

2025 AGM Chairman's Address

14 November 2025

Introduction

On behalf of the Board of Solvar, welcome to our 2025 Annual General Meeting.

I'd like to start by reflecting on the achievements through FY25 and I will conclude with comments regarding the outlook for FY26. Following my address, Scott Baldwin, Managing Director will give a short presentation on Solvar.

Solvar delivered strong results for its shareholders through FY25 against a macro environment that is as complex as many of us have seen in our career. The global economy is suffering from geopolitical complexities that bring significant risk, whilst global trade tensions are as volatile as they have been in recent memory. This uncertainty flows through to the domestic economy where growth has been muted and we're seeing some recent upticks in unemployment. Given this, households remain cautious about spending and productivity growth remains lacklustre and has failed to keep pace with wages growth.

Solvar has been steering a middle path through these cross currents and still achieved top line revenue growth and loan book growth. In the 19 years it has been ASX listed, the Company is extremely proud that it has financed in excess \$3bn while navigating numerous economic cycles.

During FY25, the Group continued growing its loan book for its continuing operations to **\$832.7m**, up from \$791.1m the prior year, whilst revenue grew to **\$180.3m**, up from \$177.9m the prior year. Our focus on diversifying the business from a product perspective while also growing the loan book has been the correct strategy. In addition, our distribution remained well balanced between direct and intermediated channels, which has been an important focus for the Group.

Your Board and management have focused over the last number of years on achieving the strategic objectives of investing in infrastructure to enable lasting meaningful growth and in building resilience to be able to deliver results for shareholders, in everchanging challenging environments. I want to expand on three key initiatives that I believe ensures the ongoing future success of the business.

Solvar provides financing solutions in markets that are underserved. At our core, Solvar addresses consumers' non-discretionary demand for finance. The Company has been predominantly focused on personal lending, servicing both the non-conforming and near prime sectors. Solvar believes there are still significant opportunities within these markets and continues to grow its business.

In addition to this, the Company, in May 2025, launched a commercial lending business, Bennji, which leverages off the Group's existing reputation and distribution network, targeting small and

medium enterprises. The Group also acquired a stake in Earlypay which gives broader exposure to the Commercial SME market. This diversification gives the Group additional robustness by having access to large addressable markets in adjacent products.

The second key initiative in enhancing the Group's robustness has been significant work undertaken on the financing side of the Business which is a key driver to the Group's success. The Group has continued to evolve its funding program, and it is very pleasing that it achieved its first **asset backed securitisation of ~\$200.0m**. While it is significant in terms of improving our funding margins, by securitising a portion of its financing, the Group's risk profile decreases due to the more aligned asset liability matching that it enables. The Group has also de-risked further by having multiple robust finance warehouses within the Group ensuring meaningful headroom to continue growth. To enable an ongoing program of securitisation throughout the business into the future, Solvar is focusing on continuing to standardise its policies across the Group.

The third key initiative is the ongoing investment in technology. As a society, we continue to increase our dependency on digital and internet connected technology, including the way we do business with our customers, which makes us a target for criminal cyber actors. The Group achieved ISO 27001 certification which is a risk management framework designed to help organisations identify, manage and protect sensitive information. By implementing best practice processes, the Group aims to continue building on the strong foundations it has.

Performance

The Group delivered normalised **NPAT of \$34.1m** and an **Earnings per Share of 16.8cps**. The Group's continuing operations loan book grew to \$832.7m, up 5.3% on pcp; revenue of \$180.3m up 1.4% on pcp.

During FY25, the Group completed a \$20.9m share buy back and announced a total of **14.0c dividends (fully franked)** per share for the financial year.

Outlook

The International Monetary Fund's World Economic Outlook is forecasting global growth to remain subdued, with the overall environment remaining volatile with a range of domestic and international scenarios that could rapidly shift the outlook. Continued ongoing global conflicts could lead to downward revisions. In terms of the domestic market, interest rates were recently left on hold and there is no clear indication of any further cuts.

The Group anticipates the resolution of the ASIC matter that commenced in 2023 during CY26, while the Commerce Commission matter in New Zealand may continue into FY27.

With ongoing investments being made into infrastructure and the continuing build out of adjacent business lines through FY26, the Group expects to see the first full year of benefits from their investments being realised in FY27. It is also anticipating that the churn rate that is a current industry wide challenge will subside.

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In FY26, the Group anticipates new loan originations to exceed \$400m, with October 25 having the strongest AFS originations in the last 7 months. The forecast Australian loan book for 30 June 26 is expected to exceed \$900.0m (~8% growth over FY25).

The Group gives guidance of a normalised NPAT of \$36.0 m including an additional one off \$2m uplift from the sale of the arrears loan book in New Zealand.

I am pleased to welcome Kellie Cordner to her first AGM. Kellie was appointed to the Board in September of this year and brings a wealth of knowledge in Marketing and customer engagement. We are looking forward to Kellie's contribution to the Board in the coming years.

Symon Brewis-Weston is retiring at the conclusion of this meeting after seven years as a valuable Board member. Symon chaired the Remuneration and Nomination Committee and was a member of the Audit and Risk Committee and his knowledge and experience were greatly appreciated. On behalf of the Board, I would like to thank Symon and wish him well in his future endeavours.

Finally, I extend my gratitude to my fellow Directors, our Managing Director Scott Baldwin, his leadership team, and all Solvar staff for their dedication to continue building a stronger, more resilient company.

Approved for release by the Chairman of Solvar.

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