



FY25

Investor Presentation

28 August 2025

Scott Baldwin (Managing Director & CEO)

Siva Subramani (CFO)





Agenda

 **Highlights & Strategy**

 **FY25 Results Summary**

 **Summary and Outlook**

 **Questions**

Solvar acknowledges the Traditional Custodians of the lands across Australia and their enduring connection to Country, Culture and Community. We pay our respects to First Nations peoples and their Elders, past and present.



Scott Baldwin

Managing Director &
Chief Executive Officer



Siva Subramani

Chief Financial Officer

Highlights & Strategy



Back to Growth – Built on Strength

Growth initiatives

Launch of Bennji

- Introduced a dedicated commercial finance platform positioned to capture share in Australia's \$22bn addressable market.



- Purchased a stake in Earlypay, expanding the Groups exposure to commercial lending



Capital management

Share buyback

- Completed repurchase of 14.3 million shares, representing 6.8% of the register, delivering immediate value to shareholders.

Securitisation milestone

- Successfully completed the inaugural Asset Backed Securitisation of the Money3 portfolio, unlocking new funding capacity.

Dividend growth

- Declared an 8.0 cents Final Dividend aggregating to 14.0 cents for the year, up 40% on pcp, reflecting confidence in earnings momentum.

Risk resilience

Cyber resilience

Achieved ISO 27001 certification, reinforcing customer data protection and strengthening our security framework.

Operational efficiency

Technology optimization

- Driving cost efficiency through system consolidation, retiring outdated legacy platforms.

Enhanced productivity

- Platform integration making it easier for customers to apply and improving conversion rates

Highlights

Continuing Operations¹ (Australia)

Interest Income²

\$180.3m

1.4% increase on pcp

Loan Book

\$832.7m

5.3% increase on pcp

Originations

\$389.1m

2.5% decrease on pcp

Bad Debt

4.1%

Increase from 3.9% in FY24

NPAT³ (normalised)

\$32.0m

6.2% Increase from \$30.1m in FY24


NPAT of \$29.8m, 8.0% growth over pcp


Cash Collections


\$455.7m

5.2% increase on pcp

FY25

 **Bennji** launched dedicated commercial product offering in May 2025

 **Process simplification** achieved through harmonisation of loan managed systems across the three brands in Australia

 **ISO27001** certification, a strong commitment to protecting customer data

 **Return on Net Tangible Equity⁴** increased to 10.6% from 8.7%

¹Normalised to exclude the results of New Zealand operations

²Interest income includes fees & charges, from loan and related products that are integral to the loan and bank interest income

³After adjusting for legal fees associated with the ongoing legal action, pcp omitted as prior to decision to discontinue GCF

⁴Return on Net Tangible Equity disclosed is for Solvar Group and is based on Normalised NPAT over average Equity.

Highlights (cont.)

Group

Interest Income¹

\$207.4m

6.1% decrease on pcp

Loan Book

\$910.1m

2.2% decrease on pcp

Originations

\$390.8m

8.6% decrease on pcp

EPS (Normalised)

16.8cents²

21.2% increase on pcp

Net Tangible Assets

\$1.62

2.1% increase on pcp

Bad Debt, net

4.4%

No change on FY24

NPAT² (Normalised)

\$34.1m

17.4% Increase from \$29.0m
Statutory NPAT of \$31.4m,
84.4% growth over pcp

Cash Collections

\$528.8m

1.5% decrease on pcp

Final Dividend

8.0cents

Fully franked aggregating to
14.0 cents fully franked for
the year, up 40.0% on pcp

Opex Ratio³

32.8%

Decrease from 34.6% in pcp
due to cost management
initiatives

¹Interest income includes fees & charges, from loan and related products that are integral to the loan and bank interest income

²After adjusting for legal fees associated with the ongoing legal action, pcp omitted as prior to decision to discontinue GCF

³Opex ratio includes operating expense ratio, FX differences on revaluation, depreciation and amortisation. But excludes impairment of intangibles of \$9.2m.

Operating Performance



Commercial asset finance

- Purpose built leveraging the Group's existing distribution network for small to medium business
- Launched in May 2025
- Total addressable market is ~\$22 billion
- Average Loan Size of ~\$60,000
- Financing commercial assets such as Utes, vans, light commercial and yellow goods



Bennji rolled into the market in May, settling a **2021 RAM** and setting the pace for what's to come.



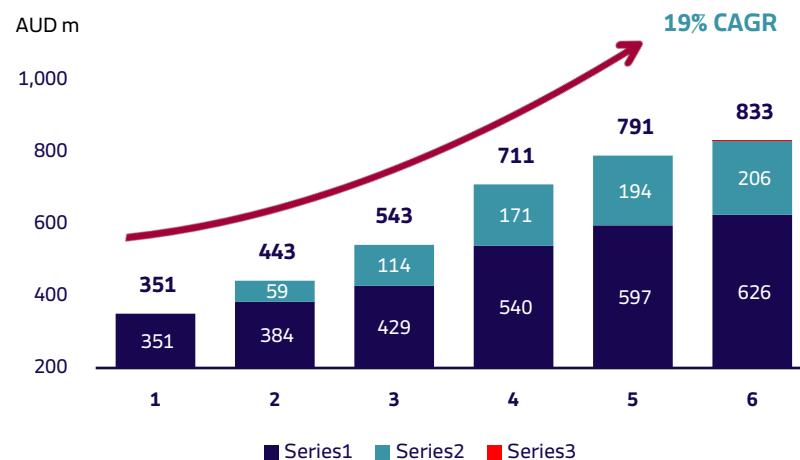
Craig Bowring
Executive General Manager

"Bennji is stepping outside the matrix to serve a segment of the commercial asset finance market in a different way. We'll be human first, with the expertise to underwrite new lending supported by technology that powers efficiency. We strive to provide broader access to the market, for those who seek it. That's how we'll create lasting value."

Loan Book Metrics

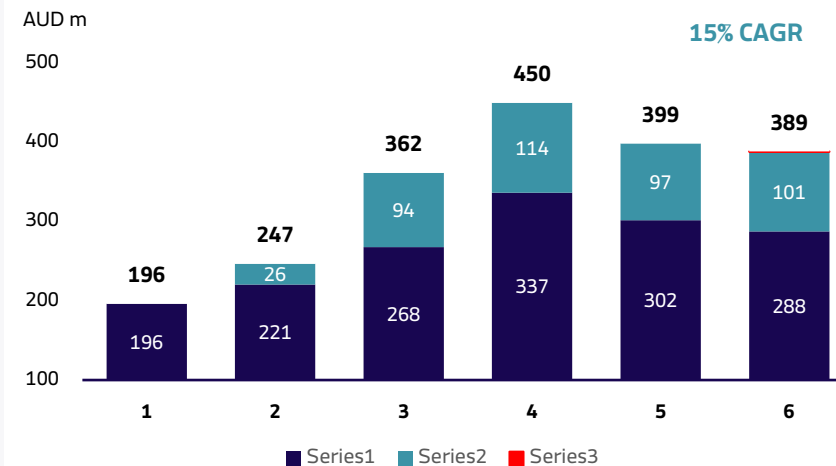
Double digit growth over last 5 years

Australia – Loan Book



- 5.3% growth in Australian gross loan book on pc
- Strong growth opportunity with Bennji's launch in May 2025
- 70.5% leverage on 30 Jun 2025 (FY24: 68.1%)

Australia – Originations¹



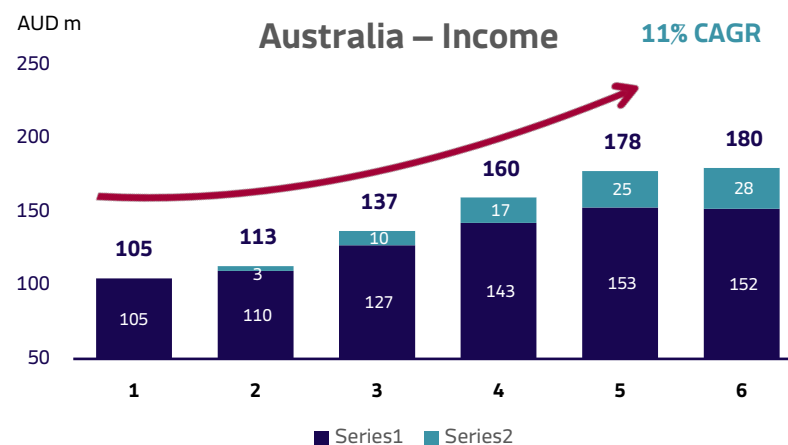
- Greater discipline on credit quality
- A dedicated commercial division, leveraging existing distribution channels is expected to drive origination growth into FY26

¹FY20 originations excludes upfront fees

Profitability Measures

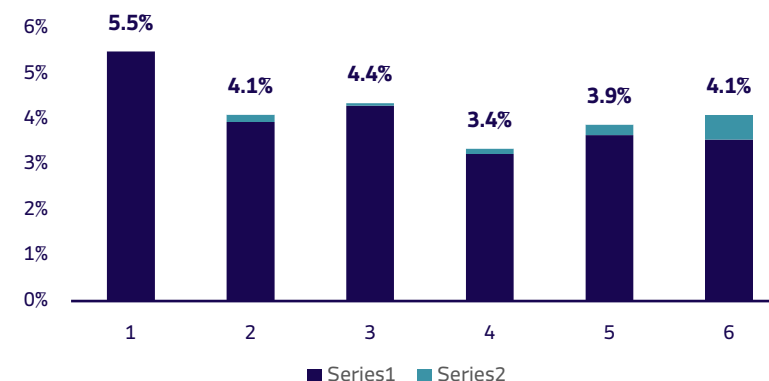
Growing income with stable bad debts ratio

Australia – Interest income



- Improvement in quality of earnings driven by increasing contribution from AFS business unit
- AFS interest income contribution increased to 15.5% from 13.9% over pcip

Australia – Bad debt



- Stable loss experience despite high continued cost of living pressure
- Group bad debts expected to trend down as AFS and Bennji brands increase as a percentage of the portfolio

FY25 Results



Australian Operations

(Continuing Operations)

- Australia Operations – Normalised NPAT of \$32.0 million
- Improved credit quality driving a reduction in interest expense
- Portfolio yield on gross written loans is 22.2% and is expected to reduce in FY26 reflecting the shift in portfolio mix towards higher credit quality
- Gross loan book increased by 5.3% to \$832.7m on pcg through organic growth.
- Cash collection of \$455.7m up 5.2% on pcg
- Loan book growth contributed to a 1.4% increase in interest income compared to pcg
- Opex Ratio⁴ of 29.9% is expected to improve further with cost management initiatives

| FY25 Continuing Operations¹ <i>AUDm unless stated otherwise</i> | FY25 | FY24 | Growth % |
|--|--------------|--------------|-----------------|
| Interest income ² | 180.3 | 177.9 | 1.4% |
| Interest expense | 44.6 | 48.2 | (7.3%) |
| Net Interest Income (NII) | 135.7 | 129.7 | 4.6% |
| Net Interest Income margin | 16.7% | 17.3% | |
| Bad debts expense | 34.1 | 30.7 | 11.2% |
| Allowance for impairment losses | 5.1 | 7.2 | (29.9%) |
| Operating expenses ³ | 53.6 | 52.0 | 3.1% |
| FX differences on revaluation | (0.7) | 0.1 | (1,398.2%) |
| D&A | 1.1 | 1.1 | (1.5%) |
| Tax | 12.7 | 11.1 | 14.7% |
| NPAT Statutory | 29.8 | 27.6 | 8.0% |
| Legal costs (post-tax) | 2.2 | 2.5 | (14.3%) |
| NPAT Normalised | 32.0 | 30.1 | 6.2% |
| NPAT Margin (normalised) | 17.7% | 16.9% | |

¹Normalised to exclude the results of New Zealand operations

²Interest income includes fees & charges, from loan and related products that are integral to the loan and bank interest income

³Operating expenses are the aggregate of loan origination, servicing costs and general administration expenses less FX differences on revaluation (see Appendix 4D and Interim Financial Report)

⁴Opex ratio includes operating expense ratio, FX differences on revaluation, depreciation and amortisation. But excludes impairment of intangibles of \$9.2m.

Group FY25

- Normalised NPAT of \$34.1 million
- Revenue growth driven by loan book growth in Australia, offsetting loan book contraction in New Zealand.
- Reduction in operating expense driven by a 12% decrease in employment expenses
- Bad debts remained stable at 4.4%, unchanged from FY25
- Lower interest expense, supported by base rate movement, lower funder margins and reduced leverage at group level
- FY25 normalised return on average net tangible equity of 10.6% (pcp: 8.7%)

| FY25 Group Financial Results <i>AUDm unless stated otherwise</i> | FY25 | FY24 | Growth % |
|--|--------------|--------------|-----------------|
| Interest income ¹ | 207.4 | 220.7 | (6.1%) |
| Interest expense | 52.1 | 59.6 | (12.6%) |
| Net Interest Income (NII) | 155.3 | 161.2 | (3.6%) |
| Net Interest Income margin | 16.9% | 17.5% | |
| Bad debts expense | 40.2 | 41.3 | (2.6%) |
| Allowance for impairment losses | 2.3 | 6.6 | (65.1%) |
| Operating expenses ² | 67.3 | 83.4 | (19.3%) |
| FX differences on revaluation | (0.7) | 0.1 | (1398.2%) |
| D&A | 1.5 | 2.1 | (28.9%) |
| Tax | 13.3 | 10.7 | 23.8% |
| NPAT Statutory | 31.4 | 17.0 | 84.4% |
| Impairment of assets | – | 9.2 | (100%) |
| Legal costs (post-tax) | 2.7 | 2.8 | (6.1%) |
| NPAT Normalised | 34.1 | 29.0 | 17.4% |
| NPAT Margin (normalised) | 16.4% | 13.1% | |

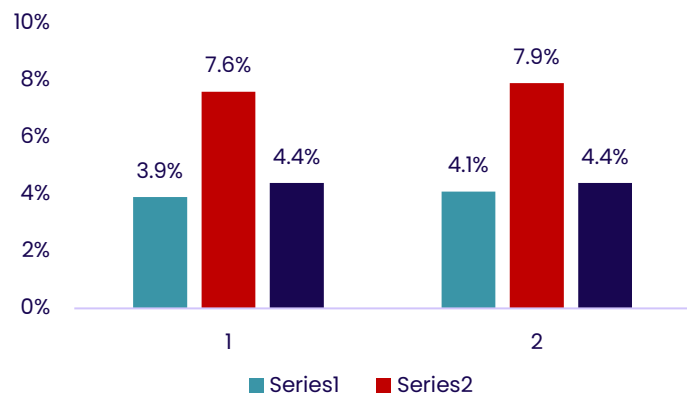
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FY25 Results

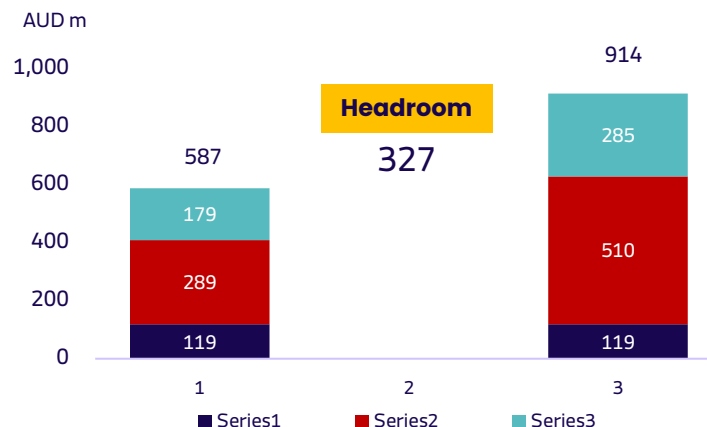
Stable bad debts – Significant funding headroom – Stable credit quality

Bad debt – By geography



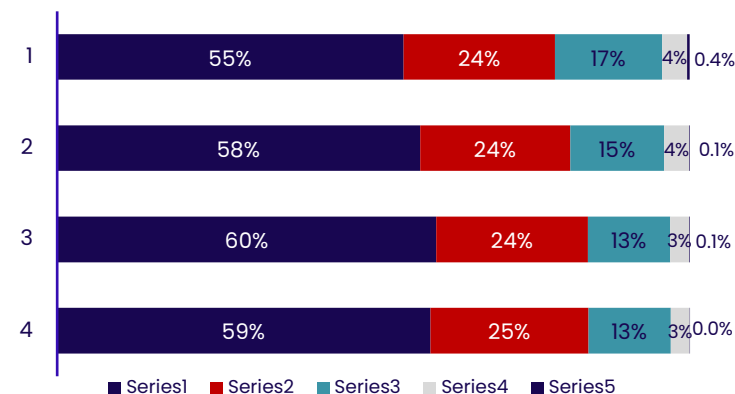
- FY25 Group bad debt rate flat at 4.4% and expected to stay with target range of 3.5% – 4.5%
- New Zealand bad debts trending down with impairment provisions expected to cover a significant portion of FY26 bad debts

Australia – debt facilities



- Asset Backed Securitisation (ABS) transaction creates funding capacity by making the warehouse debt a revolving facility
- Over \$300.0m headroom in debt facilities with the ability to increase limits as needed
- Funder diversification through introduction of mezzanine funding in Money3 and ABS transactions
- Sufficient free cash to support organic loan book growth and/or fund acquisitions

Maintaining credit quality – Australia loan book



- 79% of Australian portfolio is 'Strong and Good', decreased marginally from FY24
- Maintaining credit quality despite continued cost of living pressures

Regulatory Update



Australian Securities and Investment Commission (ASIC)

- On 6 February 2025, the trial started in respect to the proceeding against Money3
- The hearing concluded on the 13th March 2025, and court will hand down judgement in the coming months



Commerce Commission of New Zealand

- In March 2024, the Commerce Commission commenced proceedings making allegations that Go Car Finance contravened its responsible lending obligations with respect to certain loans under the Credit Contracts and Consumer Finance Act 2003 (CCCFA)
- Go Car Finance denies that it has breached its obligations and is defending the claim

Outlook

FY26 Outlook



Financial

- Loan book growth driven by new Bennji commercial loans setting the foundation for future profit growth
- Discipline approach to lifting overall credit quality
- Bad debt expected to be 3.5%-4.5%
- The Group expects to maintain a similar dividend payout ratio in FY26



Operations

- Bennji business unit transitioning from build to growth phase
- Continual review of Money3 lending products and underwriting practices
- Broadening the Group's addressable market through the introduction of a new commercial lending product



Market

- Rate cutting cycle expected to drive positive consumer sentiment
- Continued regulatory focus on the non-bank sector

Thank you!

CEO & Managing Director

Scott Baldwin

+61 3 7031 6019
s.baldwin@solvar.com.au

Chief Financial Officer

Siva Subramani

+61 3 7031 6018
s.subramani@solvar.com.au

Product Overview



money3



Secured & unsecured consumer loans, typically over 24-72 months

Loan Size

Up to \$100,000

Target Customer

Consumers seeking access to used vehicles for basic transport needs

Typical Loan Purpose

Used car loans, personal loans for holiday, car repairs, medical & dental

Loan Book / Size of Addressable Market

Loan Book:
~\$626m⁴

Addressable Market:
~\$37b¹
Predicted CAGR – 5.5%
per annum

AFS AUTOMOTIVE FINANCIAL SERVICES



Consumer and commercial secured lending, typically over 48 – 72 months

Up to \$130,000

Consumers seeking to upgrade their car, buy a lifestyle asset or a restored vehicle

Commercial customers seeking a ute for business purposes

To buy a new or used car, horse float, caravan or camper trailer

Loan Book:
~\$207m⁴

Addressable Market:
~\$83b²
Predicted CAGR – 7%

bennji



Secured commercial asset finance

Up to \$500,000

Small & medium business owners looking to purchase an asset for business use

To buy a light or heavy commercial vehicle, yellow goods, or equipment

Loan Book:
~\$1m

Addressable Market:
~\$22b³
Predicted CAGR – 4.7%

1. Money3 addressable market & CAGR state – Australia Used Car Financing Market Size, Share, Report 2025-2034

2. AFS addressable market & CAGR (converted from USD to AUD)- Australian Automotive Financing Market Size, Share And Forecast

3. Bennji addressable market & CAGR - <https://www.expertmarketresearch.com.au/reports/australia-commercial-vehicle-market>

Governance

Environment



Carbon Neutral status achieved since 2022



FY23-24 ~3k trees planted & 3,000 tons of Co2 offset



Recycling programs in all Solvar offices

Cyber



ISO 27001 certification



Third party SOC provides 24x7 detection and rapid response

Social

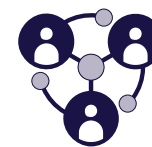


Solvar committed ~\$300,000 to partner organization in FY25



Solvar supports charity partners in family welfare, environment and homelessness

People



~300 staff across Australia and New Zealand



High level of employee engagement

Portfolio of Assets Financed



47,825
Cars



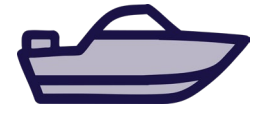
67
Tractors



715
Horse Floats



756
Trailers



201
Boats & Jet Skis



5,418
Utility Vehicles



884
Caravans



1,809
Motor Bikes



85
Trucks

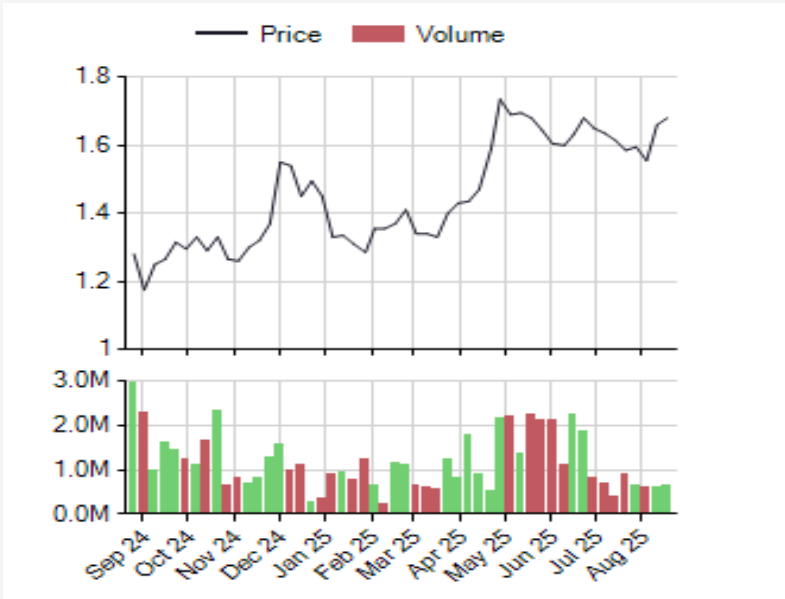


6
Equipment

Corporate Information

ASX: Solvar Limited, SVR

| Capital Structure | |
|--|-------------------------|
| Shares on issue (26 th August 2025) | 194,058,224 |
| Performance Rights (26 th August 2025) | 4,121,203 |
| Closing share price | \$1.665 |
| Market Capitalisation | \$324.1 million |
| | |
| Board of Directors | |
| Stuart Robertson | Chairman |
| Craig Parker | Non-Executive Director |
| Symon Brewis-Weston | Non-Executive Director |
| Kellie Cordner (Commencing 1 st September 2025) | Non-Executive Director |
| Scott Baldwin | Managing Director & CEO |



Glossary of Terms

A\$ or AUD or \$ – Australian dollars

ABS – Asset Backed Securitisation

ASIC – Australian Securities and Investment Commission

AFS – Automotive Financial Services business unit

AU – Australia

CAGR – Cumulative Annual Growth Rate

CEO – Chief Executive Officer

D&A – Depreciation and Amortisation

DPS – Dividend Per Share

EPS – Earnings Per Share

GCF – Go Car Finance business unit

Loan Book – Gross written loans, as defined in section 6, of the annual accounts

M3 – Money3 business unit

NED – Non-Executive Director

NPAT – Net Profit After Tax

NII – Net Interest Income

NIM – Net Interest Margin

NTA – Net Tangible Assets

NZ – New Zealand

PCP – Prior Corresponding Period: A comparison of the results for the same period during the previous reported period, typically the previous financial year

RBA – Reserve Bank of Australia

RoNTE – Return on Net Tangible Equity

YoY – Year on Year comparison of performance

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