

25 March 2026

ASX Limited
ASX Market Announcements Office
Exchange Centre
20 Bridge Street SYDNEY NSW 2000

CESSATION OF DISCUSSIONS WITH CHALLENGER IN RELATION TO NON-BINDING AND INDICATIVE PROPOSAL

Pepper Money Limited ("**Pepper Money**" or the "**Company**") (ASX:PPM) refers to its announcement on 17 March 2026 that it had received a revised non-binding, indicative proposal from Challenger Limited (ASX:CGF) ("**Challenger**") at a price of A\$2.25 per share ("**Revised Proposal**"). The Revised Proposal was expressed to be Challenger's best and final offer, in the absence of a superior proposal.

The Company advised in communications to the market at that time that its Independent Board Committee ("**IBC**") would consider the Revised Proposal.

Following its consideration of the proposal and consultation with shareholders, the IBC has determined that the Revised Proposal is not reasonably capable of execution. Accordingly, the IBC has decided not to proceed with the transaction and discussions with Challenger in relation to the Revised Proposal have now ceased.

As noted at the time of Pepper Money's CY2025 Result, the business is well positioned and continues to capitalise on growth opportunities. As at the end of February 2026, application flow continues to show positive momentum in both Mortgages and Asset Finance. For the first two months of the year, applications exceeded the same period in 2025 by 21% with Originations 34% higher versus the corresponding prior period.

Pepper Money continues to execute on its capital management initiatives. The CY2025 fully franked Final Dividend of 7.8 cents per share will be paid 14 April 2026, and in line with strategy, the Company will continue to access ongoing opportunities to return excess capital to shareholders.

This announcement was approved for release by the IBC.

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