



INVESTOR PRESENTATION

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# 2025 Full Year Results

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19 February 2026

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PEPPER MONEY

## Acknowledgement of Country

Pepper Money acknowledges Australia's First Nations people as the Traditional Custodians of the land and their continuing connection to country, sea and water. We pay respect to their Elders past and present.

## Today's Presenters

**Mario Rehayem**  
**Chief Executive Officer**

JOINED PEPPER MONEY IN 2011

APPOINTED CEO IN 2017



**Over 25 years**  
**of experience across**  
**banking and finance**  
Appointed Chair  
of AFIA in March 2024

Previously held senior positions in APRA regulated entities and the non-bank sector, including as State Manager, Mortgage Broker Distribution at Westpac Banking Corporation

**Therese McGrath**  
**Chief Financial Officer**

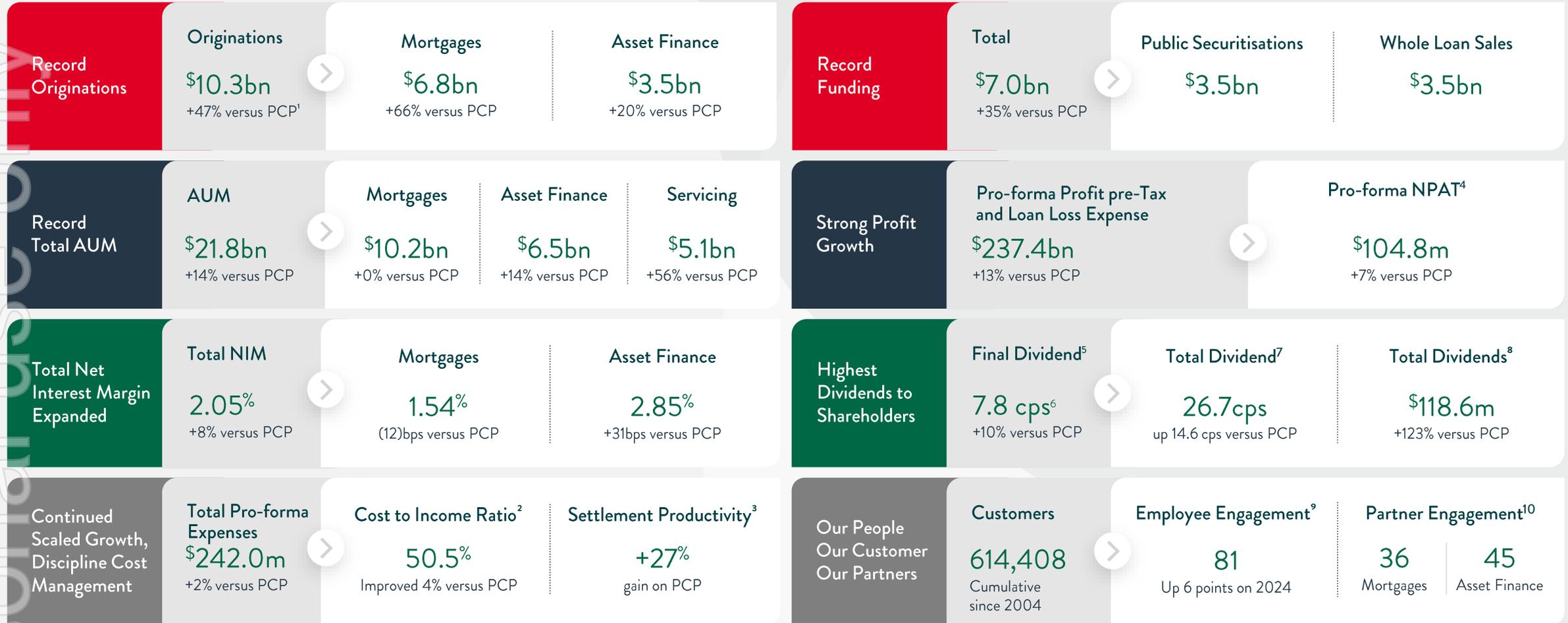
JOINED PEPPER MONEY IN 2018



**Over 30 years**  
**of international**  
**experience in finance,**  
strategic development  
and operations

Previously held senior positions in finance, operations and strategy at Australia and New Zealand Banking Group, Thomson Reuters, Diageo, SAP and Microsoft

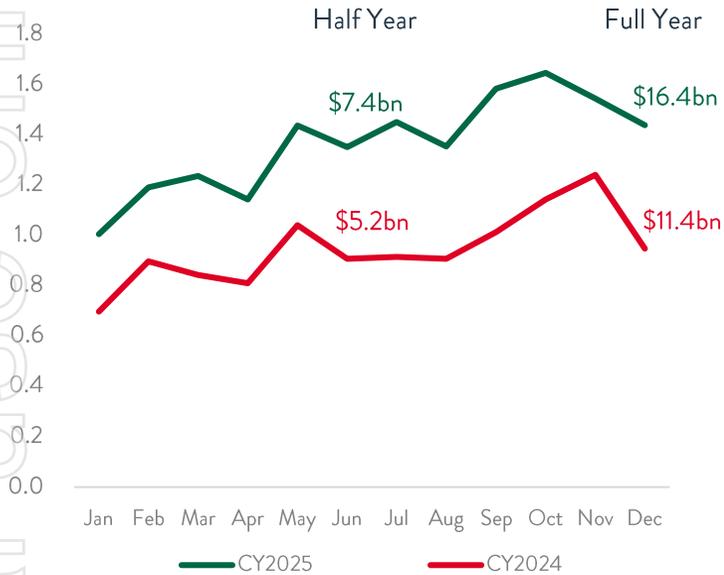
# CY2025 | Performance highlights



1. PCP: prior comparative period being 1 January 2024 – 31 December 2024. 2. Cost to Income ratio: Pro-forma Total Expenses divided by Total Operating Income before Loan Loss Expense. 3. Settlement productivity: Total number of Originations divided by average number of Settlement FTE (excluding Stratton). 4. NPAT: Net Profit After Tax (Pro-Forma). 5. Fully franked Final dividend of 7.8 cents per share declared being 60% of Pro-forma NPAT for 1 July – 31 December 2025. 6. cps = cents per share. 7 Fully franked Total dividend paid or payable in respect to CY2025, composed of Special dividend 12.5 cps, Interim dividend 6.4 cps and Final dividend 7.8 cps. 8. Total dividend payable in respect to CY2025 Pro-forma NPAT. 9. Annual Employee Engagement Survey conducted by VIVA Glint from 15 - 26 September 2025. Represents a combined score for Australia, New Zealand and the Philippines, excluding Stratton Finance. 10. Pepper Money Mortgage Broker Survey and Asset Finance Introducer Survey, December 2025 - Annual Relationship result.

# Volume growth

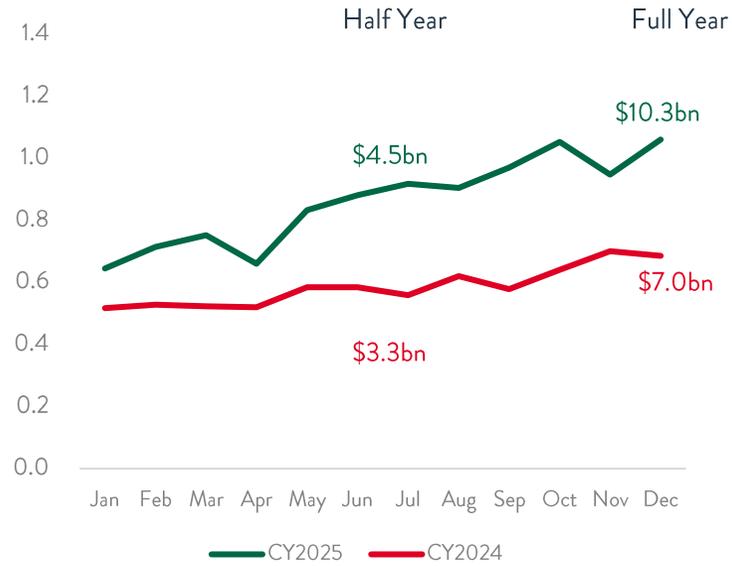
## Total Applications<sup>1</sup> (\$bn)



### Applications Growth

CY2025 vs CY2024	+44%
2H 2025 vs 1H 2025	+22%
2H 2025 vs 2H 2024	+46%

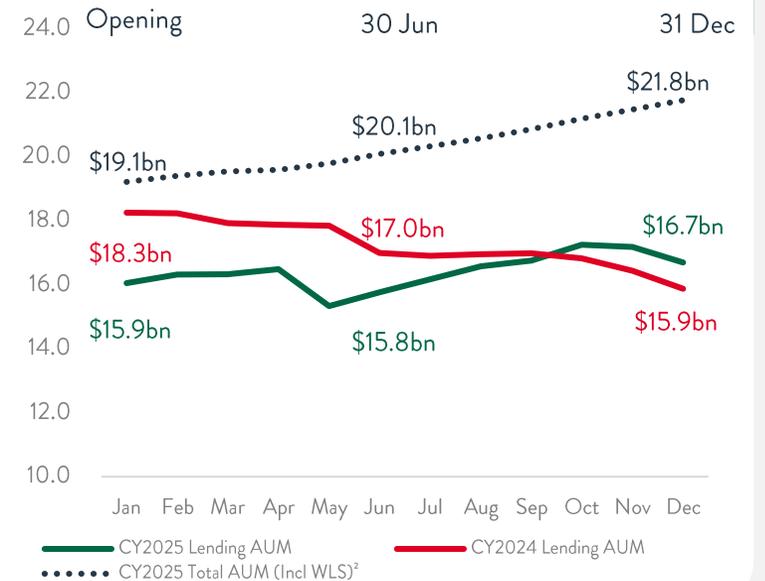
## Total Originations (\$bn)



### Originations Growth

CY2025 vs CY2024	+47%
2H 2025 vs 1H 2025	+30%
2H 2025 vs 2H 2024	+55%

## AUM (\$bn)



### Growth

	Lending AUM	Total AUM
Dec 2025 vs Dec 2024	+5%	+14%
Dec 2025 vs Jun 2025	+6%	+8%

# Mortgages | CY2025



## Volume

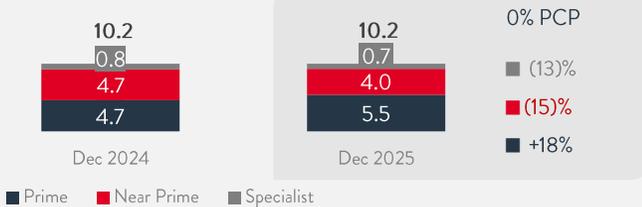
### Originations by Product (\$bn)



### Originations by Channel (\$bn)



### AUM by Product (\$bn)



## Income

### Weighted Interest Rates<sup>1</sup> (%)

	CY2024	CY2025
Prime	7.6%	6.8%
Near Prime	7.9%	7.2%
Specialist	9.2%	8.3%

### Net Interest Margin (%)

	CY2024	CY2025
Customer rate <sup>2</sup>	8.29%	7.42%
BBSW/BKBM	(4.38)%	(3.82)%
Funding margin	(2.26)%	(2.07)%
Net interest margin	1.65%	1.54%

## Credit Quality

### Coverage Ratio<sup>3</sup>



### Loan Loss Provision (\$m)



### 90+ Day Arrears<sup>5</sup> as % of AUM



1. Originations for the 12 months to December 2025 and December 2024, based on closing balance including Commercial Real Estate and New Zealand mortgages. 2. Customer rate includes borrower rate, distribution cost and risk fees. 3. Loan Loss Provision including Post-model Overlay divided by closing Lending AUM for the relevant period. 4. Including Post-model Overlay. 5. Including Commercial Real Estate and New Zealand, excluding HSBC New Zealand acquired portfolio. Numbers subject to rounding variances.

# Asset Finance | CY2025



## Volume

### Originations by Product (\$bn)



### Originations by Risk Tier (\$bn)



### AUM by Risk Tier (\$bn)



## Income

### Weighted Interest Rates<sup>1</sup> (%)

	CY2024	CY2025
Prime	9.5%	8.6%
Near Prime	11.5%	10.4%
Specialist	14.6%	13.2%

### Net Interest Margin (%)

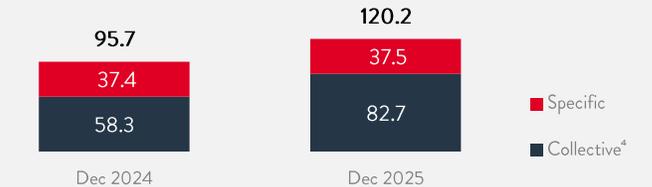
	CY2024	CY2025
Customer rate <sup>2</sup>	8.22%	8.36%
BBSW/BKBM	(3.31)%	(3.53)%
Funding margin	(2.36)%	(1.98)%
Net interest margin	2.55%	2.85%

## Credit Quality

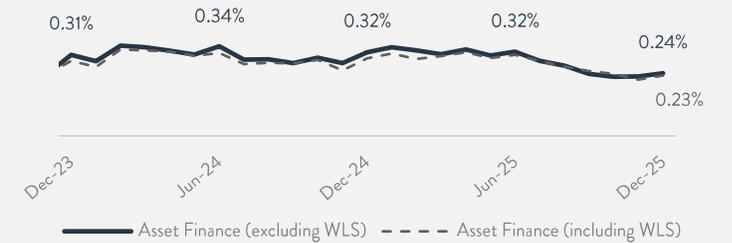
### Coverage Ratio<sup>3</sup>



### Loan Loss Provision (\$m)



### 90+ Day Arrears<sup>5</sup> as % of AUM

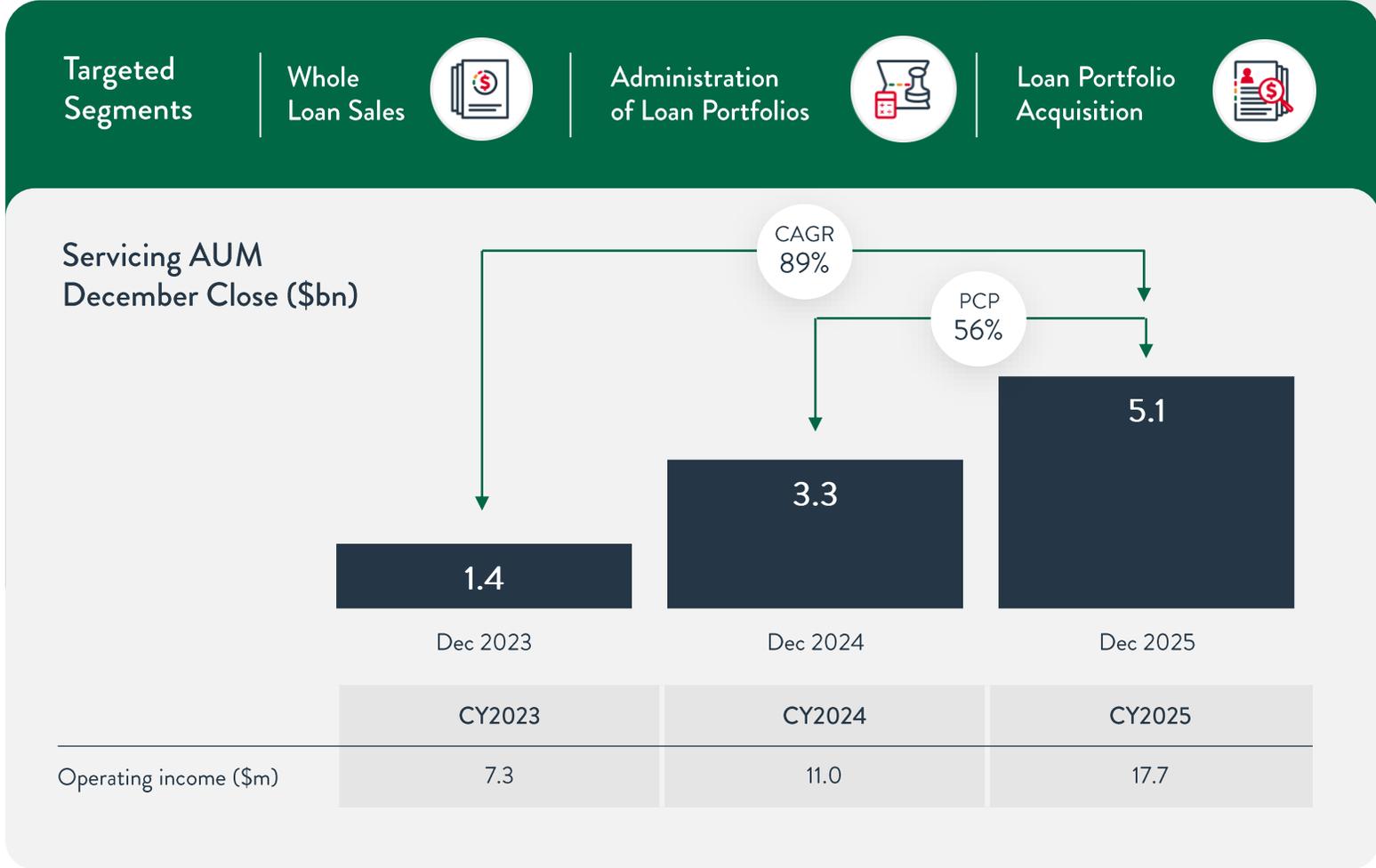


# Loan & Other Servicing | CY2025



## Benefits of Loan & Other Servicing

- ✓ Capital-light revenue stream
- ✓ Risk reduced – no credit losses
- ✓ Defensive annuity style earnings stream across the credit cycle
- ✓ CTI accretive – no incremental business costs
- ✓ Business diversification



# Funding

## Warehouses

\$13.3bn	total capacity
25 funders	domestic and international investors excluding Pepper Money
20	facilities
Capacity up 23%	December 2025 vs December 2024

## Securitisation

4 Public Platforms <sup>5</sup>	Pepper Residential Securities (PRS), Pepper Prime, Sparkz, Pepper Commercial and Residential Securities (PCRS)
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100+ <sup>6</sup>	investors
Called every note	at first available call date

## Private Term issuances

\$4.5 bn	(excl. Whole Loan Sales)
8	transactions

## Public Term Securitisations

**\$44.8bn<sup>3</sup>**  
Across 68 transactions



## Non-conforming RMBS

**\$26.9bn**

## Prime RMBS

**\$10.9bn**

## Commercial Real Estate

**\$0.5bn**

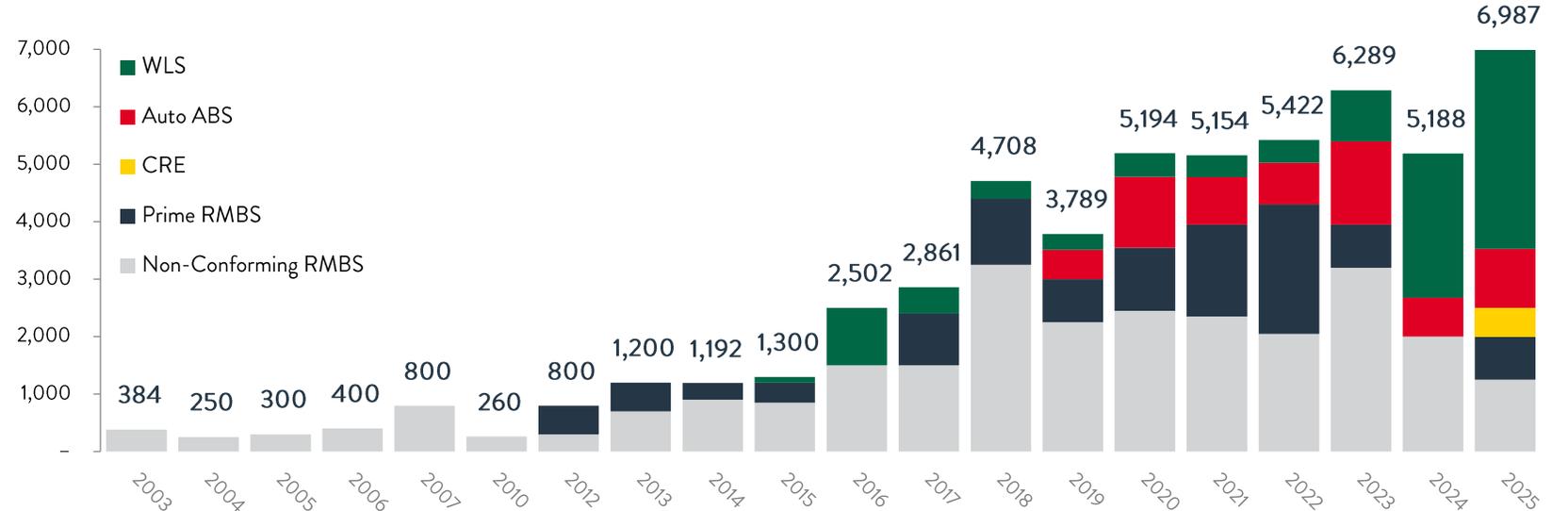
## Auto ABS

**\$6.4bn**

## Whole Loan Sales<sup>4</sup>

**\$10.2bn**  
Across 37 transactions

## Calendar Year (\$m)<sup>2</sup>



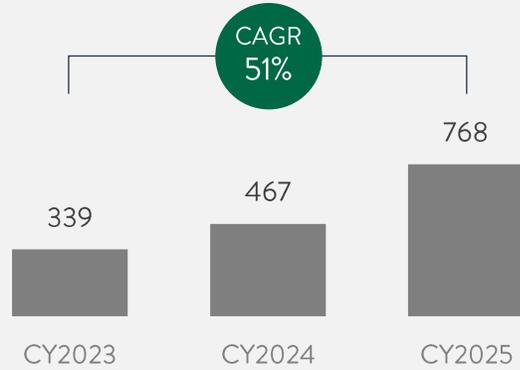
# Scaled technology, process improvements – efficient growth

**Mortgages**

**Credit:**  
# Applications per Credit FTE<sup>1</sup>

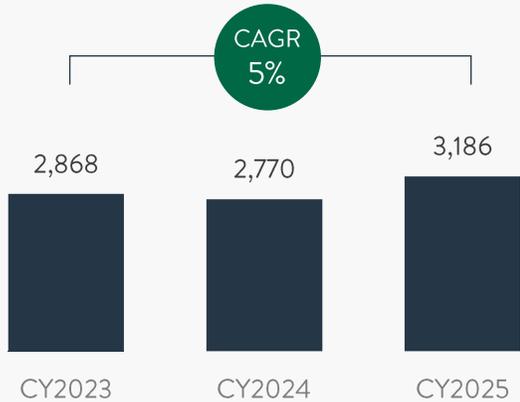


**Settlements:**  
# Origination per Settlement FTE

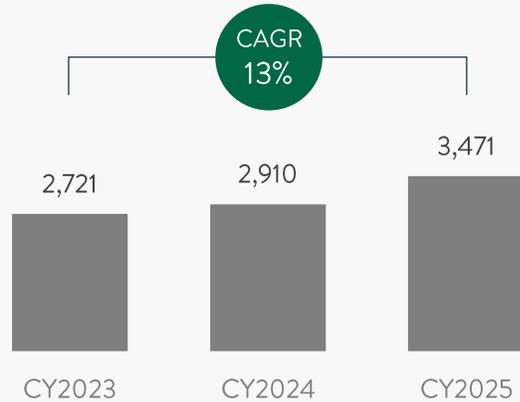


**Asset Finance**

**Credit:**  
# Applications per Credit FTE

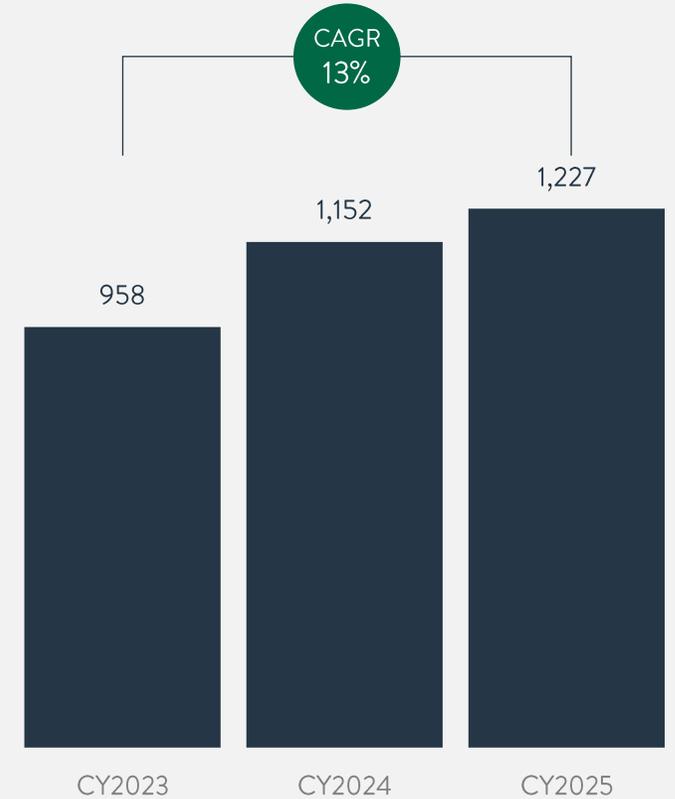


**Settlements:**  
# Origination per Settlement FTE



**Servicing**

# AUM per Servicing FTE<sup>2</sup>



# Environmental, Social and Governance (ESG)

## Environmental

Published inaugural Sustainability Report<sup>1</sup> under AASB S2 including:



- Climate governance approach and responsibilities
- Climate risk and opportunity management approach
- Climate strategy, scenario analysis and anticipated financial impacts
- Disclosure of CY2025 scope 1 and 2 emissions

## Governance

Pepper Money's ESG Framework:



- Pepper Money Limited Board level accountability for ESG strategy and risks
- Board ESG Committee oversight of ESG strategy, risks and disclosures
- Management ESG Committee implementation of ESG strategy
- ESG Working Group delivers ESG disclosures, risk and opportunity identification

## Social

### Customers and Partners

- 20 Home Loans NPS<sup>2</sup>
- 35 Asset Finance NPS<sup>3</sup>
- 36 Broker NPS
- 45 Introducer NPS

### Our People

- 81 Employee Engagement Score<sup>4</sup>
- 90 Manager Impact Score<sup>5</sup>

### Pepper Giving

- 30+ charities supported
- \$211,000 donated<sup>6</sup>



## CY2025 Reporting



Sustainability Report 2025



ESG Report 2025



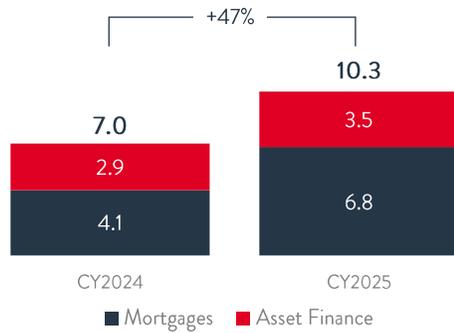
Corporate Governance Statement 2025

1. Sustainability Report includes all disclosures required under AASB S2. 2. Pepper Money Home Loan survey: sample size 926 (cumulative). Score based on the question "Based on your overall experience of Pepper Money, how likely are you to recommend Pepper Money to a friend if they asked about lenders?". 3. Pepper Money Asset Finance Loan survey: sample size 2,323 (cumulative). Score based on the question "Based on your overall experience of Pepper Money, how likely are you to recommend Pepper Money to a friend if they asked about lenders?". 4. Annual Employee Engagement Survey conducted by VIVA Glint from 15 - 26 September 2025. Represents a combined score for Australia, New Zealand and the Philippines, excluding Stratton Finance. 5. Manager Impact Survey conducted by VIVA Glint from 16 - 27 June 2025. Represents a combined score for Australia, New Zealand and the Philippines, excluding Stratton Finance. 6. Total of donations to all charities through the Pepper Giving Program. Numbers subject to rounding variances.

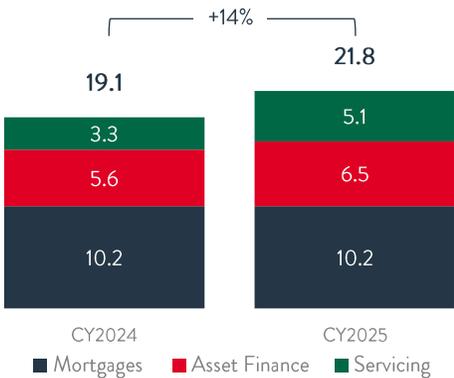
# Financial Performance

## Volume

### Originations (\$bn)

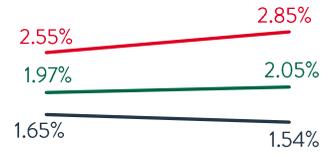


### Total AUM<sup>1</sup> (\$bn)

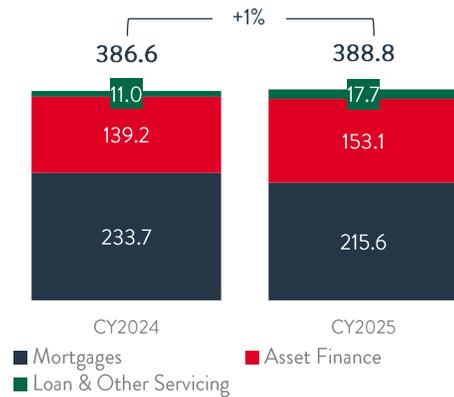


## Income

### Net Interest Margin (%)

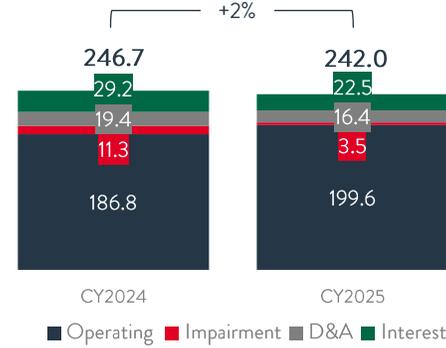


### Total Operating Income<sup>2</sup> (\$m)

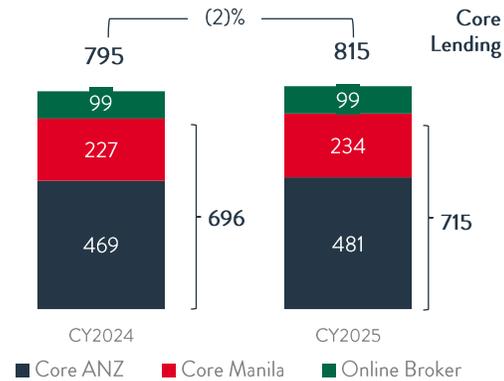


## Pro-forma Expenses / FTE

### Total Expenses (\$m)



### FTE (period end)

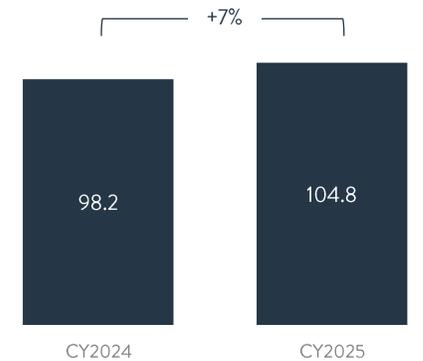


## Pro-forma Profit

### Profit pre-Tax and Loan Loss Expense (\$m)

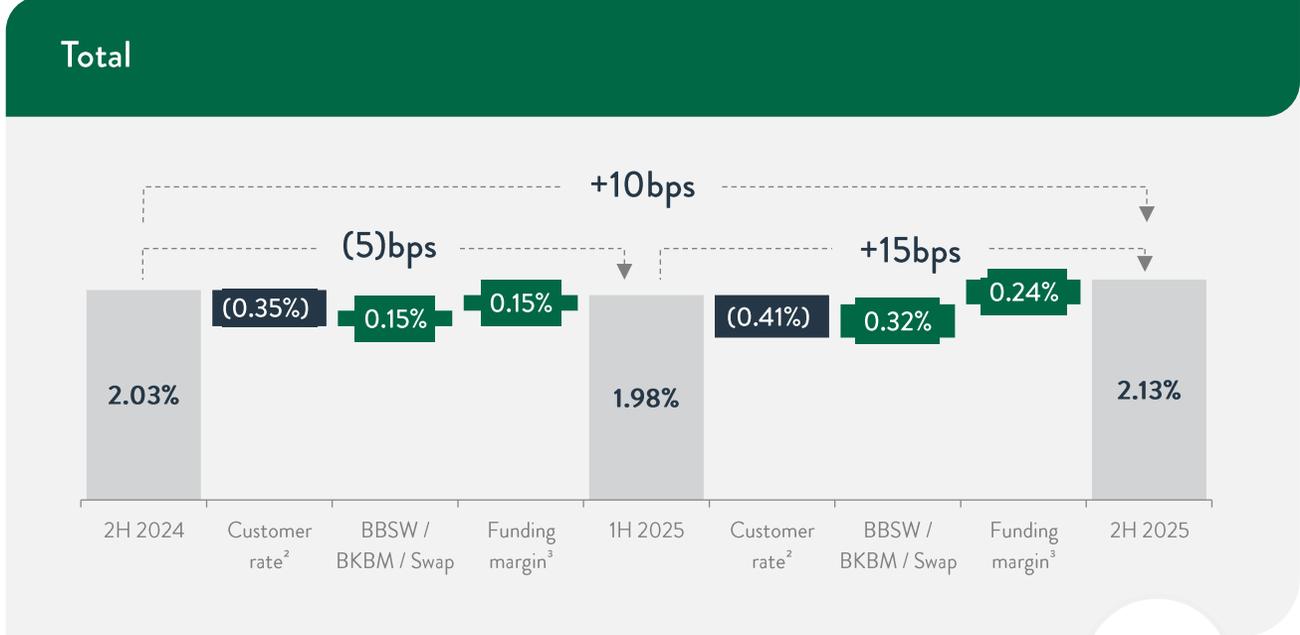


### Net Profit After Tax (\$m)

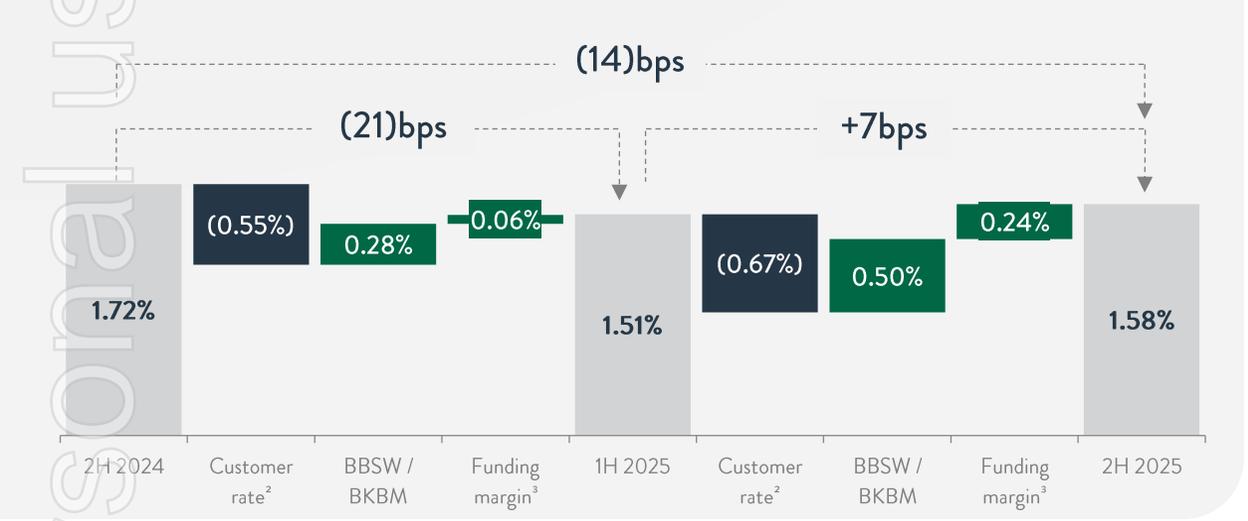


# NIM Movement

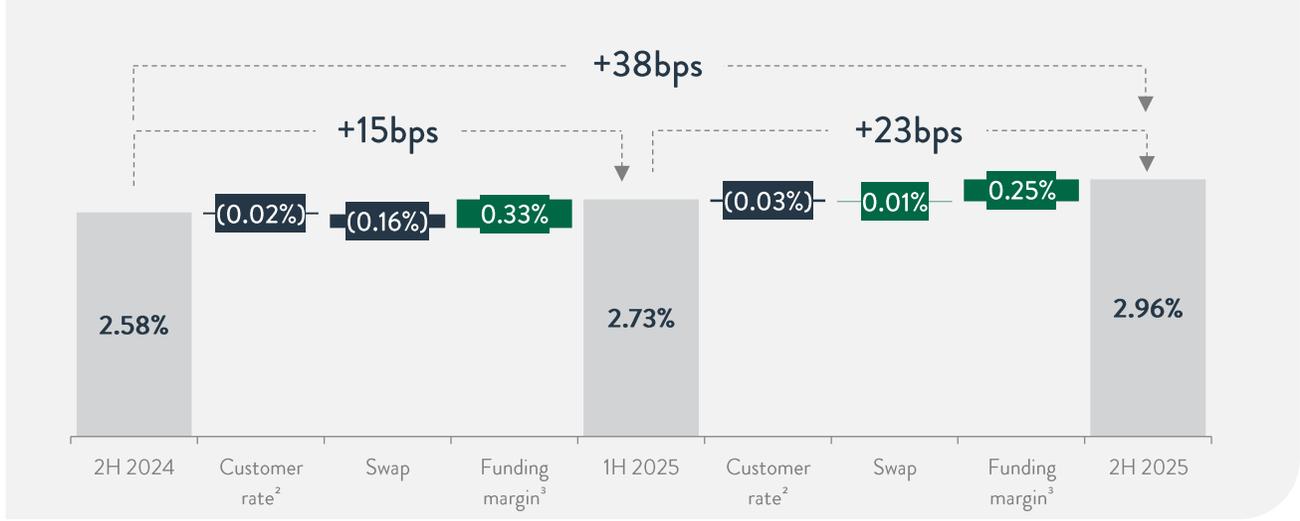
Total NIM increased by 10 bps versus 2H 2024 driven by improved funding margins and stabilisation of swap rates / BBSW.



**Mortgages**



**Asset Finance**



1. NIM represents six months to December 2024, June 2025 and December 2025 net interest income divided by average lending AUM for the relevant period. 2. Customer rate includes borrower rate, distribution cost and risk fees. 3. Funding margin includes issuance and liquidity costs. Numbers subject to rounding variances.

# Credit Performance | Loan Loss Expense

	Calendar Year	
	CY2025	CY2024
\$ Million		
<b>Mortgages</b>		
Specific	(4.5)	(4.2)
Collective <sup>1</sup>	4.3	10.0
<b>Mortgages loan loss expense</b>	<b>(0.2)</b>	<b>5.8</b>
<b>Asset Finance</b>		
Specific	(66.1)	(68.7)
Collective <sup>1</sup>	(24.3)	(6.4)
<b>Asset Finance loan loss expense</b>	<b>(90.4)</b>	<b>(75.1)</b>
<b>Total</b>		
Specific	(70.6)	(72.9)
Collective <sup>1</sup>	(20.0)	3.6
<b>Total loan loss expense</b>	<b>(90.6)</b>	<b>(69.3)</b>

## Mortgages



### 90+ Day Arrears<sup>2</sup> as % of AUM



## Asset Finance



### 90+ Day Arrears<sup>3</sup> as % of AUM



## Credit Performance | Loan Loss Provisions

## Movement in Loan Book and Coverage Ratio

As at	AUM	Collective Provisions <sup>1</sup>	Specific Provisions	Total Provisions	Coverage Ratio
	\$ Billion	\$ Million			
<b>31 December 2025</b>					
Mortgages	10.2	14.7	3.7	18.4	0.18%
Asset Finance	6.5	82.7	37.5	120.2	1.86%
<b>Total</b>	<b>16.7</b>	<b>97.4</b>	<b>41.2</b>	<b>138.6</b>	<b>0.83%</b>
<b>30 June 2025</b>					
Mortgages	9.5	13.7	3.1	16.8	0.18%
Asset Finance	6.3	68.7	39.2	107.9	1.71%
<b>Total</b>	<b>15.8</b>	<b>82.4</b>	<b>42.3</b>	<b>124.7</b>	<b>0.79%</b>
<b>31 December 2024</b>					
Mortgages	10.2	19.0	2.2	21.2	0.21%
Asset Finance	5.6	58.3	37.4	95.7	1.70%
<b>Total</b>	<b>15.9</b>	<b>77.3</b>	<b>39.6</b>	<b>116.9</b>	<b>0.74%</b>

## Mortgages



## Collective Provisions

Decreased by \$(4.3) million on December 2024 given provision releases following the execution of Whole Loan Sales and mix shift towards Prime lending

## Specific Provisions

Increased by \$1.5 million from December 2024 in line with normal portfolio movement

## Coverage Ratio

Reduced from 0.21% December 2024 to 0.18% December 2025 reflecting product mix shift towards higher Prime lending

## Asset Finance



## Collective Provisions

Increased by \$24.4 million on December 2024 driven by growth in lending AUM and model recalibration to ensure modelling was commensurate with market practices and to embed improved data and analytical predictability

## Specific Provisions

Broadly in line with December 2024

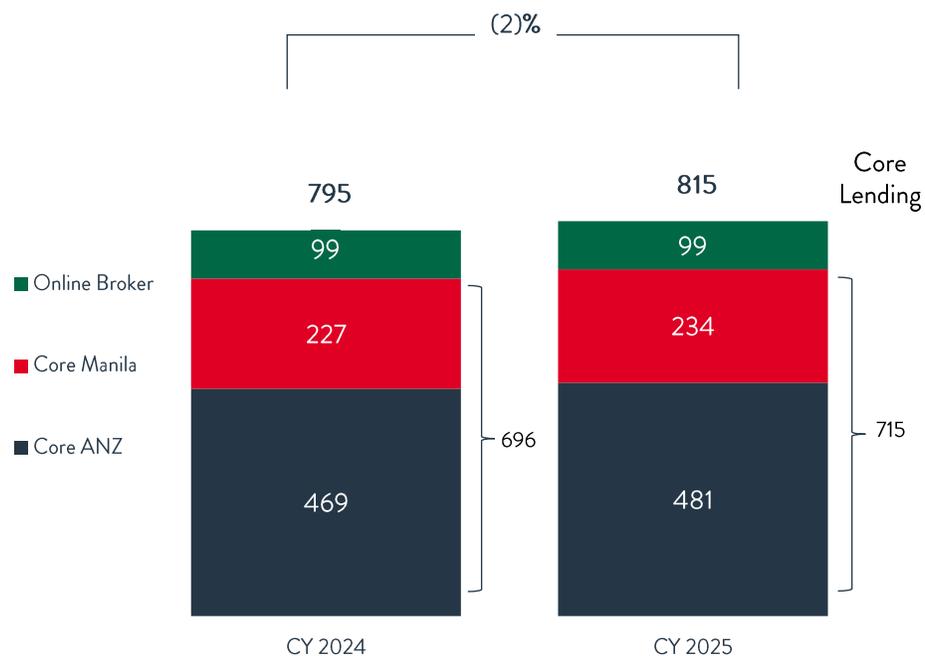
## Coverage Ratio

Coverage ratio increased from 1.70% to 1.86% from PCP, following movement in provisions

# Total Pro-forma Expenses

## FTE Movement (#)

Period close



\$ Million	Calendar Year		% CY2025 vs
	CY2025	CY2024	CY2024 <sup>1</sup>
Employee benefits expense	(132.1)	(126.3)	(5)%
Marketing expense	(14.7)	(15.4)	4%
Technology expense	(26.4)	(24.6)	(7)%
Other expense	(29.9)	(31.8)	6%
<b>Operating Expense</b>	<b>(203.1)</b>	<b>(198.1)</b>	<b>(3)%</b>
Depreciation and amortisation	(16.4)	(19.4)	16%
Corporate interest expense	(22.5)	(29.2)	23%
<b>Total Expense</b>	<b>(242.0)</b>	<b>(246.7)</b>	<b>2%</b>
<b>Metrics</b>	<b>CY2025</b>	<b>CY2024</b>	<b>CY2024<sup>1</sup></b>
Technology + Depreciation expense (\$M)	(42.8)	(44.1)	3%
Total Expense per average FTE (\$'000) <sup>2</sup>	(303.8)	(305.3)	0%
Cost to Income ratio <sup>3</sup>	50.5%	54.1%	4%

FINANCIALS

Pro-forma  
Profit & Loss

\$ Million	Calendar Year		% CY2025 vs
	CY2025	CY2024	CY2024
Interest income	1,275.6	1,436.1	(11)%
Interest expense	(940.0)	(1,094.7)	14%
<b>Net interest income</b>	<b>335.6</b>	<b>341.4</b>	<b>(2)%</b>
Lending fee income	68.0	65.6	4%
Lending expense	(30.2)	(29.5)	(2)%
Whole loan sales gain	66.0	42.8	54%
Loan losses	(90.6)	(69.3)	(31)%
Servicing fees and other income	40.0	35.6	12%
<b>Total operating income</b>	<b>388.8</b>	<b>386.6</b>	<b>1%</b>
Employee benefits expense	(132.1)	(126.3)	(5)%
Marketing expense	(14.7)	(15.4)	4%
Technology expense	(26.4)	(24.6)	(7)%
General and admin expense	(26.4)	(20.5)	(29)%
Fair value losses on financial assets	(3.5)	(3.9)	11%
Impairment losses on non-financial assets	-	(7.4)	-
<b>EBITDA</b>	<b>185.7</b>	<b>188.5</b>	<b>(2)%</b>
Depreciation and amortisation expense	(16.4)	(19.4)	16%
Corporate interest expense	(22.5)	(29.2)	23%
<b>Profit before income tax</b>	<b>146.8</b>	<b>139.9</b>	<b>5%</b>
Income tax expense	(42.0)	(41.7)	(1)%
<b>Net profit after income tax</b>	<b>104.8</b>	<b>98.2</b>	<b>7%</b>
Non controlling interest	-	0.6	-
<b>Net profit attributable to equity holders of Pepper Money Limited</b>	<b>104.8</b>	<b>98.8</b>	<b>6%</b>
<b>Profit pre-Tax and Loan loss expense</b>	<b>237.4</b>	<b>209.2</b>	<b>13%</b>



# Financial Metrics (Pro-forma)

	Calendar Year		% CY2025 vs CY2024
	CY2025	CY2024	
<b>Volume (\$ Billion)</b>			
Originations – Mortgages	6.8	4.1	66%
Originations – Asset Finance	3.5	2.9	20%
<b>Total Originations</b>	<b>10.3</b>	<b>7.0</b>	<b>47%</b>
AUM lending – Mortgages (closing)	10.2	10.2	0%
AUM lending – Asset Finance (closing)	6.5	5.6	14%
<b>AUM lending (closing)</b>	<b>16.7</b>	<b>15.9</b>	<b>5%</b>
AUM servicing (closing)	5.1	3.3	56%
<b>Total AUM (closing)</b>	<b>21.8</b>	<b>19.1</b>	<b>14%</b>
<b>Income (\$ Million)</b>			
Operating income – Mortgages	215.6	233.7	(8)%
Operating income – Asset Finance	153.1	139.2	10%
Operating income – Loan and Other Servicing	17.7	11.0	61%
Operating income – Corporate	2.4	2.8	(15)%
<b>Total Operating Income</b>	<b>388.8</b>	<b>386.6</b>	<b>1%</b>
<b>Margins</b>			
Net interest margin <sup>1</sup> – Mortgages	1.54%	1.65%	(12)bps
Net interest margin <sup>1</sup> – Asset Finance	2.85%	2.55%	31bps
<b>Total Net interest margin<sup>1</sup></b>	<b>2.05%</b>	<b>1.97%</b>	<b>8bps</b>
Employee benefits expense / Total operating income	34%	33%	(1)%
Employee cost per FTE <sup>2</sup> (\$'000)	(165.8)	(156.3)	(6)%
Cost-to-income ratio <sup>3</sup>	50.5%	54.1%	4%
<b>Credit: Coverage Ratio</b>			
Coverage ratio <sup>4</sup> – Mortgages	0.18%	0.21%	(3)bps
Coverage ratio <sup>4</sup> – Asset Finance	1.86%	1.70%	16bps
<b>Coverage ratio<sup>4</sup> – Total</b>	<b>0.83%</b>	<b>0.74%</b>	<b>9bps</b>
<b>Underlying Pro-forma Profit (\$ Million)</b>			
Pro-forma Profit pre-Tax and Loan loss expense	237.4	209.2	13%

1. 12 months to December 2025 and December 2024 Net Interest Income divided by average Lending AUM for the relevant period. 2. Based on average FTE. 3. Cost to Income ratio defined as: Pro-forma Total Expenses divided by Total Operating Income before Loan Loss Expense. 4. Loan Loss Provision including Post-model Overlay divided by closing Lending AUM for the relevant period.  
Numbers subject to rounding variances.

# Capital Management | CY2025

Capital management strategy driving material uplift in shareholder returns

## Corporate Debt



Corporate Debt Facility		Medium-Term Notes	
Debt retired in February 2025	\$27.5m	Debt retired in September 2025	\$40m
Corporate Debt Facility Drawn Balance	\$97.5m	Medium Term Note Drawn Balance	\$50m
Available undrawn balance		\$172.5m	

## Shareholder Returns



Special Dividend	Interim Dividend	Final Dividend
12.5 cps <sup>1</sup>	6.4 cps	7.8 cps
\$55.5m returned <sup>2</sup>	\$28.4m returned <sup>3</sup>	\$34.7m payable 16 April 2026 <sup>4</sup>
Total dividends paid / payable	\$118.6m Up 123% on CY2024	Annualised dividend yield <sup>5</sup> 16.1% 8.9% CY2024

# Sources and Uses of Cash

## Corporate Cash Flow

Key Movements: 31 December 2024 to 31 December 2025

### Inflow

#### Trust income

Interest income derived from assets under management and residual income units earned from the trust waterfalls.

#### Whole loan sale premium

Gross premium before costs received from the execution of whole loan sales across Mortgages and Asset Finance portfolios in the year.

### Dividend

#### Dividend payment<sup>1</sup>

Dividend paid in April 2025 and October 2025.

#### Shareholder capital release

Special dividend paid in July 2025

### Outflow

#### Operating expenses

Includes business operating expenses and costs incurred in establishing securitisation deals and corporate debt structures.

#### Funding cash flow

Equity investments in securitisation structures, credit enhancement required for new loans in warehouse facilities, and funds released from warehouses as a result of whole loan sales.

#### Interest expense

Interest incurred on corporate debt facilities, net of bank interest earned.

#### Equity investment

Costs associated with the on-market share buyback

\$ Million	Movement
Trust income	296.9
Origination fees	58.2
Whole Loan Sale premium	85.9
Servicing and other income	18.9
<b>Total income</b>	<b>459.8</b>
Operating expense	(218.1)
Broker commissions	(79.4)
<b>Total operating expense</b>	<b>(297.5)</b>
Interest expense	(19.9)
<b>Cash profit before tax</b>	<b>142.4</b>
Tax expense	(58.8)
<b>Cash profit after tax</b>	<b>83.6</b>
Funding cashflows	99.2
Equity investments	(2.0)
Corporate debt repayment	(67.5)
<b>Cash available for distribution</b>	<b>113.2</b>
2025 Dividend payment	(60.0)
Shareholder capital release	(55.5)
<b>Opening cash 31 December 2024</b>	<b>124.0</b>
Change in cash	(2.2)
<b>Closing cash 31 December 2025</b>	<b>121.8</b>

# Balance Sheet

## Key Movements: 31 December 2024 to 31 December 2025

### Equity

#### Borrowings

Increase in note borrowings in line with movement in Assets Under Management, partly offset by lower corporate debt balance as a result of \$27.5 million principal repayment in the corporate debt facility and \$40.0 million retirement of a subordinated debt facility.

#### Liabilities

#### Retained earnings

The movement in retained earnings reflects profit delivered in CY2025, net of 2024 Final dividend, 2025 Special dividend and 2025 Interim Dividend paid.

### Assets

#### Loans and advances

Loans and advances reflects movement in Assets Under Management, net of Whole Loan Sales of \$3.5 billion executed over CY2025 and provisions for loan losses.

#### Derivative financial asset

Net position driven by higher relative level of swap rates from December 2024 to December 2025.

#### Goodwill and intangibles

Addition of \$4.4 million work in progress assets offset by software amortisation expense \$(10.3) million and amortisation of acquired customer relationship asset \$(0.9) million.

Balance as at

\$ Million	Balance as at	
	31 December 2025	31 December 2024
Cash and cash equivalents	1,267.0	1,226.2
Receivables	25.2	13.9
Derivative financial assets	40.7	21.0
Loans and advances	16,854.0	15,991.8
Other financial assets	15.2	15.3
Other assets	10.3	13.4
Deferred tax assets	46.9	37.1
Right of use assets	17.3	23.2
Property, plant and equipment	1.6	2.2
Goodwill and intangibles	121.5	128.3
<b>Total assets</b>	<b>18,399.7</b>	<b>17,472.4</b>
Trade payables	17.4	16.0
Current tax	13.2	12.5
Provisions	32.4	27.7
Derivative liabilities	2.8	10.3
Borrowings	17,372.4	16,467.4
Lease liabilities	21.4	28.2
Other liabilities	1.4	0.9
Other financial liabilities – trail commission payable	68.8	53.8
<b>Total liabilities</b>	<b>17,529.8</b>	<b>16,616.8</b>
<b>Total net assets</b>	<b>869.9</b>	<b>855.6</b>
Issued capital	738.0	730.7
Other reserves	42.4	24.6
Retained earnings	89.5	100.3
<b>Total equity</b>	<b>869.9</b>	<b>855.6</b>

# Outlook

Markets response to higher interest rates will be key

**Market growth** – entered 2026 with double digit application growth



**Household saving ratios** – back to long term average of 5%



**Funding markets** – remain solid despite geo-political issues



Scaled efficient core businesses, and growing capital light annuity stream

**Mortgages:** customers remain resilient



**Asset Finance:** customers still experiencing some pressure



**Servicing:** Growing in line with WLS + market opportunities



## Pepper Money... well positioned

Pepper Money has demonstrated capabilities

**New products** – strong pipeline, accretive growth, diversification

**Distribution footprint and partnerships** expanding

**AI and technology leverage** – lower cost to originate / serve, improving customer experience

**Whole Loan Sales** – capital light, annuity income

**Strong capital management** – headroom to fund growth

## Non-Binding and Conditional Proposal

- Pepper Money has received a confidential, non-binding and conditional proposal to acquire 100% of the shares in Pepper Money under a scheme of arrangement (“Indicative Proposal”) from Challenger Limited (“Challenger”) under which Challenger and Pepper Group ANZ HoldCo Limited (“Pepper Group”) will jointly acquire Pepper Money.
- Under the Indicative Proposal Pepper Group will initially acquire an interest in the acquiring entity that is at least equal to its current interest in Pepper Money.
- The Proposal offers Pepper Money shareholders (other than Pepper Group) cash consideration equal to \$2.60 per share, less the CY2025 fully-franked Final dividend of 7.8cps and any special dividend paid or declared.
- The Pepper Money Board established an Independent Board Committee (“IBC”) to assess this Indicative Proposal. After due consideration and acting in the interest of all Pepper Money shareholders, the IBC granted Challenger exclusivity to undertake confirmatory due diligence and progress relevant transaction documentation in order to present a more certain proposal.
- Discussions are ongoing, however there is no certainty that a more certain proposal will be forthcoming or that the Indicative Proposal will result in a definitive agreement.



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# Questions & Answers

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Thank you

on behalf of all of Pepper Money

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# Appendices

# Addressable Market

December 2025

Total  
Addressable  
Market (AUM)

Pepper Money's  
Market Share  
(closing AUM)

Targeted  
Customer  
Segments

## Mortgages



\$2,893bn<sup>1</sup>

Conforming: 88%  
Non-Conforming: 12%<sup>2</sup>

~0.4%<sup>3</sup>

- First home buyers
- SME/self employed (e.g. including casual and gig economy)
- Minor adverse credit event in history (e.g. late utilities bill)
- Credit history impacted by "life event" (e.g. divorce)

## Asset Finance



\$251bn

Consumer: \$77bn<sup>4</sup>  
Commercial: \$174bn<sup>5</sup>

~2.6%<sup>6</sup>

Consumer: ~2.5%  
Commercial: ~2.6%<sup>7</sup>

- Used cars
- Caravans
- Commercial vehicles
- Novated lease
- Small scale business equipment

Notes: 1. Combination of Australia and New Zealand mortgage markets at December 2025 (Total housing credit, RBA D2 Lending and credit aggregates (including owner-occupier housing credit and investor housing credit)); Housing, RBNZ C5 Sector lending (registered banks and non-bank lending institutions), December 2025, converted at an assumed exchange rate of NZD:AUD = 0.9331. 2. Independent research conducted by Fifth Dimension Research and Consulting in March 2021. 3. Represents Pepper Money's Mortgages AUM at 31 December 2025 (closing) as a proportion of Total housing credit. 4. New household loan commitments for purchase of road vehicles, New household loan commitments, ABS 5601.0 Lending Indicators Table 27, January 2025 – December 2025 (published February 2026). Assumes market size is approximately 4x lending commitments for last 12 months. 5. New business loan commitments (small and medium size business), finance lease and fixed term, purchase of vehicles, plant and equipment, ABS 5601.0 Table 28, 30 and 32, January 2025 – December 2025 (published February 2026). Assumes market size is approximately 4x lending commitments for last 12 months. Medium size business plant and equipment lending is included but is not part of Pepper's addressable market. 6. Represents Pepper Money's Asset Finance AUM at 31 December 2025 (closing) as a proportion of total consumer and commercial motor and equipment financing. 7. Pepper's Commercial AUM includes the Commercial and Novated Lease portfolios.

# Systems growth

December 2025

**\$3,144bn**  
Total Addressable Market (AUM)

Mortgages

**\$2,893bn<sup>1</sup>**  
Conforming: 88%  
Non-Conforming: 12%<sup>2</sup>

Asset Finance

**\$251bn**  
Consumer: \$77bn<sup>3</sup>  
Commercial: \$174bn<sup>4</sup>

## Mortgages<sup>5</sup> AUM Walk

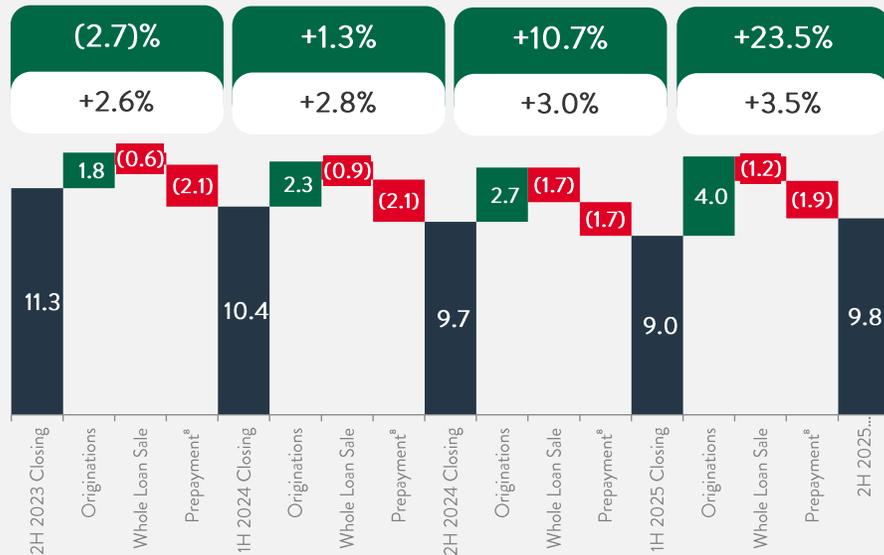


Closing AUM (A\$bn)

Growth<sup>6</sup>

**6.7x System**

Pepper System



## Asset Finance AUM Walk

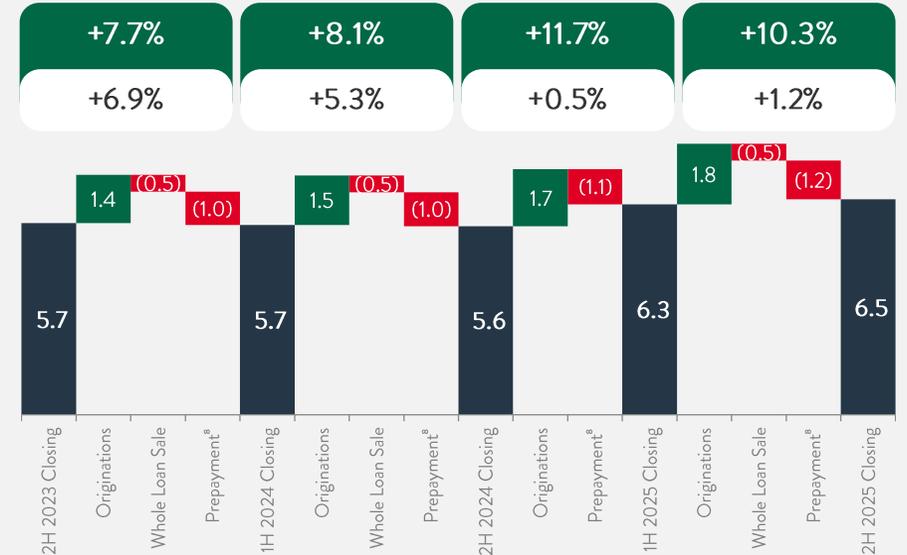


Closing AUM (A\$bn)

Growth<sup>7</sup>

**8.5x System**

Pepper System



Notes: 1. Combination of Australia and New Zealand mortgage markets as at December 2025 (Total housing credit, RBA D2 Lending and credit aggregates (including owner-occupier housing credit and investor housing credit)); Housing, RBNZ C5 Sector lending (registered banks and non-bank lending institutions), December 2025, converted at an assumed exchange rate of NZD:AUD = 0.9331. 2. Independent research conducted by Fifth Dimension Research and Consulting in March 2021. 3. New household loan commitments for purchase of road vehicles ABS 5601.0 Lending Indicators Table 27, January 2025 – December 2025 (published February 2026). Assumes market size is approximately 4x lending commitments for last 12 months. 4. New business loan commitments, finance lease and fixed term, purchase of vehicles, plant and equipment, ABS 5601.0 Table 28, 30 and 32, January 2025 – December 2025 (published February 2026). Assumes market size is approximately 4x lending commitments for last 12 months. 5. Australian mortgages including Commercial Real Estate. 6. Growth compares Pepper Australian mortgage AUM growth, excluding the impact of whole loan sale executed in the period, to the Australian total housing credit, RBA D2 lending and credit aggregates (including owner-occupier housing credit and investor housing credit). 7. Growth compares Pepper asset finance AUM growth, excluding the impact of whole loan sale executed in the period, to the total asset finance market growth under the assumption that market size is approximately 4x lending commitments. 8. Includes scheduled repayments.

# Mortgages | Half on half comparison CY2025



## Volume

Originations by Product (\$bn)



Originations by Channel (\$bn)



AUM by Product (\$bn)



## Income

Weighted Interest Rates<sup>1</sup> (%)

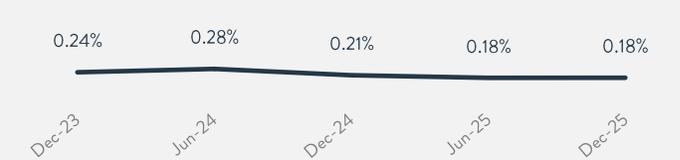
	1H 2024	2H 2024	1H 2025	2H 2025
Prime	7.7%	7.5%	7.0%	6.8%
Near Prime	7.9%	7.9%	7.4%	7.2%
Specialist	9.2%	9.0%	8.5%	8.2%

Net Interest Margin (%)

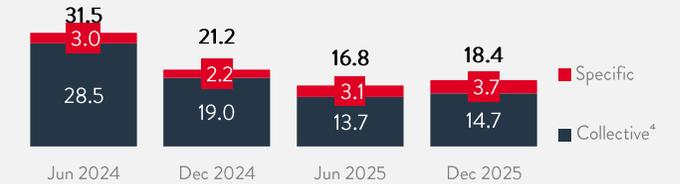
	1H 2024	2H 2024	1H 2025	2H 2025
Customer rate <sup>2</sup>	8.27%	8.35%	7.79%	7.13%
BBSW/BKBM	(4.42)%	(4.35)%	(4.07)%	(3.57)%
Funding margin	(2.25)%	(2.28)%	(2.22)%	(1.99)%
Net interest margin	1.60%	1.72%	1.51%	1.58%

## Credit Quality

Coverage Ratio<sup>3</sup>



Loan Loss Provision (\$m)



90+ Day Arrears<sup>5</sup> as % of AUM





# Asset Finance | Half on half comparison CY2025

## Volume

### Originations by Product (\$bn)



### Originations by Risk Tier (\$bn)



### AUM by Risk Tier (\$bn)



## Income

### Weighted Interest Rates<sup>1</sup> (%)

	1H 2024	2H 2024	1H 2025	2H 2025
Tier A	9.6%	9.3%	8.8%	8.3%
Tier B	11.6%	11.2%	10.6%	10.1%
Tier C	14.9%	14.0%	13.4%	12.9%

### Net Interest Margin (%)

	1H 2024	2H 2024	1H 2025	2H 2025
Customer rate <sup>2</sup>	8.07%	8.39%	8.37%	8.34%
Swap	(3.23)%	(3.38)%	(3.54)%	(3.52)%
Funding margin	(2.32)%	(2.43)%	(2.10)%	(1.86)%
Net interest margin	2.52%	2.58%	2.73%	2.96%

## Credit Quality

### Coverage Ratio<sup>3</sup>



### Loan Loss Provision (\$m)

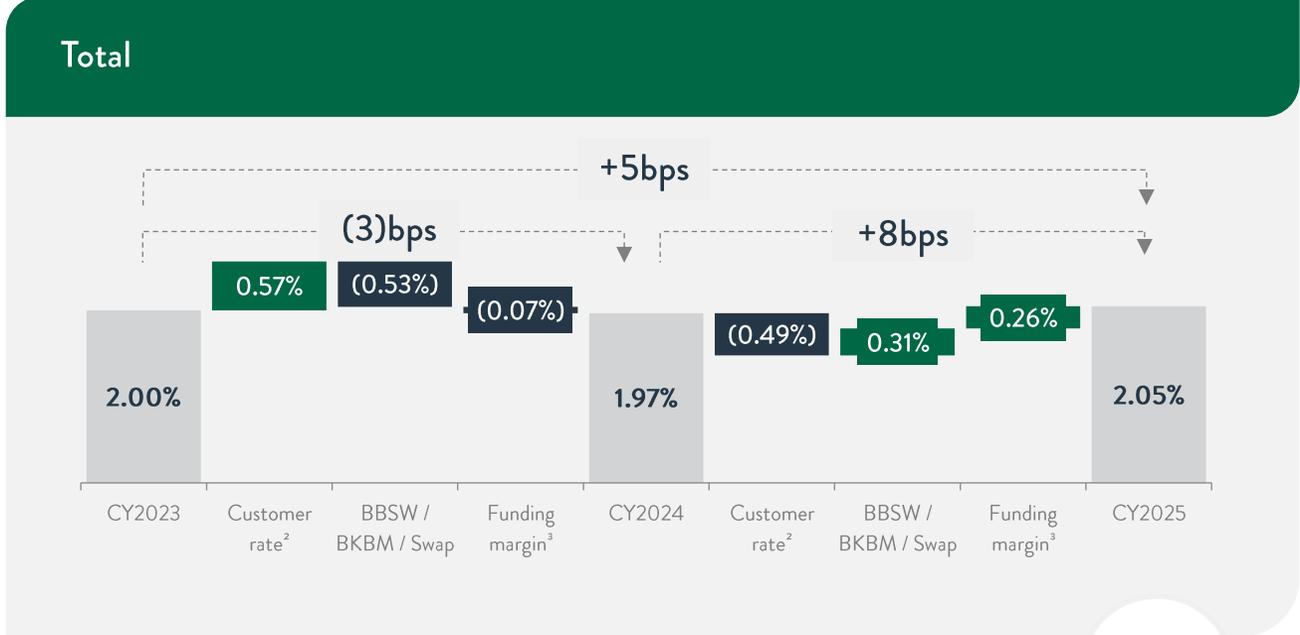


### 90+ Day Arrears<sup>5</sup> as % of AUM

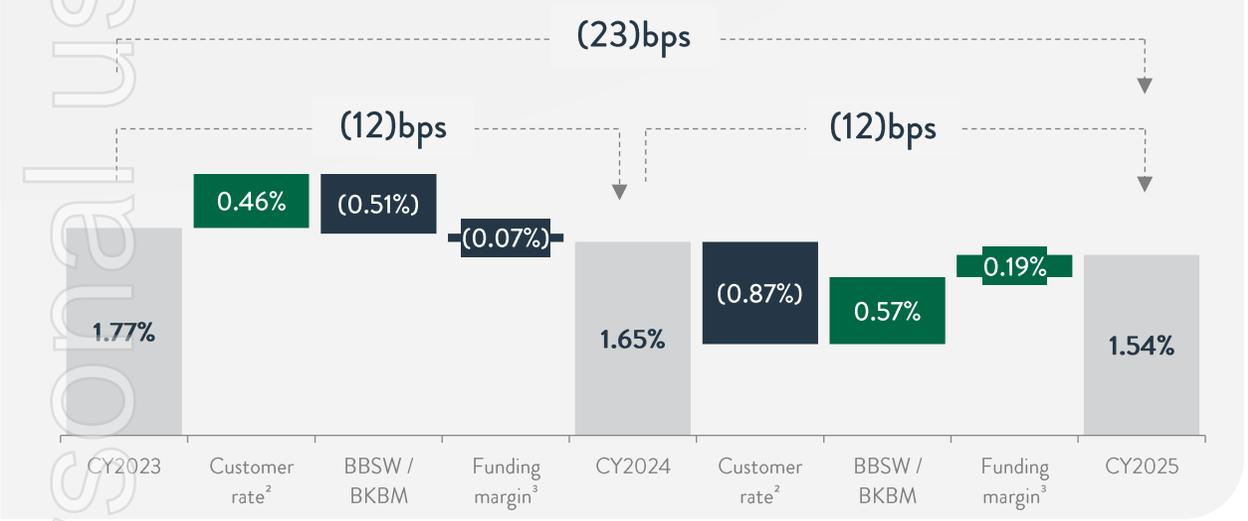


# NIM Movement

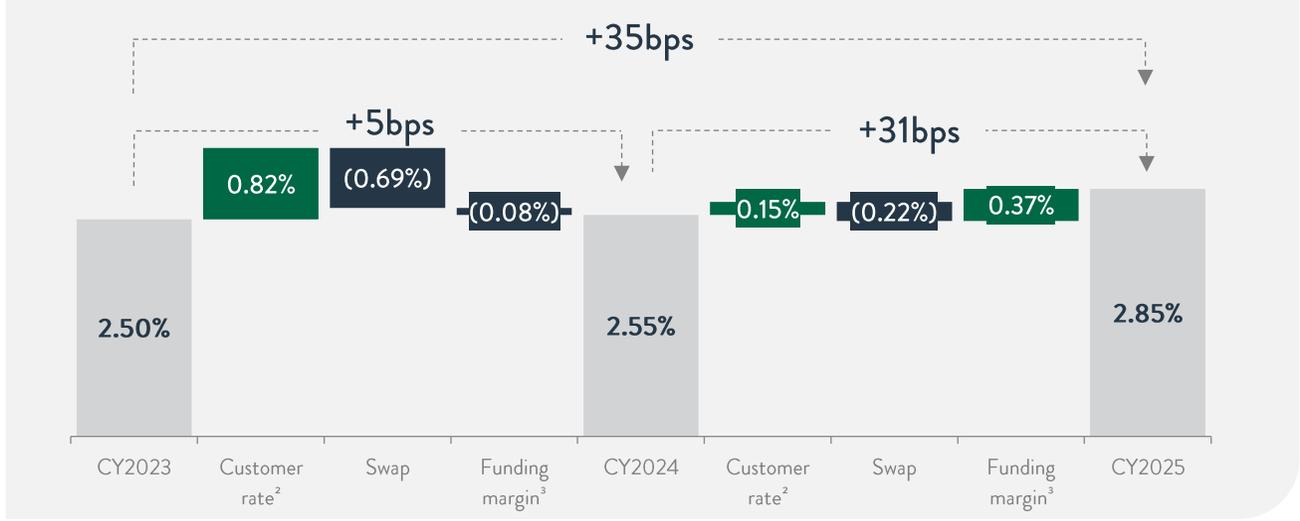
**Total NIM** increased by 8 bps versus CY2024 driven by improved funding margins and stabilisation of swap rates / BBSW, net of customer rate.



## Mortgages



## Asset Finance



1. NIM represents twelve months to December 2023, December 2024, December 2025 net interest income divided by average lending AUM for the relevant period. 2. Customer rate includes borrower rate, distribution cost and risk fees. 3. Funding margin includes issuance and liquidity costs.

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# Glossary & Disclaimer

# Glossary of Terms

**AUM – Lending (closing):** Assets Under Management originated and serviced (securitised and Pepper Money balance sheet lending).

**AUM – Servicing (closing):** Assets Under Management for portfolios of third parties which are serviced by Pepper Money.

**Capital expenditure:** Includes investment in property and equipment and intangible software and licenses.

**Core FTE:** Full time equivalent employee in Australia, New Zealand and Manila supporting the Company's Lending and Loan Servicing business units.

**Cost to Income (CTI) ratio:** Total expense divided by total operating income before loan loss expense.

**EBITDA:** Earnings before corporate interest expense (including the interest charge associated with AASB 16 Leases) income tax expense, depreciation and amortisation.

**Employee cost per FTE:** Employee benefits expense for the relevant period, divided by average full-time equivalent employees.

**Employee benefits expense/Total operating income:** Employee benefits expense divided by total operating income.

**FTE:** Full time equivalent employee.

**Net interest income:** Interest charged on loans provided to borrowers (Mortgages and Asset Finance), income from Mortgage Risk Fee (MRF) / Loan Protection Fee (LPF), loan premium revenue and the funding costs and facility establishment costs associated with the debt raised to fund these assets. The net interest income is calculated using the Effective Interest Rate (EIR) which includes certain fees and costs incurred which are integral in bringing the loans or associated debt to account (such as upfront Distribution Partner commissions).

**Net interest margin (NIM):** Net interest income divided by average Lending AUM for the relevant period.

**NPAT:** Net Profit After Tax.

**Originations:** New loans originated during the period.

**PCP:** Refers to prior comparative period being the twelve months to 31 December 2024 in this presentation.

**Total Operating Income:** Includes net interest income, lending fee income, lending expense, Whole loan sales gain, loan losses and servicing fees and other income.

**90+ days past due % closing Lending AUM:** Loans where borrowers have not made the full payment of interest or principal for an amount exceeding 3 monthly instalments, divided by closing Lending AUM.



# Disclaimer

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