
	<p>Symon Brewis-Weston (Age 56), Non-Executive Director & Chair of the Remuneration & Nomination Committee</p> <p>Qualification: B.Econ (Hons) Masters in Applied Finance</p> <p>Experience: Symon brings extensive international financial services experience and a deep understanding of the consumer finance markets. He has held senior positions at FlexiGroup Limited, Sovereign Assurance Limited, and the Commonwealth Bank of Australia. Symon is also a member of the Audit Committee.</p> <p>Other listed directorships: BSP Financial Group Limited (director since 2021), Chairman, Bank of South Pacific (Fiji) Pte Ltd (since 2025) and Chairman, Oxbury Agricultural Finance (since 2025).</p> <p>Former directorships in last 3 years: None</p>

Directors' Report continued

	<p>Kate Robb (Age 54), Non-Executive Director & Chair of the Audit Committee (Resigned on 21 November 2024)</p> <p>Qualification: B.Acc. CA GAICD</p> <p>Experience: Kate brings more than 20 years of governance, internal audit, risk management and compliance experience. She has held senior management roles within a number of ASX-listed companies. In addition to this, Kate also spent seven years with PwC during which she provided governance services to a variety of listed and privately owned entities. Kate is also a member of the Remuneration & Nomination Committee.</p> <p>Other listed directorships: CurveBeam AI Limited (director since 2023)</p> <p>Former directorships in last 3 years: None</p>
	<p>Craig Parker (Age 64), Non-Executive Director & Chair of Audit Committee</p> <p>Qualification: BA (Econ) B.Ec (Acc & Fin) MBA CPA</p> <p>Experience: Craig retired from Westpac in 2023 after 41 years of service. Since 2005, Craig was responsible for Westpac's global structured finance and securitisation activities. He previously led Client Relationship Management and Corporate Finance teams in Australia and Hong Kong. Craig is a Fellow of the Australian Securitisation Forum.</p> <p>Craig is also a Director of Firstmac Limited, a major non-Bank Residential Mortgage company and Chairs its Audit Committee. In addition, he is also a Director of Foresight Australia, a Disability Accommodation and Services organisation and is Chair of its Finance, Audit and Risk Committee.</p> <p>Other listed directorships: None</p> <p>Former directorships in last 3 years: None</p>
	<p>Scott Baldwin (Age 50), Managing Director & Chief Executive Officer</p> <p>Qualification: Dip. in Finance B.Eng. (Hons) MBA GAICD</p> <p>Experience: Scott has been an employee of Solvar from April 2008, a shareholder since listing in 2006, and was appointed to the Board of Directors in 2009 as an Executive Director, in 2015 he assumed the role of Managing Director and Chief Executive Officer. Scott has led the strategic transformation of Solvar into a fast-growing consumer auto finance business. Prior to joining Solvar, Scott spent over a decade in a variety of senior roles with General Electric Healthcare.</p> <p>Other listed directorships: None</p> <p>Former directorships in last 3 years: None</p>
	<p>Terri Bakos, Company Secretary</p> <p>Qualification: B.Acc. CA ACIS</p> <p>Experience: Terri has over 25 years' experience providing company secretarial, financial accounting and compliance services to ASX listed and unlisted public companies in the technology, financial services, automotive, mining and biotech sectors.</p> <p>Other listed directorships: None</p> <p>Former directorships in last 3 years: None</p>

Our Management Team

	<p>Siva Subramani (Chief Financial Officer)</p> <p>Siva joined Solvar in November 2017 as the Head of Treasury function before being appointed as the Chief Financial Officer in March 2018. Prior to joining Solvar, Siva was a Director with PwC providing assurance and advisory services in the banking and capital markets sector specialising in the asset-finance sector. Siva also brings experience from India, UK, and the Middle East.</p>
	<p>Pushkar Pendse (Chief Operating Officer)</p> <p>Pushkar joined Solvar in September 2022 and has over 20 years of experience in Information Technology and Financial Services, internationally, including Australia, Japan, India, Singapore, and Malaysia. Before joining Solvar, he worked with BMW Financial Services for 15 years, across multiple countries and handled a wide variety of roles including his last position as COO for BMW Credit in Malaysia.</p>
	<p>Tessa Georgis (Head of People and Culture)</p> <p>Tessa joined Solvar in November 2021, with a proven track record of modernising the employee experience and driving engagement through strategic, purpose-led people initiatives. Her approach is grounded in aligning culture with business strategy, ensuring that people planning is not only operationally effective but also deeply connected to organisational values.</p> <p>Tessa specialises in leading people transitions during mergers and acquisitions, conducting capability diagnostics to identify and unlock potential, and designing talent development frameworks that support both individual growth and business performance. Her experience includes crafting and executing compelling employee value propositions that attract, retain, and inspire top talent. Her leadership continues to shape a progressive and inclusive workplace culture at Solvar.</p>
	<p>Craig Harris (Executive General Manager, Consumer Lending)</p> <p>Craig joined Solvar in May 2010, with over 25 years of experience from various industries including mining, manufacturing and financial services. Craig previously had a variety of roles including CFO and Company Secretary at listing property group Wentworth Holdings Limited. Prior to Wentworth, he spent 10 years as Group Financial Controller for a large Financial Services company Oamps Ltd.</p>
	<p>Craig Bowring (Executive General Manager, Commercial Lending)</p> <p>Craig joined Solvar in November 2024 and brings extensive experience in strategy, origination, risk management and funding within the asset finance sector. As a disciplined and pragmatic leader, he focuses on driving business growth through innovative problem-solving and building high-performing sales and operational teams dedicated to exceeding client expectations.</p> <p>Craig has led the development of proprietary asset finance origination processes designed to deliver faster and more efficient financing solutions for clients. His proven track record includes expertise in strategic development, risk assessment frameworks, team leadership and funding structures across the financial services industry.</p>

Not all management personnel are Key Management Personnel ("KMP"). Refer to Remuneration Report for KMP disclosures.

Directors' Report continued

Meetings of Directors

The number of meetings of the Board and of other Committee meetings held during the year ended 30 June 2025 and the numbers of meetings attended by each Director were:

Director	Board		Audit Committee		Remuneration & Nomination Committee	
	Held	Attended	Held	Attended	Held	Attended
Stuart Robertson	14	14	5	5	3	3
Symon Brewis-Weston	14	13	5	5	3	3
Kate Robb	8	8	3	3	1	1
Craig Parker	9	9	3	3	2	2
Scott Baldwin ¹	14	14	–	–	–	–

Performance Rights

Performance Rights

Performance rights of Solvar Limited on issue at the date of this report are given below:

Grant Date	Vesting Date	Expiry Dates	Performance Rights 2025	Performance Rights 2024
04-Oct-21	30-Jun-24	30-Sep-24	–	265,456
01-Dec-21	30-Jun-24	30-Sep-24	–	274,538
26-Aug-22	30-Jun-25	30-Sep-25	397,785	430,384
07-Dec-22	30-Jun-25	30-Sep-25	456,668	456,668
29-Aug-23	30-Jun-26	30-Sep-26	1,060,462	1,125,783
01-Dec-23	30-Jun-26	30-Sep-26	792,244	792,244
21-Oct-24	30-Jun-27	30-Sep-27	639,654	–
18-Dec-24	30-Jun-27	30-Sep-27	774,390	–
Total			4,121,203	3,345,073

Performance rights granted during the year are given below.

Grant Date	Equity Instrument	Quantity Granted	Vesting Date	Expiry Date
21-Oct-24	Rights	639,654	30-Jun-27	30-Sep-27
18-Dec-24	Rights	774,390	30-Jun-27	30-Sep-27

The above grants were made to staff including those who are part of the top five highest remunerated officers of the Group. No performance rights were granted to the non-executive directors or any of the five highest remunerated officers of the Group since the end of the financial year. Performance rights carry neither right to dividends nor voting.

¹ Not a member of the committee.

Directors' Report continued



**Symon
Brewis-Weston**

Dear Shareholders,

On behalf of the Board and as chair of the Remuneration and Nomination Committee ("Committee"), I present the FY25 Remuneration Report.

Executive Remuneration Outcomes for FY25

The Group delivered a solid performance in FY25, marked by strategic execution, operational resilience, and the Group's commitment to long term value creation. The Group's normalised Net Profit After Tax met market guidance and a fully franked final dividend of 8.00 cents per share has been announced, aggregating the total dividend to 14.00 cents per share for the year ended 30 June 2025. During the year, the Group also successfully executed its on market share buy back program, purchasing 14.3 million shares.

Key achievements in FY25 included:

- The launch of our new Commercial Business "Bennji" in Q4 2025 expanding our commercial lending capabilities.
- The transformation of the AFS business unit, including platform integration and decommissioning of legacy systems, and a revitalised customer experience, positioning the business for sustainable performance.
- Renewed key funding facilities and further diversifying our funding partner mix.
- Successful completion of the Group's first ever Asset backed Securitisation marked a pivotal shift in our funding strategy, reducing costs and enhancing financial flexibility.
- Achievement of ISO270001 certification – recognition of the effectiveness of our risk management and infrastructure investment. The Group's continued investment in the cyber resilience program strengthens our defence systems across core business units.

The Group maintained disciplined financial and risk controls in FY25. While statutory NPAT reflected macroeconomic headwinds, including persistent inflationary pressures impacting costs of living and disposable incomes, and higher provisioning for credit losses, the underlying business continued to demonstrate resilience.

As in prior years, management's STI eligibility was based on achieving minimum financial thresholds and governance criteria. In FY25, these were met. Management will receive approximately 55% of their potential STI, recognising their delivery of shareholder value and strategic impact. The performance hurdles for the LTI grant issued in FY22 – vesting in FY25 were not satisfied, subsequently this grant has now lapsed.

Non-Executive Director fees remain unchanged in FY25.

The Committee acknowledges increasing complexity in the operating environment and is actively seeking to broaden the skill base of the Board.

Thank you for your continued support.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'S. Brewis-Weston', with a stylized flourish at the end.

Symon Brewis-Weston

Chairman, Remuneration and Nomination Committee

27 August 2025

Remuneration Report

The Directors of Solvar Limited ("the Company" or "Solvar") present the Remuneration Report for the Company and its controlled entities ("the Group") for the financial year ended 30 June 2025 prepared in accordance with the requirements of the *Corporations Act 2001* ("the Act") and audited as required by section 308 (3C) of the Act.

1. Key Management Personnel

The Key Management Personnel ("KMP") covered in this Remuneration Report includes Non-Executive Directors ("NED") and those executives who are deemed to have the authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. The table below outlines the KMP at any time during the financial year who unless otherwise indicated, were KMP for the entire year.

Name	Role
Non-Executive Directors	
Stuart Robertson	Independent Non-Executive Chairman
Symon Brewis-Weston	Independent Non-Executive Director
Kate Robb	Independent Non-Executive Director (resigned on 21 November 2024)
Craig Parker	Independent Non-Executive Director (appointed on 18 September 2024)
Executive Directors	
Scott Baldwin	Managing Director and Chief Executive Officer
Executives	
Siva Subramani	Chief Financial Officer
Pushkar Pendse	Chief Operating Officer

2. NED Remuneration Structure

The Board seeks to set aggregate remuneration at a level which provides the Group with the ability to attract and retain Non-Executive Directors of the highest calibre. The Constitution and the ASX Listing Rules specify that the aggregate remuneration of NEDs shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the NEDs as agreed. The current approved aggregate remuneration is \$750,000 (2024: \$750,000).

The total remuneration of the chairperson is a fixed amount of \$205,000 for discharging his duties and participation across all Board Committees. Other NEDs receive a base fee of \$100,000. Other NEDs also receive \$15,000 to chair a Board Committee and \$10,000 for being member of a Board committee. The fees stated are inclusive of superannuation. The Board Committees in Solvar include Audit, Risk & Compliance Committee and Remuneration & Nomination Committee.

3. Remuneration Framework

The below sections cover the Managing Director ("MD") and executive KMP remuneration framework.

3.1 Governance

The Board has established a Remuneration and Nomination Committee that oversees the development and implementation of the remuneration framework. Our Remuneration and Nomination Committee ("the Committee") consists of independent non-executive directors. Annually, the Committee reviews and determines our remuneration policy and the structure to ensure it remains aligned to the business needs and meets our remuneration principles. The Committee regularly undertakes remuneration benchmarking for the Chief Executive officer and executive KMP.

Remuneration Report continued

In particular, the Committee aims to ensure that remuneration practices are:

- Competitive and reasonable, enabling the Group to attract and retain key talent;
- Aligned to the Group's strategic and business objectives and the creation of shareholder value;
- Transparent and easily understood; and
- Acceptable to shareholders.

3.2 Principles and Framework

The performance of the Group depends upon the quality of its CEO and executive KMP. To prosper, the Group must attract, motivate and retain highly skilled people. The remuneration is structured in such a way that it encourages CEO and executive KMP in creating both short term and long term value for the shareholders and achieve strategic objectives of the Group.

The Group regularly benchmarks remunerations against relevant peers, being ASX listed companies of similar size, structure and industry to that of Solvar and current market employment conditions. The remuneration principles and framework are outlined below.

Reward Principles		
Attract, retain and engage high performing executives	Align performance to strategy objective execution, including both short term and long-term goals	Encourage and motivate executives to maximise shareholder value

Fixed Remuneration ("FR")

The MD and other KMP may receive their fixed remuneration comprising of base salary and statutory superannuation contributions as cash or cash with non-monetary benefits such as insurance, phone allowances or as elected by the individual. There is no guaranteed increase in the employment contracts. Fixed remuneration is reviewed annually by the Remuneration and Nomination Committee.

Fixed remuneration is measured based on the following factors:

- Scope and complexity of the role; and
- Individual capability and skill, experience, and performance.

Short Term Incentive ("STI")

STI is an incentive based on the financial, strategic and operational objectives of the Group. The STI is delivered as cash payment following the completion of the financial year. The size of the STI opportunity is 100% of the Fixed Remuneration for the MD and up to 50% of the Fixed Remuneration for all other senior executives.

FY26 Performance Metrics

Metric	Measure	Weighting	Reason for Selection
Financial metrics	<ul style="list-style-type: none">• New lending (NAF)• Revenue growth• Productivity & funding costs• NPAT	70%	Reflects measures of financial performance relative to the set Budget for the financial period set by the Board
Non-Financial metrics	<ul style="list-style-type: none">• Leadership• Governance• People & Culture metrics	30%	Reflects the individual's performance against the Group's desired qualities and outcomes

The Board has discretion to adjust remuneration outcomes up or down to prevent any inappropriate reward outcomes.

Remuneration Report continued

Long Term Incentive ("LTI")

LTI is an equity based plan based on achievement of long term performance conditions measured over a three year period. The size of the LTI opportunity is 100% of the Fixed Remuneration for the MD and up to 75% of the Fixed Remuneration for all other executive KMP. MD and the executive KMP may achieve up to 150% of their LTI allocation should the Group achieve outstanding growth over the performance period. The LTI opportunity is divided by the Black-Scholes value of the equity instrument to determine the number of instruments.

LTI targets are reviewed on an annual basis by the Remuneration and Nomination Committee and includes the following performance and service conditions:

- Absolute Total Shareholder Return ("ATSR") – 50% LTI allocation;
- Earnings Per Share ("EPS") growth targets – 50% LTI allocation; and
- Remaining employed in the Group through the vesting period.

The LTI allocation for each of the performance measures may vary from time to time. For FY26 LTI Program, the LTI allocation is 50% for ATSR and 50% for EPS.

FY26 Performance metrics

The payout is represented as a % of Target

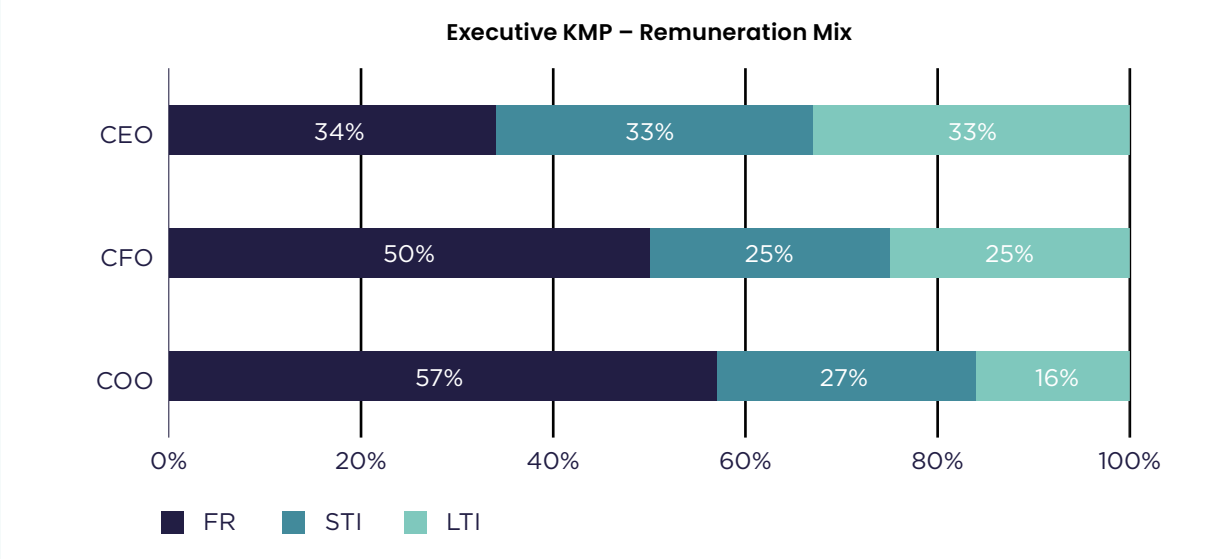
		Payout Ratio			
EPS Growth Hurdles		EPS			
Below 8%		Nil			
8% – 10%		50%			
10% – 12.5%		100% (Target)			
Above 12.5%		150%			

		Absolute TSR Growth			
		<8%	8%-10%	10%-2.5%	>12.5%
Relative TSR ASX 200 Financials Index (AXFI)	<25th percentile	Nil	Nil	50%	75%
	25th percentile	Nil	50%	75%	100% (Target)
	50th percentile	50%	75%	100% (Target)	125%
	75th percentile	75%	100% (Target)	125%	150%

Remuneration Report continued

Remuneration Mix

The target remuneration mix for the financial year ended 30 June 2025 is as per the figure below. It reflects the STI opportunity for the current financial year that will be available if the performance conditions are satisfied at target and the value of LTI performance rights granted during the year, as determined at grant date. A significant portion of the CEO and executive KMP remuneration is linked to short term and long term goals of the Group effectively aligning the staff performance and shareholder value. The relative weightings of the components of the remuneration are given below:



3.3 Remuneration Delivery

The following table provides a timeline of when the remuneration is delivered.

Component	Year 1	Year 2	Year 3	Year 4
Fixed Remuneration	Performance measured Cash payment			
Short Term Incentive	Performance measured	Cash payment		
Long Term Incentive	Performance measured			Issue of shares

Remuneration Report continued

3.4 Contract of Employment

All executives of the Group are employed under a letter of appointment with various notice periods from three to six months required to terminate their appointment.

Key terms of these contracts for FY26 are given below:

Name	Role	Type of Employment	Termination Notice Period
Scott Baldwin	Chief Executive Officer	Permanent	6 months
Siva Subramani	Chief Financial Officer	Permanent	6 months
Pushkar Pendse	Chief Operating Officer	Permanent	3 months

4. Group Performance and Remuneration Outcomes

4.1 Group Financial Performance

Financial performance for the past five years is indicated by the following table:

	30 June 2025	30 June 2024	30 June 2023	30 June 2022	30 June 2021
Interest income ¹ (\$'000)	207,381	220,745	212,353	187,939	145,130
NPAT (\$'000)	31,420	17,040	47,632	51,632	39,165
Closing share price	\$1.68	\$1.14	\$1.55	\$1.96	\$3.35
Price increase/(decrease) \$	\$0.54	(\$0.41)	(\$0.41)	(\$1.39)	\$1.80
Price increase/(decrease) %	47%	(26%)	(21%)	(41%)	116%
Earnings per share (cents)	15.48	8.13	22.55	24.40	19.85
Dividend (cents)	14.00	10.00	16.50	13.00	10.00

¹ Interest income includes fees and charges.

Remuneration Report continued

4.2 Details of Remuneration

Tables 4.2.1 to 4.2.3 show details of the remuneration expense recognised for the Group's executive KMP for the current and previous financial year measured in accordance with the requirements of the accounting standards.

4.2.1 FY25 Remuneration expenses for KMP

	Short term employee benefits		Post-employment benefits	Long term benefits		Share based payments	Total
	Salary, fees, compensated absences \$	Bonus \$	Super \$	Long service leave \$	Termination \$	\$	\$
2025							
NEDs							
Stuart Robertson	182,077	–	16,934	–	–	–	199,011
Symon Brewis-Weston	108,520	–	12,480	–	–	–	121,000
Kate Robb ¹	46,046	–	5,295	–	–	–	51,341
Craig Parker ²	83,477	–	9,600	–	–	–	93,077
NEDs Total	420,120	–	44,309	–	–	–	464,429
Executives							
Scott Baldwin	609,239	365,760	29,932	22,169	–	389,659	1,416,759
Siva Subramani	356,599	98,175	29,932	17,082	–	174,939	676,727
Pushkar Pendse	356,543	99,139	29,932	–	–	130,193	615,807
Executives Total	1,322,381	563,074	89,796	39,251	–	694,791	2,709,293
Total	1,742,501	563,074	134,105	39,251	–	694,791	3,173,722

¹ Relates to remuneration up to the date of resignation on 21 November 2024.

² Relates to remuneration from the date of appointment on 18 September 2024.

Remuneration Report continued

4.2.2 FY24 Remuneration Expenses for KMP

	Short term employee benefits		Post- employ- ment benefits	Long term benefits		Share based payments	Total
	Salary, fees, compen- sated absences \$	Bonus \$	Super \$	Long service leave \$	Termina- tion \$	\$	\$
2024							
NEDs							
Stuart Robertson	189,000	–	–	–	–	–	189,000
Symon Brewis-Weston	103,604	–	11,396	–	–	–	115,000
Kate Robb	103,604	–	11,396	–	–	–	115,000
NEDs Total	396,208	–	22,792	–	–	–	419,000
Executives							
Scott Baldwin	582,843	308,768	27,500	11,197	–	343,611	1,273,919
Siva Subramani	340,154	55,727	27,398	11,940	–	150,021	585,240
Pushkar Pendse	338,165	81,850	27,494	–	–	78,507	526,016
Executives Total	1,261,162	446,345	82,392	23,137	–	572,139	2,385,175
Total	1,657,370	446,345	105,184	23,137	–	572,139	2,804,175

Remuneration Report continued

4.2.3 Disclosure of Remuneration Expenses and Actual Remuneration for Executive KMP

This disclosure provides the information on remuneration expenses and actual remuneration paid/payable to the Executive Key Management Personnel during the year.

Name	2025				2024			
	Total \$	Fixed \$	STI \$	LTI ¹ \$	Total \$	Fixed \$	STI \$	LTI ¹ \$
Scott Baldwin								
• Expensed	1,416,759	661,340	365,760	389,659	1,273,919	621,540	308,768	343,611
• Paid/Payable	1,003,160	637,400	365,760	–	919,111	610,343	308,768	–
Siva Subramani								
• Expensed	676,727	403,613	98,175	174,939	585,240	379,492	55,727	150,021
• Paid/Payable	485,576	387,401	98,175	–	423,279	367,552	55,727	–
Pushkar Pendse								
• Expensed	615,807	386,475	99,139	130,193	526,016	365,659	81,850	78,507
• Paid/Payable	489,661	390,522	99,139	–	447,509	365,659	81,850	–

4.3 FY25 Fixed Remuneration Outcomes

The fixed remuneration for the executive KMPs is given below:

Name	Role	Type of employment	Fixed Remuneration ²	% Increase from prior year
Scott Baldwin	Chief Executive Officer	Permanent	\$637,400	5.4%
Siva Subramani	Chief Financial Officer	Permanent	\$387,400	8.9%
Pushkar Pendse	Chief Operating Officer	Permanent	\$385,522	8.2%

¹ Equity Settled.

² Includes \$32,550 one off travel and meal allowance for Mr Pendse to manage GCF business.

Remuneration Report continued

4.4 FY25 STI Outcomes

The table below details the performance against key measures for and impact on FY25 STI:

Metric	Target	Weighting	Performance	Weighting adjusted impact on incentive award
Financial metrics		50%		14.0% achieved
• New Lending (NAF)	Above \$416.448 million		95% of target	
• Cash in	Above \$539.233 million		98% of target	
• Revenue Yield	22.3% Yield		102% of target	
• EBITDA	\$98.828 million		95% of target	
• NPAT	\$29.972 million		104% of target	
Improvement in productivity	At least 16% improvement	15%	Reduction in employee costs	15.0% achieved
People & Culture metrics	Employee retention	15%	Completion of training	7.5% achieved
	Succession Planning		Narrow gender pay gap	
	Gender pay gap reduction			
Customer metrics	Net Promoter Score (NPS)	10%	Positive NPS for business units	9.1% achieved
	Customer complaints		Reduction in customer complaints	
Governance	Data retention program	10%	ISO27001 certification	7.3% achieved
	Review and update policies and procedures		All major policies updated and review	

The following table outlines the percentage of target STI achieved (and forfeited) and the total STI awarded, for each Executive KMP for FY25:

	STI On Target Opportunity \$	Achieved %	Forfeited %	STI Outcome \$
Scott Baldwin	635,000	57.6%	42.4%	365,760
Siva Subramani	192,500	51.0%	49.0%	98,175
Pushkar Pendse	174,966	56.7%	43.3%	99,139

Remuneration Report continued

4.5 FY25 LTI Outcomes

4.5.1 Performance Rights Vested in FY25

The LTI Grants were tested for achievement of vesting conditions/hurdles at each of the respective vesting dates. Based on satisfactory achievement of the hurdles, performance rights are allowed to be exercised. Upon exercise, they are converted and issued as ordinary shares to the Executive KMP.

Name	Equity Instrument	Grant Date	Vesting Date	Quantity Granted	Quantity Vested	Quantity Forfeited Post Year End
Scott Baldwin	Rights	07-Dec-22	30-Jun-25	456,668	–	456,668
Siva Subramani	Rights	26-Aug-22	30-Jun-25	124,054	–	124,054
Pushkar Pendse	Rights	26-Aug-22	30-Jun-25	109,459	–	109,459

Vesting criteria is based on EPS and TSR targets

LTI performance for FY25 Vesting

FY25 vesting conditions were not met and the performance rights with a vesting date of 30-Jun-25 were forfeited post year end.

4.6 FY25 Performance Rights

4.6.1 Performance Rights Granted in FY25

Name	Grant Date	Equity Instrument	Performance Criteria	Quantity Granted	Fair value per right on grant date	Vesting Date	Expiry Date
Scott Baldwin	18-Dec-24	Rights	EPS	387,195	\$1.01	30-Jun-27	30-Sep-27
Scott Baldwin	18-Dec-24	Rights	ATSR	387,195	\$1.01	30-Jun-27	30-Sep-27
Siva Subramani	21-Oct-24	Rights	EPS	134,312	\$1.05	30-Jun-27	30-Sep-27
Siva Subramani	21-Oct-24	Rights	ATSR	134,312	\$1.05	30-Jun-27	30-Sep-27
Pushkar Pendse	21-Oct-24	Rights	EPS	75,200	\$1.05	30-Jun-27	30-Sep-27
Pushkar Pendse	21-Oct-24	Rights	ATSR	75,200	\$1.05	30-Jun-27	30-Sep-27

ATSR means Absolute Total Shareholder Return.

The performance rights have been valued by reference to the normalised value of ordinary Solvar shares, adjusted for the impact of the vesting conditions, including the rights to dividends, where appropriate. In FY25, none of above the performance rights were due for vesting.

4.6.2 Rights held by KMP

Name	Balance at 30 June 2024	Granted	Exercised	Forfeited	Balance at 30 June 2025	Vested and exercisable	Forfeited post year end	Unvested
Scott Baldwin	1,523,450	774,390	–	(274,538)	2,023,302	–	456,668	1,566,634
Siva Subramani	624,255	268,624	–	(104,084)	788,795	–	124,054	664,741
Pushkar Pendse	329,645	150,400	–	–	480,045	–	109,459	370,586
Total	2,477,350	1,193,414	–	(378,622)	3,292,142	–	690,181	2,601,961

Remuneration Report continued

4.6.3 Fair value of rights held by KMP

Name	Grant Date	Equity Instrument	Performance Criteria	Balance as at 30 June 2025	Fair value per right on grant date	Vesting Date	Expiry Date
Scott Baldwin	07-Dec-22	Rights	EPS	228,334	\$2.09	30-Jun-25	30-Sep-25
Scott Baldwin	07-Dec-22	Rights	CTSR	228,334	\$2.03	30-Jun-25	30-Sep-25
Scott Baldwin	01-Dec-23	Rights	EPS	396,122	\$0.87	30-Jun-26	30-Sep-26
Scott Baldwin	01-Dec-23	Rights	CTSR	396,122	\$0.37	30-Jun-26	30-Sep-26
Scott Baldwin	18-Dec-24	Rights	EPS	387,195	\$1.01	30-Jun-27	30-Sep-27
Scott Baldwin	18-Dec-24	Rights	ATSR	387,195	\$1.01	30-Jun-27	30-Sep-27
Siva Subramani	26-Aug-22	Rights	EPS	61,122	\$2.09	30-Jun-25	30-Sep-25
Siva Subramani	26-Aug-22	Rights	CTSR	62,932	\$2.03	30-Jun-25	30-Sep-25
Siva Subramani	29-Aug-23	Rights	EPS	127,305	\$1.04	30-Jun-26	30-Sep-26
Siva Subramani	29-Aug-23	Rights	CTSR	268,812	\$0.49	30-Jun-26	30-Sep-26
Siva Subramani	21-Oct-24	Rights	EPS	134,312	\$1.05	30-Jun-27	30-Sep-27
Siva Subramani	21-Oct-24	Rights	ATSR	134,312	\$1.05	30-Jun-27	30-Sep-27
Pushkar Pendse	26-Aug-22	Rights	EPS	53,931	\$2.09	30-Jun-25	30-Sep-25
Pushkar Pendse	26-Aug-22	Rights	CTSR	55,528	\$2.03	30-Jun-25	30-Sep-25
Pushkar Pendse	29-Aug-23	Rights	EPS	70,764	\$1.04	30-Jun-26	30-Sep-26
Pushkar Pendse	29-Aug-23	Rights	CTSR	149,422	\$0.49	30-Jun-26	30-Sep-26
Pushkar Pendse	21-Oct-24	Rights	EPS	75,200	\$1.05	30-Jun-27	30-Sep-27
Pushkar Pendse	21-Oct-24	Rights	ATSR	75,200	\$1.05	30-Jun-27	30-Sep-27
Total				3,292,142			

CTSR means Composite Total Shareholder Return and ATSR means Absolute Total Shareholder Return.

5. Other Information

5.1 KMP Equity Holdings (ordinary shares)

Name	Balance as at 30 June 2024	On exercise of Performance Rights	Net change other ¹	Balance on termination	Balance as at 30 June 2025
Stuart Robertson	1,124,986	–	68,585	–	1,193,571
Symon Brewis-Weston	49,733	–	706	–	50,439
Kate Robb	50,307	–	–	(50,307)	–
Craig Parker	–	–	50,000	–	50,000
Scott Baldwin	8,565,907	–	–	–	8,565,907
Siva Subramani	474,343	–	–	–	474,343
Total	10,265,276	–	119,291	(50,307)	10,334,260

¹ Acquired/sold on market or acquired via DRP.

Remuneration Report continued

5.2 Loans to KMP

In FY22, Solvar entered into a 5-year Deferred Payment Arrangement (“DPA”) with related entities to Scott Baldwin, Managing Director and CEO of the Group, to lend \$3,270,000 for the exercise of 2,180,000 unlisted options. The allocated Shares shall be held in escrow and subject to a holding lock. The allocated shares shall only be released from escrow upon all obligations of the borrower having been satisfied under the DPA and discharged in full. The Directors have determined that the terms of the DPA are on a reasonable arm’s length basis including the interest rate on the transaction. The interest rate used is the Australian Taxation Office Division 7A benchmark interest rate. The initial recognition of the loan and the related exercise of the options was treated as a non-cash activity for the purposes of the Statement of Cash Flows. Periodic repayments are made in cash and the amount payable at 30 June 2025 was \$970,000 (2024: \$1,976,566). This loan is included as part of the Loans Receivable balance disclosed in Note 7. Income recognised in respect of the loan during current year was \$144,104 (2024: \$174,980).

5.3 Other Transactions Related to KMP

There were no other transactions to KMP or their related parties during the financial year ended 30 June 2025 (2024: Nil) or an outstanding balance as at that date (2024: Nil).

All transactions with related parties are at arm’s length on normal commercial terms and conditions at market prices.

End of Remuneration Report (Audited)

Auditor’s Independence Declaration

The auditor’s independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 47 of the financial report.

Signed in accordance with a resolution of the Directors.

On behalf of the Directors



Scott Baldwin
Director

Melbourne
27 August 2025

Auditor's Independence Declaration



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Australia

DECLARATION OF INDEPENDENCE BY BENJAMIN LEE TO THE DIRECTORS OF SOLVAR LIMITED

As lead auditor of Solvar Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Solvar Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Benjamin Lee'.

Benjamin Lee

Director

BDO Audit Pty Ltd

Melbourne, 27 August 2025

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of A.C.N. 050 110 275 Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and A.C.N. 050 110 275 Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

Directors' Declaration

In the Directors' opinion:

1. The financial statements and the notes set out on pages 49 to 93 are in accordance with the *Corporations Act 2001*, including:
 - (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance, for the financial year ended on that date; and
 - (b) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
2. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;
3. The consolidated entity disclosure statement in page 94 is true and correct; and
4. At the date of this declaration, there are reasonable grounds to believe that the entity and the consolidated entities identified in Note 33 to the financial statements will as a consolidated entity be able to meet any liabilities to which they are, or may become subject because of the deed of cross guarantee described in Note 28 to the financial statements.

Note 1 confirms that the financial statements also comply with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB).

The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* by the Managing Director and Chief Financial Officer for the financial year ended 30 June 2025.

This declaration is made in accordance with a resolution of the Directors.

On behalf of the Directors



Scott Baldwin
Director

Melbourne
27 August 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2025

	Note	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Interest income (including fees & charges)	3	207,381	220,745
Interest expense		52,069	59,564
Net Interest Income		155,312	161,181
Expenses from operating activities:			
Bad debt expense (net of recoveries)		40,220	41,301
Movement in allowance for impairment losses		2,289	6,568
Loan origination and servicing costs	4(a)	18,815	19,928
General administration expenses	4(b)	47,814	54,372
Loss on disposal of assets and lease modification		2	6
Impairment of goodwill and other intangible assets	9	–	9,163
Depreciation and amortisation		1,476	2,079
Total expenses		110,616	133,417
Profit before tax		44,696	27,764
Income tax expense	5(a)	13,276	10,724
Profit after tax		31,420	17,040
Profit is attributable to:			
Owners of Solvar Limited		31,420	17,040
Other comprehensive income/(loss)			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		507	(100)
<i>Items that will not be reclassified to profit or loss</i>			
Changes in the fair value of investment in equity securities at FVOCI	17(c)	(1,086)	–
Other comprehensive income/(loss) for the year, net of tax		(579)	(100)
Total comprehensive income for the year		30,841	16,940
Total comprehensive income for the year is attributable to:			
Owners of Solvar Limited		30,841	16,940
Earnings per share for profit attributable to the ordinary equity holders of the Company			
Basic earnings per share (cents)	21	15.48	8.13
Diluted earnings per share (cents)	21	15.27	8.05

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes to the financial statements.

Consolidated Statement of Financial Position

As at 30 June 2025

	Note	Consolidated 2025 \$'000	Consolidated 2024 \$'000
ASSETS			
Cash and cash equivalents	6	98,936	152,896
Investments in equities	12	11,763	1,200
Prepayments	10(a)	859	736
Current tax receivable		811	1,917
Loans receivable, net	7	795,825	816,117
Customer acquisition costs	11	9,412	11,680
Deferred tax assets, net	5(c)	19,631	15,469
Right-of-use assets	8(b)	3,020	1,669
Plant and equipment	8(a)	925	1,012
Intangible assets	9	20,025	20,178
Other assets	10(b)	380	1,531
Total assets		961,587	1,024,405
LIABILITIES			
Trade and other payables	13	14,545	18,477
Current tax payable		1,057	3,568
Borrowings	15	585,286	631,010
Employee benefit obligations	14	3,576	3,479
Lease liabilities	8(b)	3,217	1,934
Provisions		195	195
Total liabilities		607,876	658,663
Net assets		353,711	365,742
EQUITY			
Share capital	16	209,628	230,412
Reserves	17	2,239	2,385
Retained earnings	18	141,844	132,945
Total equity		353,711	365,742

The consolidated statement of financial position is to be read in conjunction with the accompanying notes to the financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2025

	Note	Share Capital \$'000	Retained Earnings \$'000	Reserves \$'000	Total \$'000
Total equity at 1 July 2023		229,981	145,146	2,000	377,127
Profit after income tax expense for the year		–	17,040	–	17,040
Other comprehensive income		–	–	(100)	(100)
Total comprehensive income for the year		–	17,040	(100)	16,940
Transactions with owners in their capacity as owners:					
Share buybacks, net of share issues	16	(3,010)	–	–	(3,010)
Share based payment expenses	26	–	–	970	970
Transfer from reserves to share capital on exercise	16,17	337	–	(337)	–
Forfeiture of employee performance rights	26	–	–	(148)	(148)
Dividends	16,20	3,104 ¹	(29,241)	–	(26,137)
Closing balance as at 30 June 2024		230,412	132,945	2,385	365,742
Total equity at 1 July 2024		230,412	132,945	2,385	365,742
Profit after income tax expense for the year		–	31,420	–	31,420
Other comprehensive income		–	–	(579)	(579)
Total comprehensive income for the year		–	31,420	(579)	30,841
Transactions with owners in their capacity as owners:					
Share buybacks, net of share issues	16	(20,884)	–	–	(20,884)
Share based payment expenses	26	–	–	1,110	1,110
Transfer from reserves to share capital on exercise	16,17	100	–	(100)	–
Forfeiture of employee performance rights	26	–	–	(577)	(577)
Dividends	16,20	–	(22,521)	–	(22,521)
Closing balance as at 30 June 2025		209,628	141,844	2,239	353,711

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes to the financial statements.

¹ Shares issued to shareholders that elected to participate in the Dividend Reinvestment Plan.

Consolidated Statement of Cash Flows

For the year ended 30 June 2025

	Note	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Cash flows from operating activities			
Interest, fees and charges from customers		201,010	216,953
Recoveries		15,983	15,880
Payments to suppliers and employees (GST Inclusive)		(63,220)	(68,274)
Interest received from banks		4,209	4,753
Finance costs		(52,277)	(60,292)
Income tax paid		(18,360)	(10,535)
Net cash provided by operating activities before changes in operating assets		87,345	98,485
Loan principal received from customers		326,391	319,206
Loan principal advanced to customers		(364,226)	(397,941)
Net cash inflows/(outflows) from operating activities	22	49,510	19,750
Cash flows from investing activities			
Payment for plant and equipment		(303)	(196)
Proceeds from sale of plant and equipment		–	11
Payments for investments	12	(12,114)	–
Net cash inflows/(outflows) from investing activities		(12,417)	(185)
Cash flows from financing activities			
Share buyback payments		(21,099)	(2,686)
Proceeds from borrowings		205,110	454,521
Repayment of borrowings		(251,670)	(437,275)
Repayment of lease liabilities		(1,007)	(943)
Dividends paid		(22,521)	(26,137)
Net cash inflows/(outflows) from financing activities		(91,187)	(12,520)
Net increase/(decrease) in cash held		(54,094)	7,045
Cash and cash equivalents at the beginning of the year		152,896	145,867
Effects of exchange rate changes on cash and cash equivalents		134	(16)
Cash and cash equivalents at end of the year	6	98,936	152,896

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes to the financial statements.

Notes to the Financial Statements

For the year ended 30 June 2025

Introduction

The financial report covers Solvar Limited ("Solvar" or "the Company") and its controlled entities ("the Group"). Solvar is a company limited by shares whose shares are publicly traded on the Australian Securities Exchange (ASX). Solvar is incorporated and domiciled in Australia. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Australian dollars which is the functional and presentation currency of Solvar Limited and amounts are rounded to the nearest thousand dollars, unless otherwise indicated.

The financial report was authorised for issue by the Board of the Company at a Directors' meeting on the date shown on the Declaration by the Board attached to the Financial Statements.

1. Summary of Material Accounting Policies

(a) Basis of accounting

The financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations and complies with other requirements of the law, as appropriate for profit oriented entities. The financial report comprises the consolidated financial statements of the Group. The financial statements comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected assets expected to be recovered in greater than 12 months, financial assets and financial liabilities for which the fair value basis of accounting has been applied. Where necessary, comparative figures have been adjusted to conform to changes in presentation for the financial year ended 30 June 2025.

The financial statements have been prepared in accordance with Australian Accounting Standards, which are based on the Group continuing as a going concern which assumes the realisation of assets and the extinguishment of liabilities in the normal course of business and at the amounts stated in the financial report.

(b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Group as at 30 June 2025 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Company has control. The Company controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless a transaction provides evidence of impairment to the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) New standards adopted by the Group

There were no new standards adopted by the Group for the year ended 30 June 2025. Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 30 June 2025 reporting periods and have not been early adopted by the Group.

Notes to the Financial Statements continued

(d) Critical accounting estimates, assumptions and judgements

In the application of Australian Accounting Standards, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revisions affect both current and future periods.

Judgements and estimates which are material to the financial report are found in the following notes:

Note 3	Interest Income (incl. fees and charges)	Note 9	Intangible Assets
Note 7	Loan Receivable (with respect to allowance for impairment losses)	Note 5(a), (c)	Income Tax Expense and Deferred Tax Assets, Net
Note 8(b)	Leases		

(e) Notes to the Financial Statements

The notes to the financial statements have been structured to make the financial report relevant and readable, with a focus on information that is material to the operations, financial position and performance of the Group. Additional information has also been included where it is important for understanding the Group's performance.

Notes relating to individual line items in the financial statements include accounting policy information where it is considered relevant to an understanding of these items, as well as information about critical accounting estimates and judgements. Details of the impact of new accounting policies and other accounting policy information are disclosed in Note 32.

(f) Rounding of Amounts

The Group and the Company are of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Instrument to the nearest thousand dollars, unless otherwise indicated.

2. Segment Information

The Group has identified its operating segments based on internal reports and components of Solvar that are regularly reviewed by the chief operating decision makers for resource allocation to the segments and to assess their performance.

(a) Australia

This segment provides lending facilities in Australia generally based on the provision of an underlying asset as security, generally distributed through a broker, dealer or directly through digital channels.

(b) New Zealand

This segment provides lending facilities in New Zealand generally based on the provision of an underlying asset as security, generally referred through a dealer.

Notes to the Financial Statements continued

Consolidated – 2025	Australia \$'000	New Zealand \$'000	Unallocated ¹ \$'000	Total \$'000
Segment interest income	179,728	27,032	621	207,381
Interest expense	(50,187)	(1,867)	(15)	(52,069)
Net Interest Income	129,541	25,165	606	155,312
Segment costs	(79,360)	(13,386)	(17,870)	(110,616)
Profit before tax	50,181	11,779	(17,264)	44,696
Income tax expense				(13,276)
Profit after tax				31,420
Segment assets				
Cash and cash equivalents	93,733	2,032	3,171	98,936
Loans receivable, net	729,139	66,686	–	795,825
Other assets	9,490	6,553	50,783	66,826
Total assets	832,362	75,271	53,954	961,587
Segment liabilities				
Trade and other payables	6,400	2,266	5,879	14,545
Borrowings	585,286	–	–	585,286
Other liabilities	3,377	491	4,177	8,045
Total liabilities	595,063	2,757	10,056	607,876
Consolidated – 2024	Australia \$'000	New Zealand \$'000	Unallocated ¹ \$'000	Total \$'000
Segment interest income	176,466	42,864	1,415	220,745
Interest expense	(48,141)	(11,402)	(21)	(59,564)
Net Interest Income	128,325	31,462	1,394	161,181
Segment costs	(87,349)	(32,572)	(13,496)	(133,417)
Profit before tax	40,976	(1,110)	(12,102)	27,764
Income tax expense				(10,724)
Profit after tax				17,040
Segment assets				
Cash and cash equivalents	101,246	9,060	42,590	152,896
Loans receivable, net	694,122	121,995	–	816,117
Other assets	9,098	10,365	35,929	55,392
Total assets	804,466	141,420	78,519	1,024,405
Segment liabilities				
Trade and other payables	5,897	6,505	6,075	18,477
Borrowings	558,996	72,014	–	631,010
Other liabilities	2,768	867	5,541	9,176
Total liabilities	567,661	79,386	11,616	658,663

¹ Unallocated items represent transactions or balances that are not directly related to a segment (FY24 includes \$9.2 million of impairment of goodwill and other intangible assets).

Notes to the Financial Statements continued

3. Interest Income (including fees and charges)

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Interest, fees and charges – loan products	200,593	214,093
Fees and charges – other products	2,578	1,899
Bank interest income	4,210	4,753
Total interest income (including fees and charges)	207,381	220,745

Key Estimate

The deferral of loan fees and charges assumes that the loan will be repaid in line with the agreed repayments schedule. This key estimate is reviewed on a monthly basis.

Recognition and Measurement

Income is measured at the fair value of the consideration received or receivable and recognised to the extent that it is probable that the economic benefits will flow to the economic entity and the interest income can be reliably measured.

Interest, fees and charges include interest on loan products, application and credit fees, and other period fees including arrears, default and variation fees. Income associated with loans is deferred and recognised over the life of the loans using the effective interest rate method over the loan term. The Group recognises this income, taking into consideration the type of customer, the type of transaction and specifics of each arrangement and contract.

4. (a) Loan Origination and Servicing Costs

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Loan origination costs	13,158	13,761
Loan servicing costs	4,426	4,974
Advertising expenses	1,231	1,193
Total loan origination and servicing costs	18,815	19,928

4. (b) General Administration Expenses

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Employee related expenses	33,744	38,271
Technology expenses	6,932	7,254
Professional fees	6,145	6,788
Other expenses	993	2,059
Total general administration expenses	47,814	54,372

Notes to the Financial Statements continued

5. (a) Income Tax Expense

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Income tax expense		
Current tax	14,390	13,538
Deferred tax	(1,492)	(2,298)
Adjustments for current tax of prior periods	1,366	(516)
Adjustments for deferred tax of prior periods	(988)	–
Income tax expense	13,276	10,724
Deferred tax expense		
(Increase)/decrease in deferred tax assets	(1,091)	(2,891)
Increase/(decrease) in deferred tax liabilities	(401)	593
Adjustments for deferred tax of prior periods	(988)	–
Deferred tax expense/(benefit)	(2,480)	(2,298)
Income tax expense is attributable to:		
Profit from operations	13,276	10,724
	13,276	10,724
Reconciliation of income tax expense to prima facie tax payable		
Profit from operations before income tax expense	44,696	27,764
Tax at the Australian tax rate of 30%	13,409	8,329
Tax effect of amounts which are not deductible/(taxable)		
Impairment of goodwill and other intangible assets	–	2,749
Other non-deductible income/(non-assessable income)	(11)	37
Adjustments recognised in the current year in relation to tax of prior years	1,366	(516)
Adjustments recognised in the current year in relation to deferred tax of prior years	(988)	–
Difference in overseas tax rates	(41)	125
Tax loss utilisation	(459)	–
Income tax expense	13,276	10,724

5. (b) Deferred tax directly recognised in other comprehensive income

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Deferred tax on fair value changes in investment in equities	465	–
Total	465	–

Notes to the Financial Statements continued

5. (c) Deferred Tax Assets, Net

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Deferred tax balance comprises temporary differences attributable to:		
Employee entitlements	1,716	1,827
Allowance for impairment losses	15,638	14,874
Accruals, leases and other provisions	1,082	1,437
Share issue costs	–	117
Foreign exchange (gain)/loss	(201)	542
Share based payments	(557)	(508)
Borrowing costs	–	(277)
Deferred customer acquisition costs	(247)	(2,382)
Investment in equities at FVOCI	465	–
Tax losses	1,850	–
Intangibles	(115)	(161)
Net balance disclosed as deferred tax assets	19,631	15,469

The majority of above amounts are expected to be recovered after 12 months from the reporting date.

The movement in net deferred tax asset of \$4.162 million includes the reclassification of \$1.217 million from current tax receivable to deferred tax assets relating to unutilised tax losses. The effect of this reclassification does not impact the deferred tax expense recognised in the Statement of Profit or Loss in Note 5(a) and deferred tax recognised in the Statement of Other Comprehensive Income in Note 5(b).

Unutilised tax losses for which deferred tax asset is not recognised is \$0.440 million (2024: \$0.898 million).

Recognition and Measurement

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances, they relate to are levied by the same taxation authority.

On 1 July 2010, Solvar Limited ("the head entity") and its wholly owned Australian controlled entities formed a tax consolidated group under the tax consolidation regime. Any entities subsequently acquired in Australia were added to the tax consolidation group from the acquisition date. The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the group allocation approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

Notes to the Financial Statements continued

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group. Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the inter-company charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by subsidiaries to the head entity.

6. Cash and Cash Equivalents

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Cash at bank and on call ¹	98,936	152,896
Total cash and cash equivalents	98,936	152,896

Recognition and Measurement

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand and deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to cash and are subject to an insignificant risk of changes in value.

Restricted cash

The cash and cash equivalents disclosed above and in the consolidated statement of cash flows include \$57.828 million (2024: \$65.415 million) which are held by the trust manager of the debt facilities. These deposits are subject to funding related restrictions and are therefore not available for general use by the Group.

7. Loans Receivable

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Gross loan book	910,093	930,252
Deferred revenue	(61,664)	(63,898)
Loans receivable	848,429	866,354

Gross loan book represent cash to be received at reporting date. Deferred revenue represents interest, fees and charges accumulated on individual loans which will be recognised as income in future periods using the effective interest rate method. Gross loan book less deferred revenue represents the loans receivable calculated in accordance with the accounting policy.

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Loans receivable	848,429	866,354
Allowance for impairment losses	(52,604)	(50,237)
Loans receivable, net	795,825	816,117
Loans receivable expected to be recovered		
within 12 months	250,622	252,433
greater than 12 months	545,203	563,684
Loans receivable, net	795,825	816,117

Recognition of income and classification of amounts expected to be recovered within 12 months and greater than 12 months is in line with the expected repayment profile of loans.

1 The average interest rate earned on cash and cash equivalents for the year ended 30 June 2025 is 3.34% (2024: 3.18%).

Notes to the Financial Statements continued

Recognition and Measurement

Loans and other receivables are non-derivative financial assets, with fixed and determinable payments that are not quoted in an active market. Loans and other receivables are initially recognised at fair value, including direct transaction costs and are subsequently measured at amortised cost using the effective interest method.

Loans and other receivables are due for settlement at various times in line with the terms of their contracts.

Key Estimate

The Group applies a three-stage approach to measuring expected credit losses (ECL) for loans receivable measured at amortised cost. Loans receivable move through the following three stages based on the change in credit risk since initial recognition:

Stage 1: 12-months ECL

The Group collectively assesses ECL on loans receivable where there has not been a significant increase in credit risk since initial recognition and that were not credit impaired upon origination. For these loans receivable, the Group recognises as a collective provision the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months. The Group does not conduct an individual assessment of exposures in Stage 1 as there is no evidence of one or more events occurring that would have a detrimental impact on estimated future cash flows.

Stage 2: Lifetime ECL – not credit impaired

The Group collectively assesses ECL on loans receivable where there has been a significant increase in credit risk since initial recognition but are not credit impaired. For these loans receivable, the Group recognises as a collective provision a lifetime ECL (i.e. reflecting the remaining term of the loans receivable). Like Stage 1, the Group does not conduct an individual assessment on Stage 2 loans receivable as the increase in credit risk is not, of itself, an event that could have a detrimental impact on future cash flows.

Stage 3: Lifetime ECL – credit impaired

The Group identifies, both collectively and individually, ECL on those exposures that are assessed as credit impaired based on whether one or more events that a detrimental impact on the estimated future cash flows of that asset have occurred. For exposures that have become credit impaired, a lifetime ECL is recognised as a collective or specific provision.

A loan receivable balance is written off when the customer is unlikely to pay their obligation and the Group determines there is no reasonable expectation of recovery. In assessing whether reasonable expectation of recovery exists, multiple factors are considered including days past due without repayment, recourse available to the Group such as realisability of security, insurance payout and other related factors.

Determining the stage for impairment

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for loans receivable since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date. This includes quantitative and qualitative information. Refer to Note 23. Loans receivable will move through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and reverses any previously assessed significant increase in credit risk since origination, then the allowance for impairment losses reverts from lifetime ECL to 12-months ECL. Loans receivable that has not deteriorated significantly since origination are considered to have a low credit risk. The allowance for impairment losses for these loans receivable is based on a 12-months ECL. When an asset is uncollectible, it is written off against the related provision. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the expense in the income statement.

Notes to the Financial Statements continued

Measurement of Expected Credit Losses (ECL)

ECL are derived from unbiased and probability-weighted estimates of expected loss and incorporate all available information which is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at reporting date.

The Group calculates ECL using three main components, a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD).

The 12-month ECL is calculated by multiplying the 12-month PD, LGD and EAD. Lifetime ECL is calculated using the lifetime PD instead. The 12-month and lifetime PDs represent the probability of default occurring over the next 12 months and the remaining maturity of the instrument respectively. The EAD represents the total value the Group is exposed to when the loan receivable defaults. The LGD represents the unrecovered portion of the EAD considering mitigating effect of realisable value of security. For further details on how the Group calculates ECL including the use of forward-looking information, refer to the credit quality of financial assets section in Note 23.

8. (a) Plant and Equipment

Consolidated Year ended 30 June 2025	Motor Vehicles \$'000	Leasehold Improvements \$'000	Furniture & Equipment \$'000	Work-in- progress \$'000	Total \$'000
Gross carrying amount					
Balance at 1 July 2024	14	8	6,243	–	6,265
Exchange differences	–	–	20	–	20
Additions	–	–	299	–	299
Disposals	–	–	(1,102)	–	(1,102)
Balance at 30 June 2025	14	8	5,460	–	5,482
Accumulated depreciation					
Balance at 1 July 2024	10	8	5,235	–	5,253
Exchange differences	–	–	15	–	15
Depreciation expense	4	–	382	–	386
Disposals	–	–	(1,097)	–	(1,097)
Balance at 30 June 2025	14	8	4,535	–	4,557
Net carrying amount at 30 June 2025	–	–	925	–	925

Notes to the Financial Statements continued

Consolidated Year ended 30 June 2024	Motor Vehicles \$'000	Leasehold Improve- ments \$'000	Furniture & Equipment \$'000	Work-in- progress \$'000	Total \$'000
Gross carrying amount					
Balance at 1 July 2023	42	8	6,053	308	6,411
Exchange differences	(1)	–	(6)	–	(7)
Additions	–	–	196	–	196
Disposals ¹	(27)	–	–	(308)	(335)
Balance at 30 June 2024	14	8	6,243	–	6,265
Accumulated depreciation					
Balance at 1 July 2023	16	6	4,861	–	4,883
Exchange differences	(1)	–	(4)	–	(5)
Depreciation expense	5	2	378	–	385
Disposals	(10)	–	–	–	(10)
Balance at 30 June 2024	10	8	5,235	–	5,253
Net carrying amount at 30 June 2024	4	–	1,008	–	1,012

Recognition and Measurement

Plant and Equipment at Cost

Plant and equipment is recorded at cost less accumulated depreciation and cumulative impairment charges. Cost includes those costs directly attributable to bringing the assets into the location and working condition necessary for the asset to be capable of operating in the manner intended by management. Additions, renewals and improvements are capitalised, while maintenance and repairs are expensed.

The carrying values of plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount.

Depreciation

Depreciation on assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain plant and equipment, over the lease term.

Estimates of remaining useful life are made on a regular basis for all assets, with annual reassessments for major items. The expected useful life of plant and equipment is as follows:

Furniture and equipment	3 to 10 years
Motor vehicles	4 to 5 years

¹ Disposal of work in progress project costs expensed during the year.

Notes to the Financial Statements continued

8. (b) Leases

This note provides information for leases where the Group is lessee.

(a) Amounts recognised in the consolidated statement of financial position:

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Right-of-use-assets		
Buildings	3,020	1,669
Total Right-of-use assets	3,020	1,669

The expected useful lives for majority of the right-of-use-assets are longer than 12 months after the reporting period.

Additions to the right-of-use assets during the financial year ended 30 June 2025 were \$2.286 million (2024: Nil).

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Lease liabilities expected to be settled		
within 12 months	1,005	985
greater than 12 months	2,212	949
Total lease liabilities	3,217	1,934

(b) Amounts recognised in the consolidated statement of profit or loss other comprehensive income:

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Depreciation charge right-of-use-assets-buildings	939	880
Interest expense (included in finance cost)	140	178
Total	1,079	1,058

The total cash outflow for leases in the financial year ended 30 June 2025 is \$1.153 million (2024: \$1.115 million).

Recognition and Measurement

The Group leases various offices. Lease contracts are typically made for fixed periods of 3 to 5 years but may have extension options. Lease terms are negotiated on an individual basis and contain different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable, and
- variable lease payments that are based on an index or a rate.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Notes to the Financial Statements continued

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

During the current financial year, the financial effect of exercising extension option was an increase in recognised lease liabilities and right-of-use assets of \$1.668 million (2024: Nil).

9. Intangible Assets

Consolidated Year ended 30 June 2025	Goodwill \$'000	Brand \$'000	Dealer/broker relationship \$'000	Internally generated software \$'000	Total \$'000
Cost	19,362	278	1,075	–	20,715
Accumulated amortisation	–	–	(690)	–	(690)
Net book amount	19,362	278	385	–	20,025
Balance at 1 July 2024	19,362	278	538	–	20,178
Amortisation charge	–	–	(153)	–	(153)
Balance at 30 June 2025	19,362	278	385	–	20,025

Notes to the Financial Statements continued

Consolidated Year ended 30 June 2024	Goodwill \$'000	Brand \$'000	Dealer/broker relationship \$'000	Internally generated software \$'000	Total \$'000
Cost	19,362	278	1,075 ¹	895	21,610
Accumulated amortisation	–	–	(537) ¹	(895)	(1,432)
Net book amount	19,362	278	538	–	20,178
Balance at 1 July 2023	27,202	1,055	2,232	234	30,723
Amortisation charge	–	–	(660)	(156)	(816)
Impairment	(7,840)	(777)	(1,034)	(78)	(9,729)
Balance at 30 June 2024	19,362	278	538	–	20,178

Recognition and Measurement

All intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair value can be measured reliably.

Goodwill represents the excess of the cost of acquisition over the fair value of the entity's share of the net identifiable assets of the acquired business at the date of acquisition. Goodwill and Brand are indefinite life intangible assets, considering that each of the Brands has a long history and strong brand equity in the market. Goodwill and Brand are not amortised, instead, they are tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses.

Acquired brands and dealer relationships represent separately identifiable intangible assets from goodwill and are recognised at their fair value at acquisition date. Subsequently, all definite life intangible assets are carried at cost less accumulated amortisation and impairment losses.

The balances relating to definite life intangibles have remaining useful lives exceeding 12 months from the reporting date for the year ended 30 June 2025 and 30 June 2024.

The Group amortises intangible assets with a finite useful life using the straight-line method over the following periods:

Dealer/broker relationships	7 to 10 years
Internally generated software	5 to 8 years

Cash generating units

Goodwill and Brand are allocated to the Cash Generating Units (CGUs) as given below for impairment testing purposes.

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Money3	10,295	10,295
AFS	9,345	9,345
Total Goodwill and Brand	19,640	19,640

¹ Adjusted for impairment charge.

Notes to the Financial Statements continued

Impairment testing and key assumptions

Goodwill and Brand are tested annually as to whether it has suffered impairment. The recoverable amounts of CGUs have been determined based on value in use calculations. These calculations require the use of assumptions.

The recoverable amount of the CGU is based on several key assumptions as detailed below.

The Group tests at least annually whether goodwill and intangible assets with indefinite useful lives have suffered any impairment, and when there is an indication of impairment. The tests incorporate assumptions regarding future events which may or may not occur, resulting in the need for future revisions of estimates. There are also judgements involved in determination of CGUs.

The recoverable amount was determined based on a value in use discounted cash flow ("DCF") model. The 'value in use' calculations use cash flow projections based on the FY26 financial budgets and projections over the subsequent four-year period ("Forecast Period") and applies a terminal value calculation using estimated growth rates approved by the Board for the business relevant to each CGU. The following are the key assumptions used in determining the recoverable value:

	Money3	AFS
FY26 Budget income growth	4%	11%
FY26 Budget expense growth	1%	9%
Terminal value > 5 years	2%	2%
Income growth > 1 year	6%	15%
Expense growth > 1 year	4%	9%
Pre-tax discount rate applied to cash flows	13%	8%

The table below sets out the key assumptions:

Assumptions	Approach to assumptions
Income growth > 1 year	Management forecasts the revenue growth rate based on past performance and management's expectation of market development.
Expense growth > 1 year	Management forecasts these costs based on the current structure of the business, adjusting for inflationary increases but not reflecting any future restructurings or cost-saving measures.
Terminal value > 5 years	Cash flow beyond five years are extrapolated using the perpetual growth rate. This rate is determined based on long term inflation rate.

The Directors concluded that, based on these assumptions, the recoverable amount exceeds the carrying amount and as such, there is no impairment of goodwill in the financial year ended 30 June 2025 (2024: \$9.163 million).

Management believes that any reasonable possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount to exceed the recoverable amount of the CGUs.

Notes to the Financial Statements continued

10. (a) Prepayments

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Prepayments expected to be recovered		
within 12 months	859	736
greater than 12 months	–	–
Total prepayments	859	736

10. (b) Other Assets

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Inventory	–	846
Other	380	685
Total other assets	380	1,531

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Other assets expected to be recovered		
within 12 months	210	1,363
greater than 12 months	170	168
Total other assets	380	1,531

Recognition and Measurement

Inventory is stated at the lower of cost and net realisable value. Cost includes expenditure incurred in acquiring the inventory and bringing it to its existing location and condition. Net realisable value is defined as the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. There was no inventory in transit as of 30 June 2025 (2024: \$0.684 million).

11. Customer Acquisition Costs

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Customer acquisition costs expected to be recovered		
within 12 months	5,409	6,160
greater than 12 months	4,003	5,520
Total customer acquisition costs	9,412	11,680

Recognition and Measurement

Customer acquisition costs relate to separate contractual arrangement with introducers or distribution channel partners in acquiring customers. These costs are amortised over the loan term using the effective rate implicit in the loan.

Notes to the Financial Statements continued

12. Investment in Equities

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Investment in listed equity securities – Earlypay Ltd	10,563	–
Investment in unlisted equity securities – Vyro Group Pty Ltd	1,200	1,200
Investment in equities	11,763	1,200
	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Gains/(losses) recognised in Other Comprehensive Income (gross of tax)	(1,551)	–

Recognition and Measurement

The investment in equity securities relate to strategic investments in equity securities. At initial recognition, investment in equity securities is measured at its fair value plus transactions costs that are directly attributable to its acquisition. These investments are not held for trading and the Group has irrevocably elected at initial recognition, to recognise the subsequent changes in fair value of the equity securities in other comprehensive income. In May 2025, the Group purchased 19.9% of ordinary share capital of Earlypay Ltd for \$12.114 million, inclusive of transaction costs. At 30 June 2025, the market value of investment in listed equity securities (Earlypay Ltd) resulted in recognition of \$1.551 million of loss in Other Comprehensive Income. Refer to Note 17(c). On disposal of these equity securities, any related balance within the FVOCI reserve is reclassified in to retained earnings. The carrying amount of investment is representative of its fair value at reporting date. Information about the methods and assumptions used in determining fair value is provided in Note 19.

13. Trade and Other Payables

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Trade payables	4,332	5,291
Accrued expenses	7,856	10,478
Taxes payable	1,710	699
Dealer payment retention	203	1,485
Other liabilities	444	524
Total trade and other payables (Unsecured)	14,545	18,477
	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Trade and other payables expected to be settled		
within 12 months	14,545	18,388
greater than 12 months	–	89
Total trade and other payables (Unsecured)	14,545	18,477

Recognition and Measurement

Trade and other payables are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services. The amounts are unsecured and are usually paid within 30 days of recognition. All amounts are short term and the carrying values are a reasonable approximation of fair value.

Dealer payments retention relates to risk share arrangements with dealers in New Zealand operations which are payable based on performance the underlying loan portfolio. The liability is initially recognised at fair value and subsequently measured at amortised cost in accordance with AASB 9.

14. Employee Benefit Obligations

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Employee benefit obligations expected to be settled		
within 12 months	3,319	3,140
greater than 12 months	257	339
Total employee benefit obligations	3,576	3,479

Recognition and Measurement

The employee benefit obligations cover the Group's liability for long service and annual leave.

The portion of this liability expected to be settled within 12 months includes all the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and those where employees are entitled to pro-rata payments in certain circumstances.

Liabilities for unpaid salaries, salary related costs and provisions for annual leave are recorded in the statement of financial position at the salary rates which are expected to be paid when the liability is settled. Obligations for long service leave and other long-term benefits are recognised at the present value of expected future payments to be made. In determining this amount, consideration is given to expected future salary levels and employee service histories. Expected future payments are discounted to their net present value using Milliman corporate bond rates.

Other Employee Benefit Obligations – Defined Contribution Superannuation Benefits

Eligible employees of the Group receive defined contribution superannuation entitlements, for which the Group pays the fixed contribution to the employee's superannuation fund of choice or the New Zealand Inland Revenue (for New Zealand operations). All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The Group's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled (which is expected to be within 12 months) and are presented as liabilities in the Group's consolidated statement of financial position. The defined contribution plan expense for the year was \$2,595,790 (2024: \$2,485,618) and is included in employee expenses.

15. Borrowings

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Finance facility (drawn)	587,326	634,144
Unamortised borrowing costs	(2,040)	(3,134)
Total borrowings¹	585,286	631,010
Borrowings expected to be settled		
within 12 months	378,303	252,773
greater than 12 months	206,983	378,237
Total borrowings	585,286	631,010

¹ The borrowings have an average interest rate of 7.94% (2024: 8.80%).

Notes to the Financial Statements continued

Recognition and Measurement

Borrowings are classified as expected to be settled within 12 months unless the Group has the right to defer settlement of the liability for at least 12 months after the reporting date. Also, refer note 23(d).

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest method including the borrowing costs.

Finance Facility

In February 2024, the Company refinanced the previous debt facilities for Money3 business unit with a new \$450.000 million warehouse funding facility with a leading global financial services group. In September 2024, a mezzanine investor was brought into this revolving facility with a \$60.000 million limit, funded by private credit funds managed by global alternative asset manager and supported by a leading financial services group. The warehouse is subject to an annual review and has a maturity in February 2026 with the ability to rollover for a future period.

In March 2025, the Company executed an Asset Backed Securitisation through Money3 Vault Series No.1. This deal was Money3's first term securitisation, providing additional funding capacity by transferring \$199.850 million of Money3's existing assets to a new securitisation trust, structured as a private debt placement, with an initial \$139.400 million in external debt funding at a lower cost, amortising over the term. During the year, \$20.326 million amortised and the facility is \$119.074 million as at 30 June 2025. The transaction was funded by private credit funds managed by global alternative asset manager and supported by a leading financial services group, demonstrating the Company's capital management strategy of building a scalable and sustainable funding model to support the future growth strategy.

Additionally, the AFS business unit has a revolving warehouse funding facility led by a major bank in Australia and mezzanine investor, funded by private credit funds managed by global alternative asset manager and supported by a leading financial services group. The limits from external debt funding for this facility at reporting date is \$285.000 million. The warehouse is subject to an annual review and has a maturity in June 2026 with the ability to rollover for a future period.

In New Zealand operations, the Group has repaid and cancelled the debt facility, with the remaining book funded by equity.

Financing Facilities Available

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Finance facility (limit)	914,074	760,713
Used at reporting date	(587,326)	(634,144)
Unused at reporting date	326,748	126,569

Assets Pledged as Security

Under the terms of the financing facilities, there are general security agreements (fixed and floating charges) over all present and after acquired assets of the Trust entities. The carrying amounts of assets pledged as security for borrowings are:

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Cash and cash equivalents	57,828	65,415
Receivables	723,048	792,941
Total assets pledged as security	780,876	858,356

Compliance with Loan Covenants

Solvar Limited has complied with the financial covenants of its borrowing facilities during the 2025 and 2024 reporting periods.

Notes to the Financial Statements continued

16. Share Capital

(a) Share capital

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Total share capital	209,628	230,412

(b) Shares on issue

	Number of Shares 2025	Number of Shares 2024	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Fully paid ordinary shares	197,028,502	211,216,499	214,507	233,422

Issued and paid-up capital is recognised at the fair value of the consideration received by the Company. Transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Movement in shares on issue

Movement in the shares on issue of the Company during the financial year are summarised below:

	Consolidated 2025	Consolidated 2024	Consolidated 2025	Consolidated 2024
	Number of ordinary shares '000	Number of ordinary shares '000	Value \$'000	Value \$'000
Balance at the beginning of the financial year	211,217	207,996	233,422	229,981
Issued during the year:				
Issue of shares – employee share scheme	35	173	4	–
Issue of shares – DRP	–	3,048	–	3,104
Share buy-back	(14,320)	(2,873)	(20,888)	(3,010)
Transfer from reserves	–	–	100	337
Shares not yet cancelled, net	97	2,873	1,869	3,010
Balance at end of the financial year	197,029	211,217	214,507	233,422

(c) Shares not yet cancelled

	Number of Shares 2025	Number of Shares 2024	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Shares bought back not yet cancelled	(2,970,278)	(2,872,970)	(4,879)	(3,010)

Notes to the Financial Statements continued

Movement in shares not yet cancelled

Movement in the shares not yet cancelled by the Company during the financial year are summarised below:

	Consolidated 2025	Consolidated 2024	Consolidated 2025	Consolidated 2024
	Number of ordinary shares '000	Number of ordinary shares '000	Value \$'000	Value \$'000
Balance at the beginning of the financial year	(2,873)	–	(3,010)	–
Shares bought back in previous financial year cancelled during current financial year	2,873	–	3,010	–
Shares bought back in current financial year not yet cancelled	(2,970)	(2,873)	(4,879)	(3,010)
Balance at end of the financial year	(2,970)	(2,873)	(4,879)	(3,010)

Recognition and Measurement

Ordinary Shares

Ordinary shares have the right to receive dividends as declared and in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company. The Company does not have limited authorised capital and issued shares have no par value.

Share Buy-Back

During the current year, the Company purchased 14,320,306 ordinary shares through an “on-market” buy-back program (2024: 2,872,970). The buy-back and cancellation were approved by the Board of Directors. The shares were acquired at a weighted average price of \$1.46 per share, with prices ranging from \$1.17 to \$1.70. The total cost of \$20.888 million, including transaction costs, was deducted from shareholder capital. The buy-back program commenced in June 2024, and the maximum amount allocated to on-market share buy-back was increased to \$35.000 million in April 2025. The program has been suspended until the release of the result for the year ended 30 June 2025. Shares bought back are cancelled in the subsequent period. 2,970,278 shares (\$4.879 million) were cancelled on 4 July 2025 in relation to buybacks during the current year ended 30 June 2025. 2,872,970 shares (\$3.010 million) were cancelled on 5 July 2024 in relation to buybacks during the previous year ended 30 June 2024.

17. Reserves

(a) Options and rights reserve

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Balance at the beginning of the financial year	3,112	2,627
Share based payments expensed for the year	1,110	970
Transferred to share capital	(100)	(337)
Forfeitures	(577)	(148)
Balance at the end of the financial year	3,545	3,112

The share option and rights reserve is used to recognise the grant date fair value of options and rights issued to employees and directors but not exercised.

Notes to the Financial Statements continued

(b) Foreign Currency translation reserve

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Balance at the beginning of the financial year	(727)	(627)
Translation differences	507	(100)
Balance at the end of the financial year	(220)	(727)

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

(c) Investment at FVOCI

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Balance at the beginning of the financial year	–	–
Changes in the fair value of investment in equities at FVOCI	(1,551)	–
Deferred tax	465	–
Balance at the end of the financial year	(1,086)	–

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Total reserves balance at the end of financial year	2,239	2,385

18. Retained Earnings

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Balance at the beginning of the financial year	132,945	145,146
Net profit for the year	31,420	17,040
Dividends	(22,521)	(29,241)
Balance at the end of the financial year	141,844	132,945

19. Fair Value Disclosure

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Fair value hierarchy

Consolidated As at 30 June 2025	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets at FVOCI				
• Listed equity securities	12	10,563	–	–
• Unlisted equity securities	12	–	–	1,200
Total financial assets		10,563	–	1,200

Notes to the Financial Statements continued

Consolidated As at 30 June 2024	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets at FVOCI				
• Listed equity securities	12	–	–	–
• Unlisted equity securities	12	–	–	1,200
Total financial assets		–	–	1,200

Level 1: The fair value of financial instruments traded in active markets (e.g. publicly traded equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price.

Level 2: The fair value of financial instruments that are not traded in an active market (e.g. over-the-counter derivatives) is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and for instruments where climate risk gives rise to a significant unobservable adjustment.

Valuation techniques used to determine fair value

The valuation technique used to determine fair value are:

- For listed equity securities – quoted market price, and
- For unlisted equity securities – discounted cash flow analysis.

20. Dividends

	Jun-25 Cents per share	2025 \$'000	Jun-24 Cents per share	2024 \$'000
Recognised amounts				
Final dividend paid during the year – fully franked at 30% tax rate	5.00	10,368	9.00	18,742
Interim dividend paid during the year – fully franked at 30% tax rate	6.00	12,153	5.00	10,499
Total Dividends Paid		22,521		29,241
Unrecognised amounts				
Final dividend – fully franked at 30% tax rate	8.00	15,525	5.00	10,417

On 27 August 2025, the Directors declared a fully franked final dividend of 8.00 cents per share to the holders of fully paid ordinary shares in respect of the financial year ended 30 June 2025, to be paid to shareholders on 08 October 2025. The dividend will be paid to shareholders based on the Register of Members on 04 September 2025. This dividend has not been included as a liability in these financial statements. The total estimated dividend to be paid is \$15.525 million. The Group has \$75.504 million of franking credits as at 30 June 2025 (2024: \$67.404 million).

Notes to the Financial Statements continued

21. Earnings Per Share

	Consolidated 2025 Cents	Consolidated 2024 Cents
(a) Basic earnings per share attributable to the ordinary equity holders of the Company	15.48	8.13
(b) Diluted earnings per share attributable to the ordinary equity holders of the Company	15.27	8.05
	Consolidated 2025 \$'000	Consolidated 2024 \$'000
(c) Profit attributable to the ordinary equity holders of the Company	31,420	17,040
	2025 Quantity	2024 Quantity
(d) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	203,000,909	209,579,041
Dilutive potential ordinary shares	2,729,393	2,034,893
Weighted average number of ordinary shares and potential ordinary shares used in calculation of diluted earnings per share	205,730,302	211,613,934

Recognition and Measurement

Basic Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted Earnings per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to consider the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares. Performance rights granted to employees and directors are converted to ordinary shares up on vesting and have been included in the determination of diluted earnings per share to the extent to which they are dilutive.

Notes to the Financial Statements continued

22. Cash Flow Information

(a) Reconciliation of Operating Profit after Income Tax to Net Cash Flows used in Operating Activities.

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Net profit after tax	31,420	17,040
Non-cash items		
Depreciation and amortisation expense	1,476	2,079
Loss on disposal of plant and equipment	2	6
Allowance for impairment losses	2,289	6,568
Amortisation of borrowing costs	1,869	1,198
Amortisation of deferred customer acquisition costs	8,767	9,226
Impairment of goodwill and other intangible assets	–	9,163
Net exchange differences	(711)	55
Share based payments	533	822
Changes in movements in assets and liabilities:		
(Increase)/Decrease in assets		
Loans receivable	18,005	(18,325)
Other assets	1,020	(40)
Customer acquisition costs	(6,498)	(7,674)
Deferred tax assets	(3,698)	(2,314)
Increase/(decrease) in liabilities		
Trade and other payables	(1,784)	1,098
Current tax payable	(1,361)	2,672
Unamortised borrowing costs	(1,914)	(1,926)
Provisions and employee benefit obligations	95	102
Net cash outflows from operating activities	49,510	19,750

Non-cash investing and financing activities disclosed in other notes are:

- Shares issued to employees under the Employee Share Plan for no cash consideration (Note 16).
- Dividends satisfied by the issue of shares under the dividend reinvestment plan (Note 16).
- Lease modifications and remeasurements (Note 8(b)).

(b) Net Debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Cash and cash equivalents	98,936	152,896
Lease liabilities (Note 8(b))	(3,217)	(1,934)
Borrowings (Note 23(b)(ii))	(587,326)	(634,144)
Net debt	(491,607)	(483,182)

Notes to the Financial Statements continued

Consolidated	Liabilities from financing activities			Cash \$'000	Total \$'000
	Borrowings \$'000	Leases \$'000	Subtotal \$'000		
Net debt at 1 July 2023	(617,019)	(3,078)	(620,097)	145,867	(474,230)
Exchange differences	121	4	125	(16)	109
Other changes	–	197	197	–	197
Cash flows	(17,246)	943	(16,303)	7,045	(9,258)
Net debt as at 30 June 2024	(634,144)	(1,934)	(636,078)	152,896	(483,182)
Exchange differences	258	(4)	254	134	388
Other changes	–	(2,286)	(2,286)	–	(2,286)
Cash flows	46,560	1,007	47,567	(54,094)	(6,527)
Net debt as at 30 June 2025	(587,326)	(3,217)	(590,543)	98,936	(491,607)

23. Financial Risk Management

The Group is exposed to a variety of financial risks through its use of financial instruments. This note discloses the Group's objectives, policies and processes for managing and measuring these risks. The Group's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The Board ensures that the Group maintains a competent management structure capable of defining, analysing, measuring, and reporting on the effective control of risk inherent in the Group's underlying financial activities and the instruments used to manage risk. Key financial risks including interest rate risk and credit risk are reviewed by management on a regular basis and are communicated to the Board so that it can evaluate and impose its oversight responsibility. The Group does not enter or trade financial instruments, including derivative financial instruments, for speculative purposes.

Specific Risks

Market Risk
Credit Risk
Liquidity Risk

Financial Assets/Liabilities Used

The principal categories of financial assets/liabilities used by the Group are:

Financial assets

Cash and cash equivalents – Note 6
Loans receivables – Note 7
Investments in equities – Note 12

Financial liabilities

Trade and other payables – Note 13
Borrowings – Note 15

Objectives, Policies and Processes

The risk management policies of the Group seek to mitigate the below risks and reduce volatility on the financial performance of the Group. Financial risk management is carried out centrally by the Credit Risk function, Enterprise Risk function and Finance function of the Group.

Notes to the Financial Statements continued

(a) Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior years.

In order to maintain or adjust the capital structure, the Group may adjust the dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Gearing Ratio

The Board reviews the capital structure on a semi-annual basis. As a part of this review the Board considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the Board, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

	Note	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Debt (long-term and short-term borrowings)	15	587,326	634,144
Cash and cash equivalents	6	(98,936)	(152,896)
Lease liabilities	8(b)	3,217	1,934
Net debt		491,607	483,182
Total equity		353,711	365,742
Debt to equity ratio		1.39	1.32

(b) Market Risk

(i) Price Risk

The Group's exposure to equity securities price risk arises from Group's investment in equity securities held and classified in statement of financial position as FVOCI (Note 19).

Investments in equities are undertaken only for strategic purposes and not to benefit out of short-term movements in prices. In managing price risk, the Group monitors the level of exposure relative to total assets of the Group.

The majority of the Group's investment in equities are publicly traded in Australia.

The exposure of the Group's investment in equities to market prices are given below:

Consolidated	Impact on post tax profit		Impact on equity	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Increase in market price by 10% (2024: Nil)	–	–	739	–
Decrease in market price by 10% (2024: Nil)	–	–	(739)	–

(ii) Interest Rate Risk

The Group's exposure to market interest rates relates primarily to the Group's short-term deposits held, deposits at call and borrowings. The interest income earned or paid on these balances can vary due to interest rate changes.

Notes to the Financial Statements continued

The Group's strategy is to manage the risk through swap products on the Group's liabilities that are exposed to variable interest rates. The Group has hedged 57.5% of the variable rate borrowings as of 30 June 2025 (2024: 28.9%). Variable rate borrowings related to new lending are generally fully hedged while borrowings related to back book are selectively hedged. The gain or loss relating to the effective portion of the interest rate swaps, hedging variable rate borrowings, is recognised in the profit or loss within finance costs at the same time as interest expense on the hedged borrowings. The exposure of the Group's borrowings to interest rate are given below:

Consolidated	2025 \$'000	% of Total Borrowings	2024 \$'000	% of Total Borrowings
Variable rate borrowings – unhedged	249,701	42.5%	450,697	71.1%
Variable rate borrowings – hedged by interest rate swaps	337,625	57.5%	183,447	28.9%
Total borrowings¹	587,326	100.0%	634,144	100.0%

	Impact on post tax profit		Impact on equity	
Consolidated	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Interest rates – increase by 0.5% (2024: 0.5%)	(874)	(1,546)	–	–
Interest rates – decrease by 0.5% (2024: 0.5%)	874	1,546	–	–

(iii) Foreign Exchange Risk

The Group operates in Australia and New Zealand but the exposure to foreign currency risk is not significant. The entities within the Group do not have any significant financial instruments that are denominated in a currency other than their functional currency. Translation related risks are not included in the assessment of the Group's exposure to currency risks. However, foreign currency denominated inter-company receivables and payables which do not form part of a net investment in a foreign operation are subject to foreign exchange risk. The reasonable possible change effect on these inter-company receivables and payables are included in the sensitivity analysis.

	Impact on post tax profit		Impact on equity	
Consolidated	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
NZD/AUD exchange rate increase by 5% (2024: 5%)	1,360	1,060	–	–
NZD/AUD exchange rate decrease by 5% (2024: 5%)	(1,360)	(1,060)	–	–

(c) Credit Risk

Credit risk is managed on a Group basis. Credit risk arises from cash and deposits with banks and financial institutions, as well as credit exposures to outstanding receivables, net of any allowance for impairment losses, as disclosed in the statement of financial position and notes to the financial report.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Except for its dealings with core customers, the Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

¹ Gross of unamortised borrowing costs of \$2.040 million (2024: \$3.134 million).

Notes to the Financial Statements continued

(i) Credit Quality Analysis

The following table sets out information about the credit quality of financial assets measured at amortised cost. Explanation of terms: 12-month ECL, lifetime ECL and credit impaired are included in Note 7.

	Consolidated 2025 \$'000			Consolidated 2024 \$'000	
Loans receivable	12-month ECL	Lifetime ECL – not credit impaired	Lifetime ECL – credit impaired	Total	Total
Strong	446,535	–	–	446,535	471,211
Good	200,918	–	–	200,918	197,554
Watch list	23,376	127,664	–	151,040	148,177
Sub-standard	–	46,884	–	46,884	48,345
Credit impaired	–	–	3,052	3,052	1,067
Gross carrying amount, net of deferred revenue	670,829	174,548	3,052	848,429	866,354
Allowance for impairment	(26,388)	(23,164)	(3,052)	(52,604)	(50,237)
Carrying amount	644,441	151,384	–	795,825	816,117

Quality Classification Definitions

- ‘Strong’ exposures demonstrate a strong capacity to meet financial commitments, with negligible to low probability of default.
- ‘Good’ exposures demonstrate a good capacity to meet financial commitments with low default risk.
- ‘Watch list’ exposures require closer monitoring and a reasonable capacity to meet financial instruments, with moderate default risk.
- ‘Sub-standard’ exposures require varying degree of attention and default risk is high.
- ‘Credit impaired’ exposures have been assessed as impaired.

The credit quality classifications defined above encompass a range of granular internal credit rating grades.

Cash and Cash Equivalents

The Group held cash and cash equivalents of \$98.936 million at 30 June 2025 (2024: \$152.896 million). The cash and cash equivalents are held with financial institutions that are rated A+ to A–, based on Fitch long term credit ratings.

(ii) Collateral held and Other Credit Enhancements

The Group holds collateral and other credit enhancements against certain of its credit exposures. The nature of collateral held by the Group against loans receivable are motor vehicles and trailers. There were no significant changes in the quality of the collateral subject to normal wear and tear of the underlying vehicles. There are no financial assets where the Group has not recognised a loss allowance because of the collateral.

(iii) Amounts arising from Expected Credit Losses (ECL)

Expected credit loss is measured from the initial recognition of a financial asset. The maximum period considered when measuring ECL is the maximum contractual period over which the Group is exposed to credit risk.

Notes to the Financial Statements continued

Inputs, assumptions and techniques used for estimating impairment

The Group calculates ECL using three main components, a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD).

PD estimates are determined using statistical models based on internally compiled data on performance, default information on exposures that are segmented into homogenous portfolios, generally by product. LGD is the magnitude of the likelihood of a loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates against defaulted counterparties. The EAD represents the exposure in the event of a default. The EAD of a financial asset is its gross carrying value less deferred revenue. There were no changes made to the estimation techniques or significant assumptions during the reporting period.

Significant increase in credit risk

When determining whether the risk of default has increased significantly since initial recognition, the Group considers both quantitative and qualitative information and analysis based on the Group's historical experience. Each loan receivable is assigned a credit rating at initial recognition. Credit risk is deemed to have increased significantly if the credit rating has significantly deteriorated at the reporting date relative to the credit rating at the date of initial recognition. Deterioration in credit rating is not only based on the number of payment dishonours but also considers other qualitative information about the customer such as status of employment, other sources of income and credit score from credit agencies in line with the Group's credit policies. A backstop approach based on delinquency is not used due to the nature of the customer segment the Group operates in.

Modified financial assets

The contractual terms of a loan may be modified for several reasons. The revised terms usually include extending the maturity, changes to interest rate and changes to the timing of interest and fee payments. A loan that is renegotiated is derecognised as if the existing agreement is cancelled and a new agreement is made on substantially different terms. Loan modifications that do not result in derecognition are considered to be a commercial restructure. The credit risk on these loans is considered to have increased significantly as such modifications are generally due to financial difficulties of the customer.

Forward looking economic inputs

The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. The Group incorporates forward looking information in the measurement of ECL as a management overlay. The economic factors that are considered include but are not limited to, gross domestic product, unemployment, interest rates and inflation.

The following table shows the reconciliation from the opening to the closing balance of the loss allowance.

	Consolidated 2025 \$'000			
Expected credit losses	12-month ECL	Lifetime ECL – not credit impaired	Lifetime ECL – credit impaired	Total
Balance at 1 July 2024	25,472	23,698	1,067	50,237
New originations	11,238	34	–	11,272
Transfer to lifetime ECL – not credit impaired	(5,033)	5,033	–	–
Transfer to 12-month expected credit losses	310	(310)	–	–
Financial assets derecognised/written off	(3,711)	(9,530)	–	(13,241)
Net remeasurement of loss allowance	(1,888)	4,239	1,985	4,336
Loss allowance at 30 June 2025	26,388	23,164	3,052	52,604

Notes to the Financial Statements continued

For all trade receivables and contract assets, the Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance. The expected loss rates are based on the payment profiles on the receivables, the historical loss experience, uncertainty over recoverability and forward-looking information on macroeconomic factors affecting the ability to settle the receivables.

(iv) Concentrations of credit risk

The Group operates across Australia and New Zealand, providing consumer and commercial loans. The Group monitors the concentrations of exposure such as geography, loan to value ratio, and product mix.

(d) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to pay its debts as and when they fall due. The Directors ensure that the cash and cash equivalents is sufficient to meet the commitments of the Company and Group at all times.

Liquidity risk includes the risk that the Group:

- will not have sufficient funds to settle a transaction on the due date;
- will be forced to sell financial assets at a value which is less than what they are worth; and
- may be unable to settle or recover a financial asset at all.

To help reduce these risks where possible, the strategy is to borrow revolving debt facilities and maintain adequate cash reserves. The Group will refinance its debt facilities from time to time to support the Group's loans receivables and its continued growth. In certain periods, depending on the maturity of debt facilities, the liabilities may exceed assets both of which are expected to be settled within the 12 months.

The cash and cash equivalents include \$41.107 million of unrestricted cash balance at reporting date, enabling the Group to meet its financial obligations as they arise. The Group is in the process of refinancing certain debt facilities to mitigate its liquidity risk.

Maturity of Financial Assets and Liabilities

The Group holds the following financial instruments. Amounts presented below represent the expected maturities of loans receivable and financial liabilities at their undiscounted cash flows and their carrying value at reporting date.

	Consolidated 2025			Total contractual cash flows \$'000	Carrying amount \$'000
	< 1 year \$'000	1-5 years \$'000	> 5 years \$'000		
Cash and cash equivalents	98,936	–	–	98,936	98,936
Loans receivable	451,864	766,026	13,605	1,231,495	848,429
Investment in equities	–	–	11,763	11,763	11,763
Total financial assets	550,800	766,026	25,368	1,342,194	959,128
Borrowings ¹	409,054	213,122	7,587	629,763	587,326
Trade and other payables	14,545	–	–	14,545	14,545
Lease liabilities	1,188	2,486	–	3,674	3,217
Total financial liabilities	424,787	215,608	7,587	647,982	605,088

¹ Gross of unamortised borrowing costs of \$2.040 million.

Notes to the Financial Statements continued

Consolidated 2024

	< 1 year \$'000	1-5 years \$'000	> 5 years \$'000	Total contractual cash flows \$'000	Carrying amount \$'000
Cash and cash equivalents	152,896	–	–	152,896	152,896
Loans receivable	338,410	790,607	17,226	1,146,243	866,354
Investment in equities	–	–	1,200	1,200	1,200
Total financial assets	491,306	790,607	18,426	1,300,339	1,020,450
Borrowings ¹	262,105	418,422	8,533	689,060	634,144
Trade and other payables	18,388	89	–	18,477	18,477
Lease liabilities	1,093	988	–	2,081	1,934
Total financial liabilities	281,586	419,499	8,533	709,618	654,555

The expected maturities in the table above reflect gross cash flows, which may differ to the carrying values of the liabilities at the reporting date.

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their net fair values.

The net fair values of financial assets and financial liabilities are determined as follows:

- the net fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the net fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow theory.

24. Commitments

There are no commitments as at 30 June 2025 (2024: Nil). Non-cancellable operating leases are disclosed under Note 8(b) Leases.

25. Contingent Assets and Liabilities

In May 2023, the Australian Securities and Investments Commission (ASIC) initiated legal proceeding in the Federal Court in Australia against Money3 Loans Pty Ltd (herein after referred to as "Money3" which is a wholly owned subsidiary of Solvar Limited) alleging that Money3 breached its responsible lending obligations. Money3 is defending the legal proceedings. The trial has concluded and the parties are awaiting judgment. It is not practical to estimate the potential effect of the claim but Money3 is of the view that it is not probable that a material liability will arise.

In March 2024, the Commerce Commission commenced civil proceedings in the High Court of New Zealand alleging that one of Finance Investment Group Limited's subsidiaries, Go Car Finance Limited had breached its responsible lending obligations with respect to certain loans. Solvar Limited has also been sued on the basis that Go Car Finance Limited acted as its agent. Both Go Car Finance Limited and Solvar Limited are defending the legal proceedings and is of the view it has appropriate processes in place that comply with its legal obligations. It is not practical to estimate the potential effect of the claim but Go Car Finance Limited is of the view that it is not probable that a material liability will arise. There are no contingent assets or liabilities as at 30 June 2024.

¹ Gross of unamortised borrowing costs of \$3.134 million.

Notes to the Financial Statements continued

26. Share-based Payments

Performance Rights

Movement in performance rights during the financial year are summarised below:

	2025 Number of rights	2024 Number of rights
Balance at the beginning of the financial year	3,345,073	2,126,064
Granted during the financial year	1,414,044	2,092,864
Exercised during the financial year	(31,825)	(172,810)
Forfeited during the financial year	(606,089)	(701,045)
Balance at the end of the financial year	4,121,203	3,345,073
Weighted average fair value of rights (grant date)	\$1.09	\$1.31
Exercisable at the end of the financial year	51,136	38,192

Performance rights granted during the year were subject to the following conditions:

- The performance rights vest in full when an event occurs which give rise to a change in control of the Company;
- If the Company, after having granted these performance rights, restructures its issued share capital, ASX Listing Rules will apply to the number of shares issued to the rights holder on exercise of a right;
- Employee and director performance rights will not be listed on the ASX, but application will be made for quotation of the shares resulting from the exercise of the rights;
- On issue of the resulting shares, they will rank equally with ordinary shares on issue at that time; and
- Performance rights carry no rights to dividends and no voting rights. In accordance with the terms of the performance rights schemes, rights are automatically issued on vesting.

Performance rights outstanding at the end of the year have the following vesting dates and expiry dates:

Grant Date	Vesting Date	Expiry Dates	Performance Rights 2025	Performance Rights 2024
04-Oct-21	30-Jun-24	30-Sep-24	–	265,456
01-Dec-21	30-Jun-24	30-Sep-24	–	274,538
26-Aug-22	30-Jun-25	30-Sep-25	397,785	430,384
07-Dec-22	30-Jun-25	30-Sep-25	456,668	456,668
29-Aug-23	30-Jun-26	30-Sep-26	1,060,462	1,125,783
01-Dec-23	30-Jun-26	30-Sep-26	792,244	792,244
21-Oct-24	30-Jun-27	30-Sep-27	639,654	–
18-Dec-24	30-Jun-27	30-Sep-27	774,390	–
Total			4,121,203	3,345,073
Weighted average remaining contractual life of rights outstanding at the end of the year			1.14 years	1.41 years

Notes to the Financial Statements continued

The fair value of the Performance Rights has been determined in accordance with AASB 2 using the following inputs:

Grant date	26-Aug-22	07-Dec-22	29-Aug-23	01-Dec-23	21-Oct-24	18-Dec-24
Vesting date	30-Jun-25	30-Jun-25	30-Jun-26	30-Jun-26	30-Jun-27	30-Jun-27
Expiry date	30-Sep-25	30-Sep-25	30-Sep-26	30-Sep-26	30-Sep-27	30-Sep-27
Share price at measurement date	\$1.96	\$1.96	\$1.26	\$1.05	\$1.30	\$1.27
Long term dividend yield	4.00%	4.00%	6.00%	6.50%	7.00%	8.00%
Weighted average fair value of rights (grant date)	\$2.06	\$2.06	\$0.73	\$0.62	\$1.05	\$1.01

Recognition and Measurement

Options, restricted shares, and performance rights are granted under Solvar Limited's Share Option Plan for no consideration. The Board meets to determine eligibility for the granting of options, restricted shares and performance rights and to determine the quantity and terms of options, restricted shares and performance rights that will be granted. The valuation of options, restricted shares and performance rights are generally determined by an independent expert considering the terms and conditions upon which the instruments were granted. The expected price volatility is based on the historical volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	Consolidated 2025 \$	Consolidated 2024 \$
Performance rights issued under employee share plan, net of forfeitures	532,717	821,785
Total	532,717	821,785

Employee Share Scheme

A scheme under which shares may be issued by the Company to employees for no cash consideration was approved. All Australian resident permanent employees (excluding executive directors, other key management personnel of the Group and the Group company secretary) who have been continuously employed by the Group for a period of at least one year are eligible to participate in the scheme. Employees may elect not to participate in the scheme.

Notes to the Financial Statements continued

27. Auditor's Remuneration

During the year, the following fees were paid or payable for services provided by the auditor of the Solvar Limited, its related practices and non-related audit firms.

	Consolidated 2025 \$	Consolidated 2024 \$
<i>(a) BDO Audit Pty Ltd</i>		
Audit and review of the financial reports (inclusive of GST)		
• Group	327,021	375,100
• Controlled entities	97,636	97,636
Other assurance services	38,918	15,510
Total audit and review of financial reports	463,575	488,246
Other services		
Tax advisory services	19,074	–
Total other non-audit services	19,074	–
Total auditor's remuneration	482,649	488,246

Notes to the Financial Statements continued

28. Deed of Cross Guarantee

Solvar Limited and its wholly owned subsidiaries in Australia are parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into the deed, the wholly owned entities have been relieved from the requirement to prepare a financial report and directors' report under ASIC Corporations (Wholly owned Companies) Instrument 2016/785. The companies that represent a 'Closed Group' for the purposes of the instrument are described in Note 33.

(a) Consolidated statement of profit or loss, statement of comprehensive income and summary of movements in consolidated retained earnings

Set out below is a consolidated statement of profit or loss, a consolidated statement of comprehensive income and a summary of movements in consolidated retained earnings for the year ended 30 June 2025 of the Closed Group.

	Closed group 2025 \$'000	Closed group 2024 \$'000
Interest income, fees and charges	180,346	177,879
Intercompany interest income	5,573	5,152
Interest expense	(50,201)	(48,161)
Net Interest Income	135,718	134,870
Intercompany fees	4,054	4,484
Net Operating Income	139,772	139,354
Expenses from operating activities:		
Bad debt expense (net of recoveries)	34,139	30,712
Movement in allowance for impairment losses	5,063	7,220
Loan origination and servicing costs	14,545	12,392
General administration expenses	42,391	44,115
Loss on disposal of assets	2	–
Impairment of assets	–	9,163
Depreciation and amortisation	1,080	1,064
Total expenses	97,220	104,666
Profit before income tax expense	42,552	34,688
Income tax expense	12,703	12,622
Profit after income tax	29,849	22,066
Other comprehensive income/(loss) for the year		
<i>Items that will not be reclassified to profit or loss</i>		
Changes in the fair value of investment in equity securities at FVOCI, net of tax	(1,086)	–
Other comprehensive income/(loss) for the year, net of tax	(1,086)	–
Total comprehensive income for the period	28,763	22,066
Summary of movements in consolidated retained earnings		
Retained earnings at the beginning of the financial year	113,114	120,289
Profit for the period	29,849	22,066
Dividends paid	(22,521)	(29,241)
Retained earnings at the end of the financial year	120,442	113,114

Notes to the Financial Statements continued

(b) Consolidated Balance Sheet

Set out below is a consolidated balance sheet as at 30 June 2025 of the Closed Group.

	Closed group 2025 \$'000	Closed group 2024 \$'000
ASSETS		
Cash and cash equivalents	96,904	143,834
Investments in equities	11,763	1,200
Prepayments	860	734
Current tax receivable	558	514
Loans receivable, net	729,139	694,123
Customer acquisition costs	7,740	7,941
Deferred tax assets, net	15,587	12,070
Right-of-use assets	2,701	1,086
Plant and equipment	670	627
Investments in subsidiaries	12,474	12,474
Intercompany	38,850	30,460
Intangible assets	20,025	20,178
Other assets	380	685
Total assets	937,651	925,926
LIABILITIES		
Trade and other payables	12,282	11,979
Current tax payable	1,057	3,568
Borrowings	585,286	558,996
Employee benefit obligations	3,465	3,267
Lease liabilities	2,872	1,314
Provisions	160	160
Total liabilities	605,122	579,284
Net assets	332,529	346,642
EQUITY		
Share capital	209,628	230,412
Reserves	2,459	3,116
Retained earnings	120,442	113,114
Total equity	332,529	346,642

Notes to the Financial Statements continued

29. Parent Entity Financial Information

(a) Consolidated Statement of Profit or Loss and Other Comprehensive income

	Parent 2025 \$'000	Parent 2024 \$'000
Net profit/(loss)	12,874	(6,489)
Total comprehensive income/(loss) for the period	11,788	(6,489)

(b) Summary Financial Information

	Parent 2025 \$'000	Parent 2024 \$'000
ASSETS		
Cash and cash equivalents	3,171	42,590
Investments in equities	11,763	1,200
Prepayments	836	734
Current tax receivable	558	514
Loans receivable, net	–	150
Deferred tax assets, net	15,241	11,769
Intercompany loans	251,013	212,277
Right-of-use assets	2,142	957
Plant and equipment	111	143
Investment in subsidiaries	55,689	55,689
Other assets	231	604
Total assets	340,755	326,627
LIABILITIES		
Trade and other payables	5,887	6,084
Current tax payable	1,057	3,568
Employee benefit obligations	682	665
Lease liabilities	2,288	1,158
Provisions	150	150
Total liabilities	10,064	11,625
Net assets	330,691	315,002
EQUITY		
Share capital	209,628	230,412
Reserves	2,459	3,113
Retained earnings	118,604	81,477
Total equity	330,691	315,002

Notes to the Financial Statements continued

(c) Guarantees entered by the Parent Entity

Solvar Limited and its wholly owned subsidiaries in Australia are parties to a deed of cross guarantee under which each company guarantees the debts of the others as described in Note 28. No deficiencies of assets exist in any of these companies. No liability was recognised by the parent entity or the Group in relation to these guarantees, as the fair value of the guarantees is immaterial.

(d) Contingent Liabilities of the Parent Entity

For disclosure related to contingent liabilities of parent entity at the time of the report, refer Note 25.

(e) Contractual Commitments by the Parent Entity

The parent entity has contractual commitments for leases of \$2.672 million covering the period from July 2025 to June 2029 (2024: \$1.245 million).

(f) Accounting Policies

Accounting policies are consistent with the Group except for carrying value of investment in subsidiaries which are recognised at cost.

30. Related Party Transactions

(a) Parent and Ultimate Controlling Entity

The parent and ultimate controlling entity is Solvar Limited which is incorporated and domiciled in Australia.

(b) Key Management Personnel Remuneration

The aggregate compensation of the KMPs of the Group is set out below:

	Consolidated 2025 \$	Consolidated 2024 \$
Short term employee benefits	2,305,575	2,103,715
Post-employment benefits	134,105	105,184
Long term benefits	39,251	23,137
Share based payments	694,791	572,139
Total	3,173,722	2,804,175

(c) Loans to KMP

In FY22, Solvar entered into a 5-year Deferred Payment Arrangement ("DPA") with related entities to Scott Baldwin, Managing Director and CEO of the Group, to lend \$3,270,000 for the exercise of 2,180,000 unlisted options. The allocated Shares shall be held in escrow and subject to a holding lock. The allocated shares shall only be released from escrow upon all obligations of the borrower having been satisfied under the DPA and discharged in full. The Directors have determined that the terms of the DPA are on a reasonable arm's length basis including the interest rate on the transaction. The interest rate used is the Australian Taxation Office Division 7A benchmark interest rate. The initial recognition of the loan and the related exercise of the options was treated as a non-cash activity for the purposes of the Statement of Cash Flows. Periodic repayments are made in cash and the amount payable at 30 June 2025 was \$970,000 (2024: \$1,976,566). This loan is included as part of the Loans Receivable balance disclosed in Note 7. Income recognised in respect of the loan during current year was \$144,104 (2024: \$174,980).

Notes to the Financial Statements continued

(d) Other Transactions related to KMP

There were no other transactions to KMP during the current financial year or as at 30 June 2025 (2024: Nil).

All transactions with related parties are at arm's length on normal commercial terms and conditions at market prices.

31. Significant Matters Subsequent to the Reporting Date

Refer to Note 20 in the Financial Report for dividends proposed to be declared since the end of the reporting period.

On 25 August 2025 the Group appointed Kellie Cordner as an Independent Non-Executive Director with effect from 1 September 2025.

No other matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of Solvar, the results or the state of affairs of the Group.

32. Impact of Accounting Standards Issued but not yet Applied

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2025 reporting period and have not been early adopted by the Group. As at the date of this report there are no new accounting standards that have been issued but not yet applied that have a material effect on the results of the Group.

(a) AASB 18 Presentation and Disclosure in Financial Statements

AASB 18 replaces AASB 101 *Presentation of Financial Statements* and requires income and expenses to be classified in profit or loss as one of five categories, being investing, financing, income taxes, discontinued operations and operating (which is a residual category). There are also two mandatory sub-totals:

- Operating profit or loss; and
- Profit or loss before financing and income taxes, which comprises operating profit or loss and all investing income and expenses.

There are also changes to the Statement of Cash Flows, including how interest and dividend cash inflows and interest cash outflows are classified.

AASB 18 also requires disclosures related to management-defined performance measures in the notes to the financial report. These are effective for annual reporting periods beginning on or after 1 January 2027.

The new accounting standard AASB 18 will apply for the first time to 30 June 2028 financial report (and 30 June 2027 comparatives) and will impact the presentation of items in the financial report. The implementation of this standard will not have material impact on results of the Group.

(b) AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability

Amendments to AASB 121, *The Effects of Changes in Foreign Exchange Rates* effective for annual reporting periods beginning on or after 1 January 2025 require:

- Each entity that transacts in a foreign currency to assess whether the foreign currency is exchangeable into its functional currency; and
- When the foreign currency is not exchangeable into the entity's functional currency, the entity must estimate the spot exchange rate for the purposes of translation.

There are additional disclosure requirements when an entity estimates the spot exchange rate because a currency is not exchangeable into another currency.

Notes to the Financial Statements continued

The amendments only apply for the first time to the 30 June 2026 financial report (and 30 June 2025 comparatives). This amendment will not impact the Group as the Group does not transact in foreign currency that is currently not exchangeable.

(c) AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments

The amendments to AASB 7 and AASB 9 clarifies the appropriate date for derecognising financial assets and financial liabilities. Financial assets must be derecognised on the date on which the contractual rights to the cash flows expire or the asset is transferred (date when it receives cash in its bank account). These are effective for annual reporting periods beginning on or after 1 January 2026.

Financial liabilities are generally derecognised on the settlement date (the date when cash is credited into the supplier's bank account). However, for financial liabilities settled with cash using an electronic payment system, there is an option to deem discharge before the settlement date if the entity has initiated a payment instruction that resulted in:

- The entity having no practical ability to withdraw, stop or cancel the payment instruction;
- The entity having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- The settlement risk associated with the electronic payment system being insignificant.

If an entity elects the option to deem discharge before the settlement date, it is required to do so for all settlements made through the same electronic payment system.

These amendments only apply for the first time to the 30 June 2027 financial report (and 30 June 2026 comparatives). These amendments will not have material impact on value of financial instruments held by the Group.

(d) Sustainable reporting standards

The Australian Accounting Standards Board (AASB) issued the final ASRSs on 20 September 2024. The AASB has taken a 'climate first' approach to adopting IFRS S1 and IFRS S2 to align with Government commitments to introduce mandatory climate reporting in Australia. Therefore, the final standards issued by the AASB are:

- AASB S1 – *General Requirements for Disclosure of Sustainability-related Financial Information* which is a voluntary Standard covering sustainability-related financial disclosures and aligns with the scope of IFRS S1.
- AASB S2 – *Climate-related Disclosures* which is a mandatory Standard that incorporates the necessary content presented in IFRS S1 allowing it to function as a standalone, climate-only Standard.

The scope of who is required to prepare a sustainability report, and when they must begin this reporting, is set out in the legislation passed by Parliament on 9 September 2024.

The Group, for sustainability reporting purpose is classified a Group 2 entity, and hence not prepared a sustainability report. For Group 2 entities sustainability report is mandatory for the period ending 30 June 2027.

Notes to the Financial Statements continued

33. Controlled Entities

The consolidated financial statements incorporate the assets, liabilities and results of subsidiaries in accordance with the accounting policy described in Note 1. The subsidiaries of the Company are:

Name	Country of incorporation	Equity held		Acquisition date	Investment	
		2025 %	2024 %		2025 ⁶ \$'000	2024 ⁶ \$'000
Money3 Loans Pty Ltd ¹	Australia	100	100	01-Nov-16	8,864	8,864
Happy.com.au Pty Ltd ^{1,3}	Australia	100	100	16-Apr-07	–	–
M3 Group Services Pty Ltd ¹	Australia	100	100	13-Mar-08	–	–
Debt Resolutions Pty Ltd ¹	Australia	100	100	01-Jul-06	369	369
Bennji Pty Ltd ^{1,4}	Australia	100	100	01-Jul-06	369	369
Tannaster Pty Ltd ¹	Australia	100	100	01-Jul-06	2,208	2,208
M3 HOL Pty Ltd ¹	Australia	100	100	02-Feb-21	17,119	17,119
Money3 Warehouse Trust No. 1 ^{1,5}	Australia	100	100	28-Oct-20	–	–
Money3 Warehouse Trust No. 2 ¹	Australia	100	100	09-Jan-24	–	–
Money3 Vault Series No.1 ¹	Australia	100	–	24-Dec-24	–	n/a
Money3 Corporation Limited Rights Share Trust	Australia	100	100	01-Jul-20	–	–
Solvar Limited Employee Share Plan Trust	Australia	100	–	15-Aug-24	–	n/a
Automotive Financial Services Pty Ltd ¹	Australia	100	100	04-Jan-21	14,286	14,286
AFS Auto-1 Trust ¹	Australia	100	100	04-Jan-21	–	–
Finance Investment Group Limited ²	New Zealand	100	100	12-Mar-19	12,474	12,474
Go Car Finance Limited ²	New Zealand	100	100	12-Mar-19	–	–
Go Car Services Limited ²	New Zealand	100	100	12-Mar-19	–	–
My On Road Plan Limited ²	New Zealand	100	100	12-Mar-19	–	–
Go Car Funding Limited ²	New Zealand	100	100	12-Mar-19	–	–
Debt Resolutions Limited ²	New Zealand	100	100	12-Mar-19	–	–
Go Car SPV Holding Limited ^{2,5}	New Zealand	100	100	8-Dec-20	–	–
Go Car Finance 2 Limited ^{2,5}	New Zealand	100	100	9-Dec-20	–	–
Go Car Finance 3 Limited ^{2,5}	New Zealand	100	100	19-Nov-21	–	–
Go Car Finance 4 Limited ^{2,5}	New Zealand	100	100	24-Feb-23	–	–
Money3 NZ Warehouse Trust No.1 ^{2,5}	New Zealand	100	100	21-Sep-22	–	–
Entities deregistered in FY25						
Australian Car Leasing Pty Ltd ¹	Australia	–	100	03-May-13	n/a	–
Bellavita Pty Ltd ¹	Australia	–	100	01-Jul-06	n/a	–
Hallowed Holdings Pty Ltd ¹	Australia	–	100	01-Jul-06	n/a	–
Nexia Pty Ltd ¹	Australia	–	100	01-Jul-06	n/a	–
Pechino Pty Ltd ¹	Australia	–	100	01-Jul-06	n/a	–
Tristace Pty Ltd ¹	Australia	–	100	01-Jul-06	n/a	–
Antein Pty Ltd ¹	Australia	–	100	01-Jul-06	n/a	–
Go Car Finance 2018 Limited ²	New Zealand	–	100	12-Mar-19	n/a	–
Go Car Funding 2018 Limited ²	New Zealand	–	100	12-Mar-19	n/a	–
Aqua Cars Limited ²	New Zealand	–	100	12-Mar-19	n/a	–
Total					55,689	55,689

1 Part of a 'Closed group' of companies that are parties to a deed of cross guarantee, as described in Note 28.

2 Part of the 'extended Closed Group' of companies which are controlled by Solvar Limited but are not party to the deed of cross guarantee.

3 Formerly Bennji Pty Ltd.

4 Formerly Happy.com.au Pty Ltd.

5 Entities earmarked for deregistration in FY26.

6 Where specific value is not disclosed, investment in these entities is less than \$1,000.

Consolidated Entity Disclosure Statement

The below list relates to entities that are in the consolidated financial statements at 30 June 2025, as required by the *Corporations Act 2001* s.295(3A)(a).

Name of entity	Type of entity	Trustee, partner or participant in JV	Percentage share capital held by the Company %	Country of incorporation	Australian resident	Foreign jurisdiction(s) ¹
Money3 Loans Pty Ltd	Body corporate	–	100	Australia	Yes	–
Happy.com.au Pty Ltd ²	Body corporate	–	100	Australia	Yes	–
M3 Group Services Pty Ltd	Body corporate	–	100	Australia	Yes	–
Debt Resolutions Pty Ltd	Body corporate	–	100	Australia	Yes	–
Bennji Pty Ltd ³	Body corporate	–	100	Australia	Yes	–
Tannaster Pty Ltd	Body corporate	–	100	Australia	Yes	–
M3 HOL Pty Ltd	Body corporate	–	100	Australia	Yes	–
Money3 Warehouse Trust No. 1	Trust	–	100	Australia	Yes	–
Money3 Warehouse Trust No. 2	Trust	–	100	Australia	Yes	–
Money3 Vault Series No.1	Trust	–	100	Australia	Yes	–
Money3 Corporation Limited Rights Share Trust	Trust	–	100	Australia	Yes	–
Solvar Limited Employee Share Plan Trust	Trust	–	100	Australia	Yes	–
Automotive Financial Services Pty Ltd	Body corporate	–	100	Australia	Yes	–
AFS Auto-1 Trust	Trust	–	100	Australia	Yes	–
Finance Investment Group Limited	Body corporate	–	100	New Zealand	No	New Zealand
Go Car Finance Limited	Body corporate	–	100	New Zealand	No	New Zealand
Go Car Services Limited	Body corporate	–	100	New Zealand	No	New Zealand
My On Road Plan Limited	Body corporate	–	100	New Zealand	No	New Zealand

¹ Foreign jurisdiction(s) in which the entity is a resident for tax purposes (according to the law of the foreign jurisdiction).

² Formerly Bennji Pty Ltd.

³ Formerly Happy.com.au Pty Ltd.

Consolidated Entity Disclosure Statement continued

Name of entity	Type of entity	Trustee, partner or participant in JV	Percentage share capital held by the Company %	Country of incorporation	Australian resident	Foreign jurisdiction(s) ¹
Go Car Funding Limited	Body corporate	–	100	New Zealand	No	New Zealand
Debt Resolutions Limited	Body corporate	–	100	New Zealand	No	New Zealand
Go Car SPV Holding Limited	Body corporate	–	100	New Zealand	No	New Zealand
Go Car Finance 2 Limited	Body corporate	–	100	New Zealand	No	New Zealand
Go Car Finance 3 Limited	Body corporate	–	100	New Zealand	No	New Zealand
Go Car Finance 4 Limited	Body corporate	–	100	New Zealand	No	New Zealand
Money3 NZ Warehouse Trust No.1	Trust	–	100	New Zealand	No	New Zealand

Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001*, reflecting the amendments to section 295(3A)(vi) and (vii) which clarify the definition of foreign resident as being an entity that is treated as a resident of a foreign country under the tax laws of that foreign country. These amendments apply for financial years beginning on or after 1 July 2024. The CEDS includes certain information for each entity that was part of the consolidated entity at the end of the financial year in accordance with AASB 10 *Consolidated Financial Statements*.

Determination of Tax Residency

Section 295 (3A) of the *Corporation Acts 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgment as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

(a) Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

(b) Foreign tax residency

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

(c) Partnerships and Trusts

Australian tax law does not contain specific residency tests for partnerships and trusts. However, tax residency is determined based on Section 295(3B)(b) and (c) of *Corporations Act 2001*.

¹ Foreign jurisdiction(s) in which the entity is a resident for tax purposes (according to the law of the foreign jurisdiction).

Independent Auditor's Report



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INDEPENDENT AUDITOR'S REPORT

To the members of Solvar Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Solvar Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year ended on that date; and
- (ii) Complying 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 Group 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Independent Auditor's Report continued



Key audit matter	How the matter was addressed in our audit
<p><u>Expected credit loss provisioning</u></p> <p>As at 30 June 2025, the Group has recognised an impairment loss allowance for Expected Credit Losses ('ECL') amounting to \$52.60m in accordance with AASB 9 <i>Financial Instruments</i> as disclosed in Note 7.</p> <p>The expected credit loss provisioning is a key audit matter due to the significant judgements used within the model and the inherent estimation uncertainty in its determination.</p> <p>The Group's ECL model is a probability weighted estimate of expected loss and incorporates data surrounding past events, current conditions, and considers forward looking information to reflect future external factors such as inflationary pressures and changes to interest rates on the macroeconomic environment.</p> <p>The Group calculates the ECL provision using the probability of default, loss given default and the exposure at default over the next 12 months and the remaining lifetime of the loans receivable.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> Assessing the Group's ECL model to conclude it is in accordance with AASB 9 <i>Financial Instruments</i>. Performing a detailed analysis of Management's estimate of the impairment loss allowance and the adequacy of such procedures and processes adopted by the Group. Testing the design and implementation of controls over the ECL impairment loss allowance including the accuracy of the data inputs into the loan management system and ongoing monitoring of the ECL provision. Performing a detailed analysis of loans in arrears, or subject to special payment terms. Our procedures included considering the prior period history of loans that subsequently went into default and using this evidence to support the appropriateness of the impairment loss allowance at year-end. Assessing the reasonableness of assumptions driving Probabilities of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) including performing retrospective review of the key assumptions. Performing data analytic testing over the loan book and evaluating the appropriateness of loan status classification underpinning the ECL model. Reviewing the appropriateness of the disclosures regarding the ECL recognition.

Independent Auditor's Report continued



Key audit matter	How the matter was addressed in our audit
<p>Effective interest rate recognition</p> <p>The Group reported interest income amounting to \$207.38m for the year ended 30 June 2025 and loans receivables of \$848.43m as at 30 June 2025. Interest income received from loans receivables is determined using the effective interest rate ('EIR') method in accordance with AASB 9 <i>Financial Instruments</i>. The loans receivable balance is measured and presented at amortised cost using the EIR method. The Group's disclosure over the effective interest rate is disclosed in Note 3.</p> <p>There are complexities involved in determining the EIR within the loan portfolio. The EIR recognition is significant to the overall financial statements due the number of loan contracts, and the varied product terms, across the loan portfolio. The Group may inaccurately estimate the EIR resulting in the incorrect recognition of revenue over the life of the loan contract.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> Assessing the Group's accounting policy for revenue recognition with reference to the relevant accounting standards including the appropriateness of the inclusion of fees received from customers in the determination of the EIR. Utilising our Information Systems ('IS') audit specialists, in conjunction with other audit procedures, to test the Group's controls over: loan initiation and approval; standard terms, fees and charges; calculation of interest, revenue and deferred revenue in respect of fees and charges; controls for recording transactions in the Group's loan systems and the general ledger; and testing for duplicate loans. Evaluating and validating manual controls relevant to the approval and recording of loans to customers. Testing a sample of loans to agree the interest, fees and charges revenue were calculated using the effective interest rate method. Performing a detailed analysis of revenue and the timing of its recognition based on expectations derived from our industry knowledge, and knowledge of the Group's products, fees and charges. Reviewing the appropriateness of the disclosures regarding interest income recognition.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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 the directors for the Financial Report

The directors of the Company 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 and



b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group 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 Group or to cease operations, or has 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 (<http://www.auasb.gov.au/Home.aspx>) at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 35 to 46 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Solvar Limited, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'Benjamin Lee', is written over a faint, stylized 'BDO' logo.

Benjamin Lee
Director

Melbourne, 27 August 2025

ASX Additional Information

Additional information required by the Australian Securities Exchange and not shown elsewhere in this report is as follows. The information is current as at 21 July 2025.

(a) Distribution of Equity Securities

The number of shareholders, by size of holding, in each class of equity are:

Distribution of Shareholdings	Ordinary Shares			Performance Rights		
	Number of Holders	Number of Shares	%	Number of Holders	Number of Rights	%
100,001 and Over	161	156,903,792	80.86	4	3,800,836	92.23
10,001 to 100,000	925	29,950,523	15.43	9	310,779	7.54
5,001 to 10,000	493	3,818,309	1.97	1	9,588	0.23
1,001 to 5,000	1,059	2,894,923	1.49	–	–	–
1 to 1,000	1,068	490,677	0.25	–	–	–
Total	3,706	194,058,224	100.00	14	4,121,203	100.00
The number of shareholders holding less than a marketable parcel of shares are	399	38,021				

(b) Twenty Largest Holders of Quoted Shares are:

Name of Holder		Listed Ordinary Shares	
		No. of Shares	% of Holding
1	UBS NOMINEES PTY LTD	28,922,363	14.90
2	CITICORP NOMINEES PTY LIMITED	12,972,232	6.68
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	12,647,459	6.52
4	RUBINO GROUP PTY LTD <RUBINO GROUP A/C>	9,750,000	5.02
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	9,038,901	4.66
6	BALDWIN BROTHERS INVESTMENTS PTY LTD <INSPIRATION A/C>	7,408,150	3.81
7	BLACK BASS PTY LTD	6,032,335	3.11
8	THORNEY OPPORTUNITIES LTD	5,000,000	2.58
9	HOSKING FINANCIAL INVESTMENTS PTY LTD <HOSKING INVESTMENT A/C>	4,541,699	2.34
10	AFICO PTY LTD	2,594,553	1.34
11	CRAIG HARRIS	2,353,763	1.21
12	DASH GROWTH LIMITED	1,992,496	1.03
13	BNP PARIBAS NOMS PTY LTD <GLOBAL MARKETS>	1,819,919	0.94
14	WALLBAY PTY LTD <ABELL UNIT ACCOUNT>	1,704,029	0.88
15	MR MICHAEL RUDD	1,504,326	0.78
16	PLATEY PTY LTD	1,500,000	0.77
17	MATOOKA PTY LTD <MAKO A/C>	1,497,999	0.77
18	DELUZO INVESTMENTS PTY LTD <NORTHCOTE FAMILY A/C>	1,193,571	0.62
19	SILVAN BOND PTY LTD	1,182,852	0.61
20	IDALP PTY LTD <RAY MALONE SUPER A/C>	1,180,751	0.61
Top 20 shareholders		114,837,398	59.18

(c) Substantial Shareholders

The names of the substantial shareholders who have notified the Company in accordance with section 671B of the *Corporations Act 2001* are:

	No. of Shares	% Held
Thorney Opportunities Ltd (TOP), Tiga Trading Pty Ltd & associated entities	35,382,287	17.96%
Dimensional Fund Advisors & associated entities	10,937,134	5.10%
Rubino Group Pty Ltd	9,750,000	5.02%

The notifications do not necessarily reflect the holdings on the register of the company.

(d) Voting Rights

The voting rights attached to equity securities are set out below:

(i) Ordinary shares:

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

(ii) Options and performance rights:

Options and performance rights are not entitled to voting rights.

(d) On Market Buy-back

The following securities were purchased on market during the financial year.

Ordinary Shares as part of	No. of Shares purchased	Average price paid per share
(a) the share buyback program that commenced in Jun-24	14,320,306	\$ 1.46

Glossary

Term	Definition
AASB	Australian Accounting Standards Board
ABS	Asset Backed Securitisation
AFS	Automotive Financial Services
AML/CTF	Anti-Money Laundering and Counter-Terrorism Financing
ASX	Australian Securities Exchange
ASIC	Australian Securities & Investment Commission
ATSR	Absolute Total Shareholder Returns
BGH	Big Group Hug
CAGR	Cumulative Annual Growth Rate
CEDS	Consolidated Entity Disclosure Statement
CTSR	Composite Total Shareholder Returns
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGU	Cash Generating Unit
Company	Solvar Limited
COO	Chief Operating Officer
DDO	Design and Distribution Obligations
DCF	Discounted Cash Flow
DPA	Deferred Payment Arrangement
EAD	Exposure At Default
EBITDA	Earnings Before Interest, Tax And Depreciation & Amortisation
ECL	Expected Credit Loss
EPS	Earnings Per Share
ESG	Environmental, Social and Governance
FCA	Financial Counselling Australia
FCIF	Financial Counselling Industry Fund
FR	Fixed Remuneration
FVOCI	Fair Value through Other Comprehensive Income
GCF	Go Car Finance
GHG	Greenhouse Gas
Group	Solvar Limited and the entities it controlled during the financial year
IFRS	International Financial Reporting Standard
JV	Joint Venture
KMP	Key Management Personnel
LGD	Loss Given Default
LTI	Long Term Incentive
MD	Managing Director
NAF	Net Amount Financed

Glossary continued

Term	Definition
NED	Non-Executive Director
NII	Net Interest Income
NPAT	Net Profit After Tax
OAIC	Office of the Australian Information Commissioner
PCP	Prior Comparative Period
PD	Probability of Default
SME	Small and Medium Enterprise
STI	Short Term Incentive
TSR	Total Shareholder Returns
WGEA	Workplace Gender Equality Agency

Corporate Information

Solvar Limited is a company incorporated and domiciled in Australia.

Company Directors

Stuart Robertson
Non-Executive Director (Chairman)

Symon Brewis-Weston
Non-Executive Director

Craig Parker
Non-Executive Director

Scott Baldwin
Managing Director

Company Secretary

Terri Bakos

Head Office

Level 1, 40 Graduate Road
Bundoora Victoria 3083

Telephone: 03 7031 6035

Registered Office

Level 1, 40 Graduate Road
Bundoora Victoria 3083

Share Registry

**Computershare Investor
Services Pty Limited**

452 Johnston Street
Abbotsford Victoria 3067

Auditors

BDO Audit Pty Ltd

Tower 4, Level 18
727 Collins Street
Melbourne Victoria 3008

Solicitors

Nicholson Ryan Lawyers Pty Ltd

Level 7, 420 Collins Street
Melbourne Victoria 3000

Bankers

Bendigo Bank

499 Riversdale Road
Camberwell Victoria 3124

Westpac Bank

Melbourne Head Office
150 Collins Street
Melbourne Victoria 3000

Bank of New Zealand

80 Queens Street
Auckland New Zealand 1010

Stock Exchange Listing

Solvar Limited shares are listed on the Australian Securities Exchange (ASX code SVR).

Website

www.solvar.com.au

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