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**SOLAR**

## Investor Presentation Macquarie Emerging Leaders Conference

19 June 2025

Scott Baldwin (Managing Director & CEO)

Siva Subramani (CFO)

# Building a BIGGER & BETTER SOLVAR

## Purpose



To empower people through accessible, responsible, and flexible financial products

To provide finance to under served markets overlooked by traditional lenders

## Growth



Organic growth in Money3 and AFS has returned after a period of review and software harmonization

The launch of a new commercial business unit will drive Group origination growth

## Focus



Sustainable growth through an expanded product offering, leveraging the Group's distribution networks

Funding cost improvement through more efficient warehouse structures and term funding arrangements

Continued assessment and execution of strategic acquisitions, including a stake in Earlypay, expanding Solvar's commercial reach and strengthening its commercial portfolio. These moves support our focus on scalable growth opportunities

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# Product Overview



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	money3		AFS AUTOMOTIVE FINANCIAL SERVICES		bennji	
<b>Product</b>	<p>Secured &amp; unsecured consumer loans, typically over 24-60 months</p>		<p>Consumer and commercial secured lending, typically over 48 – 72 months</p>		<p>Secured commercial asset finance</p>	
<b>Loan Size</b>	\$2,000 - \$100,000		\$5,000 - \$130,000		\$20,000 - \$500,000	
<b>Target Customer</b>	Consumers seeking access to used vehicles for basic transport needs		Consumers seeking to upgrade their car, buy a lifestyle asset or a restored vehicle Commercial customers seeking a ute for business purposes		Small & medium business owners looking to purchase an asset for business use	
<b>Typical Loan Purpose</b>	Used car loans, personal loans for holiday, car repairs, medical & dental		To buy a new or used car, horse float, caravan or camper trailer		To buy a light or heavy commercial vehicle, yellow goods, or equipment	
<b>Loan Book / Size of Addressable Market</b>	Loan Book: ~\$626m <sup>4</sup>	Addressable Market: ~\$37b <sup>1</sup> Predicted CAGR – 5.5% per annum	Loan Book: ~\$207m <sup>4</sup>	Addressable Market: ~\$83b <sup>2</sup> Predicted CAGR – 7%	Loan Book: ~\$100k <sup>4</sup>	Addressable Market: ~\$22b <sup>3</sup> 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>

4. Loan book values are as of 31 May 2025

# Bennji

Solvar's new commercial lending arm

## Purpose-Built for Small to Medium Business

Bennji is designed for small business. Offering fast approvals, flexible deal structures, frictionless settlements, and a focus on assets overlooked by traditional commercial lenders

## Tech-Enabled, Human-Led

It is a **modern digital experience** backed by real people who understand business needs. A tech-led fresh start, unencumbered by legacy systems, with a digital-first strategy

## Targeting Underserved Markets

Focused on **small to medium business owners**, tradies, and transport operators seeking funding for utes, vans, light commercial and yellow goods

## Accelerating Solvar's Diversification Strategy

Bennji expands Solvar's portfolio further into commercial lending. Unlocking **new broker networks, product verticals, and revenue streams**.

Bennji entered the market, settling a **2021 RAM** and setting the pace for what's to come

 bennji



# Distribution channels

Multiple ways to access the Group's products

## Broker



Through a network of Brokers covering the whole of Australia  
 Varying levels of relationship between Brokers and the Group exist from full technology integration to simple referral

## Dealer



Direct relationship with a small number of key Dealerships that originate loans

## Direct

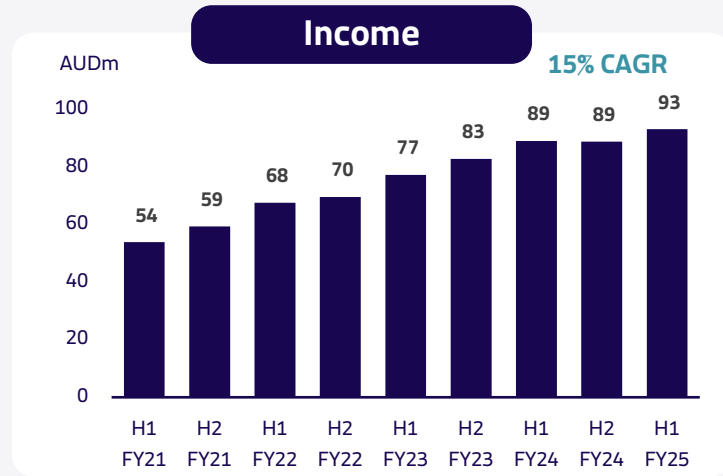
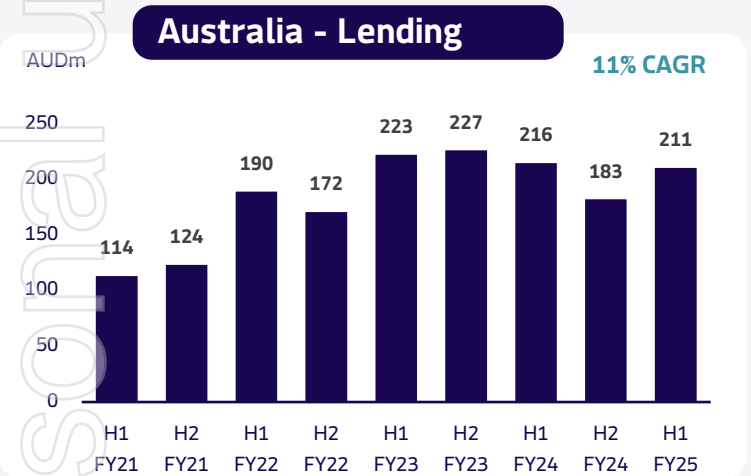
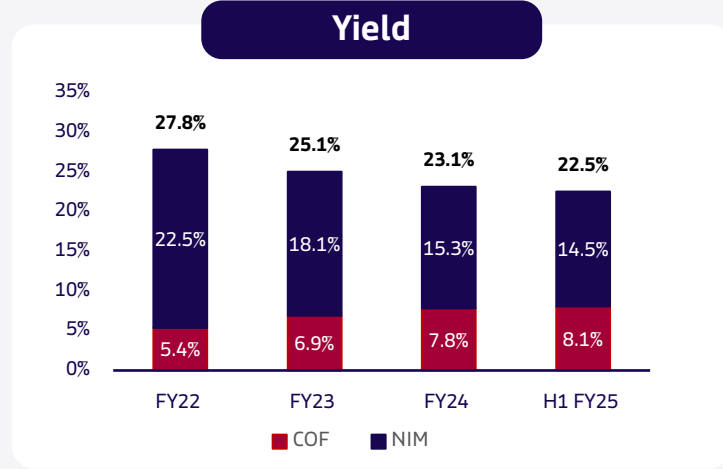
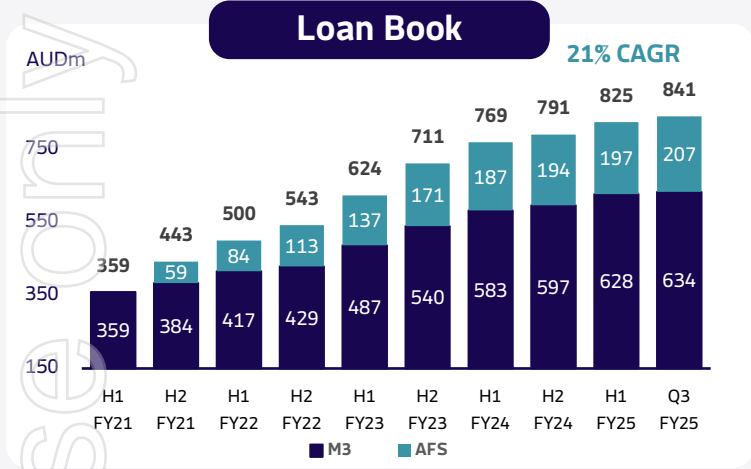


Through the revamped AFS website  
 Through partner websites allowing customers to apply for a loan  
 Through several affiliated websites and social media platforms that allows a customer to apply for a loan

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# Performance history

Australia



## Growing Australian Operations

- + Long term origination, loan book and income growth
- + Yield trend is driven by increase in mix of near prime customers in both AFS and M3
- + Cost of Funds (COF) increase is driven by base rate movements while funder margin reduced during this period
- + Australian operations will replace New Zealand contribution in FY26
- + Completion of software simplification in AFS paves the way for market share growth in FY26
- + The conclusion of Money3 regulatory matters is enabling renewed focus on operations and cost management

# Regulatory Update



## Australian Securities and Investment Commission (ASIC)

- On 6 February 2025, the trial started in respect to the proceeding against Money3
- The hearing has now completed, and the Court will deliver judgment 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 – the hearing will take place in August 2026

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# Financials

# Highlights

Australia H1 FY25 Results

**Interest Income<sup>1</sup>**

**\$93.1m**

4.6% increase on pcp

**Loan Book**

**\$824.7m**

7.1% increase on pcp

**Originations**

**\$211.4m**

2.0% decrease on pcp

**Bad Debt**

**4.0%**

(annualised)

Increase from  
3.9% in FY24

**NPAT<sup>2</sup> (normalised)**

**\$15.9m**

**Cash Collections**

**\$233.7m**

7.9% increase on pcp

## H1 FY25

- + Technology simplification in AFS will improve efficiency and broker experience to support growth in originations
- + Focused on the launch of the Group's new commercial product offering
- + Increased Australian leverage allowed Group to repay higher cost debt in New Zealand
- + Focus on NIM and technology consolidation moderated H1 origination growth in AFS

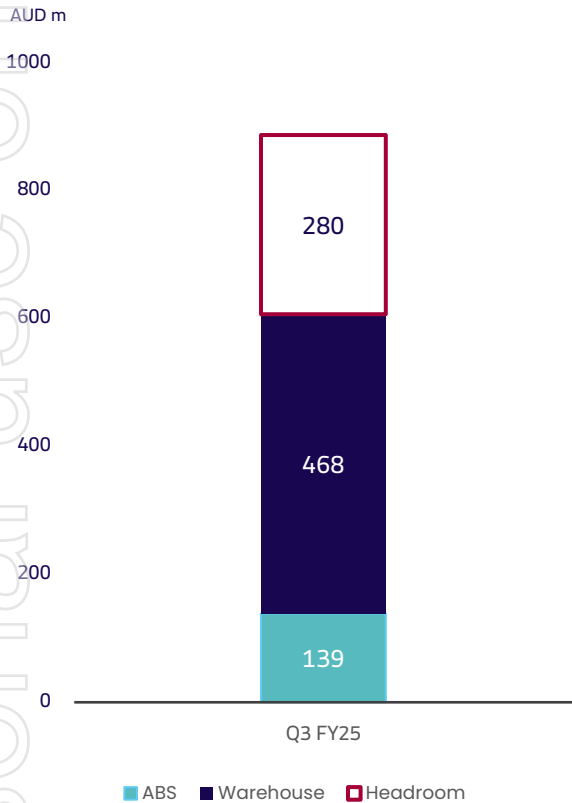
<sup>1</sup> Interest income includes fees & charges, from loan and related products that are integral to the loan and bank interest income

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

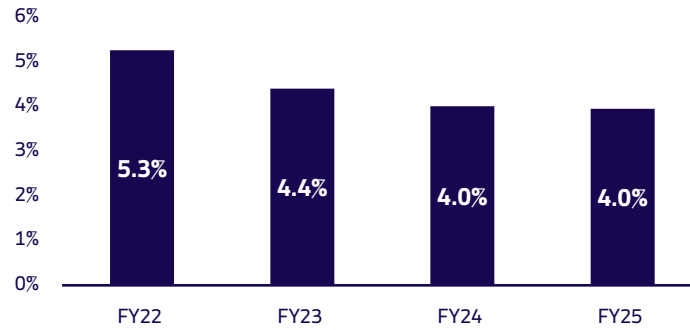
# Debt Structure

Funding the Group's expansion

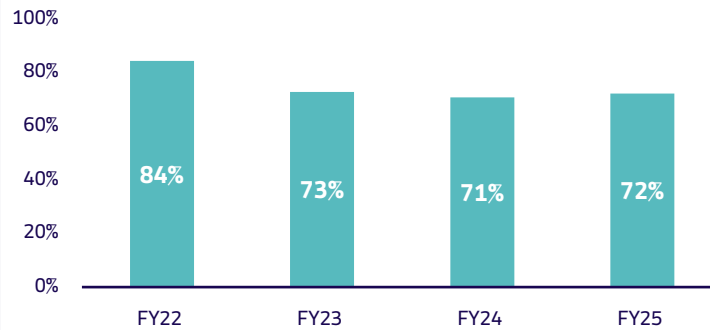
## Debt Stack



## Funder Margin



## Leverage



# Funding & Capital Management

## Sustainable and scalable funding

### Executing strategy

- Lowering funder margins
- ABS issuance commenced
- Funder diversification across warehouse

### Facilities & Headroom

- \$280m in available headroom with the capacity to increase limits
- Increased facility limits in Jun-25 by ~\$50m

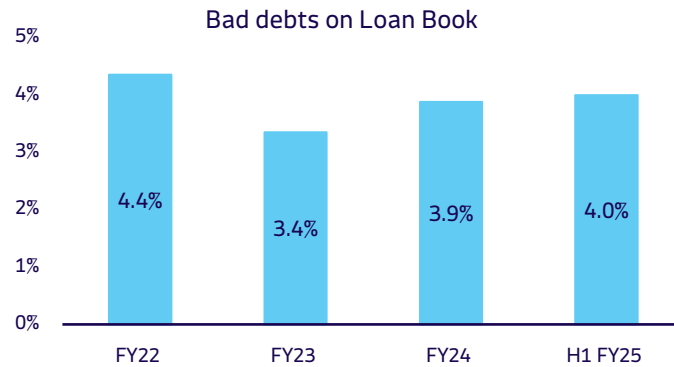
### Equity available to support loan book growth

### Prudent capital management

- Available equity utilised to reduce debt levels
- Excess equity deployed in share buyback

# Loan Book Quality

Stable bad debts – Stable credit quality (Australia)

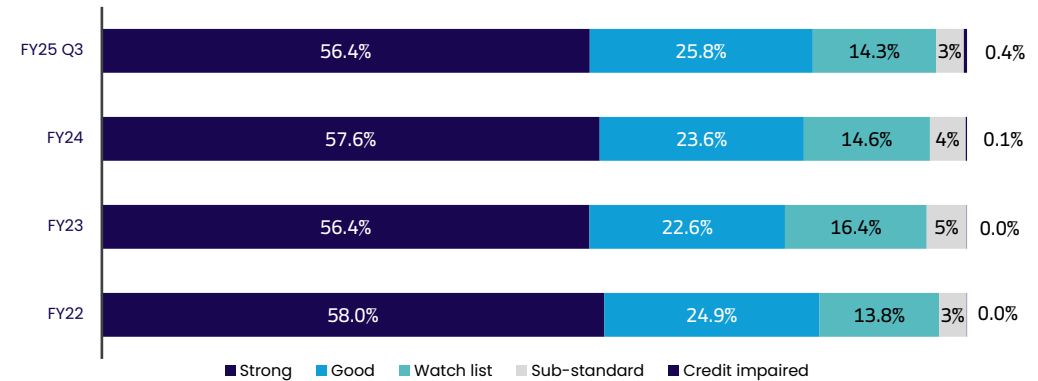


## Bad debts trending down

Stable loss experience despite high inflationary environment

Interest rate reduction and contained inflation is expected to reduce bad debts

Bad debts are expected to trend down to between 3.0% - 4.0% in the medium term



## Maintaining credit quality

Maintaining credit quality through challenging macroeconomic conditions and inflationary environment

82.2% in Strong and Good category - Improved from FY24 (81.2%)

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# Outlook



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# FY25 Outlook

## Financial



- Forecast normalised NPAT of \$34m
- Anticipate paying a final dividend of 6 cents per share
- Bennji commercial launch ~ \$1m loan book in FY25 – expected to drive a material uplift in FY26

## Operations



- Completion of ASIC trial with finding expected to be handed down in CY25
- New Zealand run-down progressing as anticipated
- The Bennji Commercial product has launched, with volumes growing
- AFS Technology simplification is driving efficiency and broker experience – Q3FY25 New Originations up 26% on pcp

## Market



- Labour market remains tight with low unemployment
- Regulatory action driving consolidation in higher credit risk segment
- Consumer demand improving post Federal election, extended Easter break and beginning of the rate cutting cycle
- Declining used car prices driving affordability

“At Solvar, we focus on doing the work that matters; measured growth, disciplined execution, and backing our people to deliver.”

— Scott Baldwin, CEO



**Thank You!**

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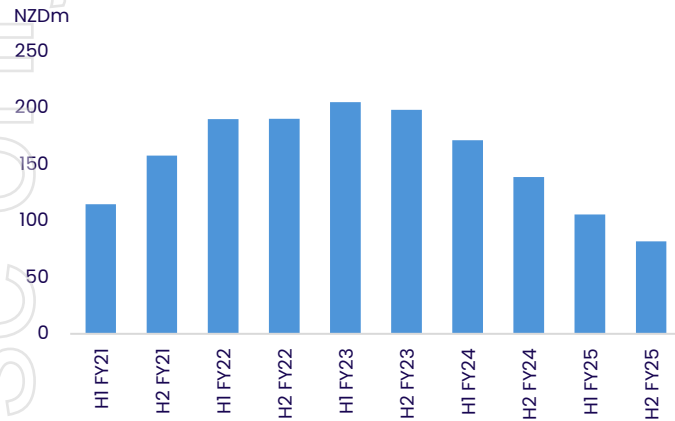
[s.subramani@solvar.com.au](mailto:s.subramani@solvar.com.au)

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# New Zealand

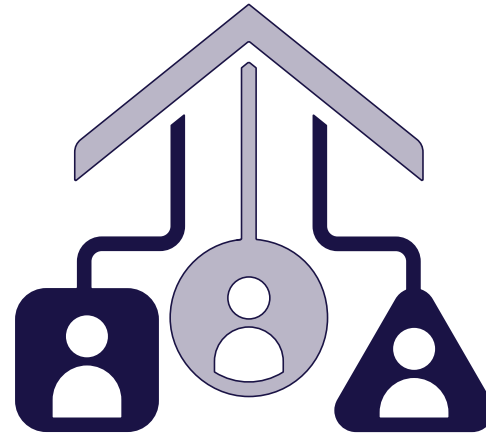
## Portfolio in run off as planned

### Loan Book



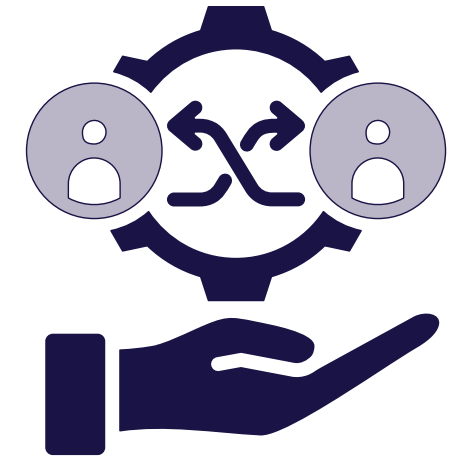
- Loan book repaying as planned
- Loan book estimated to be NZD 30-40 million EOFY 2026
- All debt in New Zealand repaid
- Funds repatriated to fund expansion of Australian operations

### Operations



- Significant reduction in headcount over FY25
- Operations now managed by Australia-based personnel
- Anticipate exit from lease mid 2026

### Outlook



- Funds from consolidated operations repatriated to Australia and used in share buy back and funding Bennji growth.
- Anticipate full exit in FY27

# Glossary of Terms

**A\$ or \$** – Australian dollars

**Active customer** – A customer with an outstanding balance

**ASIC** – Australian Securities and Investment Commission

**AFCA** – Australian Financial Complaints Authority

**AFIA** – Australian Finance Industry Association

**AFS** – Automotive Financial Services business unit

**ARCA** – Australian Retail Credit Association

**AU** – Australia

**CAGR** – Compound Annual Growth Rate

**ComCom** – Commerce Commission of New Zealand

**DPS** – Dividend Per Share

**EPS** – Earnings Per Share

**EBITDA** – Earnings Before Interest Tax Depreciation and Amortisation

**FSCL** – NZ Financial Services Complaints Limited

**GCF** – Go Car Finance business unit

**GM** – General Manager

**HEM** – Household Expenditure Measure

**H1** – Results relating to the first half of the financial year, July – December

**H2** – Results relating to the second half of the financial year, January – June

**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

**NIM** – Net Interest Margin

**NAF** – Net Amount Financed: The amount of credit advanced to a customer in respect to their loan

**NTA** – Net Tangible Assets

**NZ\$** – New Zealand dollars

**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

**TMD** – Target Market Determination

**RBA** – Reserve Bank of Australia

**RBNZ** – Reserve Bank of New Zealand

**RoE** – Return on Equity

**YoY** – Year on Year comparison of performance

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