

LATITUDE GROUP HOLDINGS LIMITED

ABN 83 604 747 391

Management Discussion & Analysis
for the half year ended 30 June 2026

21 August 2026

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Date of this Management Discussion & Analysis

This Management Discussion & Analysis (MD&A) has been prepared for the half year ended 30 June 2026 and is current as at 21 August 2026.

Notice to readers

The purpose of this MD&A is to provide information supplementary to Latitude Group Holdings Limited Financial Report (the Financial Report) for the half year ended 30 June 2026, including further detail in relation to key elements of Latitude Group Holdings Limited's financial performance and financial position. The MD&A also outlines the funding and capital profile of the Group. This report should be read in conjunction with the Appendix 4D for the half year ended 30 June 2026.

References to the first half (1H) are to the six months ended 30 June of the respective year.

References to the second half (2H) are to the six months ended 31 December of the respective year.

References to the full year (FY) are to the twelve months ended 31 December of the respective year.

'HoH' refers to the half-on-half movement which is sequential, whereas 'YoY' refers to the year-on-year movement which is the prior corresponding period.

All amounts disclosed in the tables are presented in Australian dollars ('A\$' or '\$') and, unless otherwise noted, are rounded to the nearest A\$0.1 million. Calculations within tables, percentage movements and movements with the commentary have been calculated from underlying source information and hence may not reconcile with rounded calculations.

Section A | Results

Section A | Results

01 | Summary of Group Performance

Cash NPAT⁽¹⁾ from continuing operations was \$64.3m for 1H26 up 39% YoY.

On a continuing operations basis, 1H26 statutory profit after tax was \$54.4m, up 37% YoY.

1H26 saw continuing momentum across key performance metrics, including receivables up 4% YoY driven by total new volume up 4% YoY, and interest bearing receivables up 7% YoY. The combination of pricing strategy discipline and decreasing funding yields has driven the expansion of the operating income margin by 20bps YoY. Delinquencies continue to trend upward but in line with expected levels in context of the current macroeconomic conditions.

Given the underlying performance noted above, a fully franked 1H26 dividend of 5.50 cps was declared by the Board.

Table 1: Summary profit & loss statement

(\$m)	30-June-26 1H26	31-Dec-25 2H25	30-June-25 1H25	HoH Change %	YoY Change %
Interest income	611.4	600.0	588.4	2 %	4 %
Interest expense	(183.3)	(182.5)	(192.3)	— %	5 %
Net interest income	428.1	417.5	396.1	3 %	8 %
Other Operating income	9.7	14.3	11.6	(32)%	(16)%
Total operating income	437.8	431.8	407.7	1 %	7 %
Net charge offs	(152.0)	(136.2)	(130.1)	(12)%	(17)%
Risk adjusted income	285.8	295.6	277.6	(3)%	3 %
Cash operating expenses	(180.8)	(178.0)	(184.1)	(2)%	2 %
Cash PBT	105.0	117.6	93.5	(11)%	12 %
Movement in provisions	(15.0)	(22.2)	(12.1)	32 %	(24)%
Depreciation & amortisation (ex leases)	(7.7)	(14.1)	(17.7)	45 %	56 %
Profit before tax & notable items	82.3	81.3	63.7	1 %	29 %
Income tax expense	(18.0)	(22.4)	(17.5)	20 %	(3)%
Cash NPAT from continuing operations	64.3	58.9	46.2	9 %	39 %
Notable items after tax	(9.9)	(4.2)	(6.5)	(136)%	(52)%
Statutory profit after tax (continuing ops)	54.4	54.7	39.7	(1)%	37 %
Profit/(loss) from discontinued operations	-	0.1	(0.5)	(100)%	100 %
Statutory profit after tax	54.4	54.8	39.2	(1)%	39 %

(1) Cash NPAT is a non-IFRS metric used for management reporting as LFS believes it reflects what it considers to be the underlying performance of the business. Further information on Cash NPAT is included in Section B.

(2) 2H25 comparative period adjusted for rounding.

The financial information, where relevant and useful, is separated into LFS's two key business units across Australia and New Zealand. These "twin engines" work together to serve our customers and generate valuable opportunities to extend the customer life cycle with LFS:

- **Pay Division:** Comprising credit cards that allow customers to make everyday purchases and access interest free payment plans to finance goods and services from Latitude's retail partners.
- **Money Division:** Providing unsecured and secured lending products to customers who are seeking personal loans and motor loans.

The financial results of discontinued operations are excluded from the individual account lines of LFS and reported as a single net profit/(loss) after tax line. It relates to the closure of the Asia operations (ceased operating in 1H24).

Section A | Results

1H26 profit growth driven by sustained strength in new volumes, receivables and margins. Cash NPAT +39% YoY.

1H26 Group performance summary:

- **Total New Volume up 4% YoY, down 8% HoH.** 1H26 continued growth driven by credit card spend saw the continuation of volume momentum seen in prior periods. Pay Division total purchase volume was up 4.6% YoY and down 8.5% HoH due to seasonality. Money Division new originations were flat YoY and down 7.6% HoH.
- **Receivables up 4% YoY, up 1% HoH** to \$7.3 billion, the highest level in six years due to sustained volume growth.
- **Operating income margin 12.22%, up 20bps YoY, flat HoH** as a result of disciplined margin management and lower funding costs (driven by lower spreads including funding optimisation and lower base rates in New Zealand) lifting net interest margin by 27bps YoY to 11.95%. Other income yield down 7bps YoY.
- **Net charge offs 4.24% (NCO) up 41bps YoY, up 39bps HoH.** The increase in NCO rate remains within expectations given the interest rate cycle and macroeconomic conditions. Risk-adjusted returns remain strong at 8.0%.
- **Cash operating expenses down 2% YoY and up 2% HoH.** Cost management remained a focus, delivering a cash cost-to-income ratio of 41.3%, focusing on investment in technology and innovation to meet the evolving needs of our customers and partners.
- **Other metrics:** Provision coverage rate increased to 4.59% (up 14bps HoH). 90 days past due stood at 1.74% (seasonally up 14bps HoH). Tangible equity ratio (TER) at 7.0%, once adjusted for Capital Notes 1¹, is in line with the target range. Effective Tax Rate of 22% largely due to a tax credit from prior years recorded in current period.

Table 2: Key performance indicators

(\$m)	30-June-26	31-Dec-25	30-June-25	HoH Change	YoY Change
	1H26	2H25	1H25	%/bps	%/bps
New Volume	4,407	4,807	4,247	(8)%	4 %
Gross loan receivables	7,266	7,211	6,962	1 %	4 %
AGR	7,225	7,012	6,842	3 %	6 %
Interest bearing receivables	5,580	5,385	5,210	4 %	7 %
Active accounts '000s	1,398	1,422	1,440	(2)%	(3)%
Total operating income	438	432	408	1 %	7 %
Risk adjusted income	286	296	278	(3)%	3 %
Cash PBT	105	118	94	(11)%	12 %
Cash NPAT from continuing operations	64	59	46	9 %	39 %
Interest income yield	17.06 %	16.97 %	17.34 %	9	(28)
Interest expense/ AGR	(5.12)%	(5.16)%	(5.67)%	4	55
Net interest margin	11.95 %	11.81 %	11.68 %	14	27
Operating income margin	12.22 %	12.22 %	12.02 %	—	20
Net charge offs / AGR	(4.24)%	(3.85)%	(3.83)%	(39)	(41)
RAI yield	7.98 %	8.36 %	8.18 %	(38)	(20)
30 days past due	4.53 %	4.20 %	4.19 %	33	34
90 days past due	1.74 %	1.60 %	1.61 %	14	13
Coverage	4.59 %	4.45 %	4.35 %	14	24
Cash cost-to-income ratio	41.3 %	41.2 %	45.2 %	10	(390)
Total cost-to-income ratio	43.1 %	44.5 %	49.5 %	(140)	(640)
Spot FTE	707	733	743	(4)%	(5)%
Effective tax rate	(21.8)%	(27.6)%	(27.5)%	580	570
RoAGR	1.8 %	1.7 %	1.4 %	10	40
RoE	10.4 %	9.7 %	7.7 %	70	270
RoTE	24.8 %	24.7 %	20.3 %	10	450
TER¹	8.1 %	7.1 %	7.0 %	100	110
DPS cents	5.50	5.00	4.00	10 %	38 %
Payout ratio	89 %	88 %	90 %	100	(100)
EPS cents (cash)	6.2	5.7	4.4	9 %	39 %
EPS cents (cash diluted)	5.0	5.0	3.9	— %	28 %

⁽¹⁾ Tangible Equity Ratio would be 7.0% on a pro forma basis assuming redemption of Capital Notes 1 at its first call date on 27 Oct'26.

02 | New Volume & Receivables

New Volumes increased 4% YoY, delivering a 4% uplift in receivables to a six year high of \$7.3 billion. NIM expanded 27bps YoY, driven by pricing and funding optimisation.

1H26 New Volume of \$4,407m is up 4% YoY, largely driven by increased everyday spend in Pay Division.

Pay A&NZ Division new volumes reached \$3,622m for 1H26, reflecting a 5% increase YoY. Sales Finance A&NZ volumes rose 3% YoY to \$2,087m supported by the continued focus on growing everyday card utilisation which resulted in an increase in both the number of accounts spending each month and the average spend per account. Card purchase volume across our combined Credit Cards and White Label portfolios increased by 7% YoY to \$1,535m with growth across all products, excluding run-off products.

The results in Pay New Zealand were adversely affected by the weakening of the NZD/AUD exchange rate with volume being flat YoY in local currency.

The HoH new volume decline in Pay is due to normal seasonal trends with 2H being a higher volume period due to the strong spend leading into the Christmas and year-end period.

Money A&NZ Division delivered new origination volume of \$785m in 1H26, in line with prior year. The result, particularly in Australia which decreased 2% YoY to \$628m, reflects a disciplined focus on maintaining strong margins in an increasing interest rate environment.

Personal Loans Australia grew 1% to \$484m, while Auto Loans declined 10% to \$143m, reflecting softer market conditions and margin management. During the half, Commercial Lending (Sole Trader) was launched through the Auto platform, providing an additional growth avenue through brokers.

Personal Loans New Zealand increased 10% YoY to a record 1H result of \$158m, driven by strong broker channel performance and improved margins. Reported growth was partially impacted by the weaker NZD.

Repayment rate for 1H26 was up slightly compared to prior year (up 200bps YoY) and down 200bps HoH due to seasonality as 2H tends to carry a higher repayment rate.

Table 3: New volume & repayments

(\$m)	30-June-26 1H26	31-Dec-25 2H25	30-June-25 1H25	HoH Change %/bps	YoY Change %/bps
New volume					
Pay	3,622	3,957	3,464	(8)%	5 %
- Australia	3,102	3,340	2,899	(7)%	7 %
- New Zealand	520	617	565	(16)%	(8)%
Money	785	850	783	(8)%	— %
- Australia	628	681	640	(8)%	(2)%
- New Zealand	158	169	143	(7)%	10 %
Group	4,407	4,807	4,247	(8)%	4 %
Repayment rate (ex credit cards & BNPL)	98 %	100 %	96 %	(200)	200

Group receivables reached a six year high of \$7,266m, which is up 4% YoY and 1% HoH.

Pay Division receivables increased 2% YoY with all Australian portfolios experiencing growth (down 1% HoH due to seasonality on new volume). New Zealand receivables declined 3% YoY in local currency due to an increase in customer repayment rates (declined 14% in AUD given the depreciation of NZD compared to AUD across the year). The overall growth was supported by a strong volume performance which has resulted in an increase in the average balance per active account.

Money Division receivables increased 7% YoY and 3% HoH to \$3,418m, reaching a new high watermark. Personal Loans Australia was the key driver of this performance with receivables up 10% YoY and 4% HoH to \$2,093m driven by record 1H new origination volume which continues to be written at strong margins. Auto Loan receivables down 2% YoY and HoH to \$729m. Personal Loans New Zealand receivables up 6% YoY and 4% HoH to \$596m driven by record 1H new origination volume.

Table 4: Receivables

(\$m)	30-June-26 1H26	31-Dec-25 2H25	30-June-25 1H25	HoH Change %	YoY Change %
Receivables					
Pay	3,847	3,879	3,760	(1)%	2 %
- Australia	3,146	3,103	2,946	1 %	7 %
- New Zealand	701	776	814	(10)%	(14)%
Money	3,418	3,333	3,201	3 %	7 %
- Australia	2,822	2,758	2,641	2 %	7 %
- New Zealand	596	575	561	4 %	6 %
Group gross receivables	7,266	7,211	6,962	1 %	4 %
Loss provisions	(333)	(321)	(303)	(4)%	(10)%
Unearned income	(29)	(40)	(47)	28 %	39 %
Net receivables from Cont Ops	6,904	6,850	6,612	1 %	4 %

03 | Total Operating Income

Total Operating income growth driven by margin expansion and lower funding costs

In 1H26, net interest income rose by 8% YoY, driven by receivable growth and lower funding costs. Net interest margin (NIM) yield expanded to 11.95% (up 27bps YoY) reflecting pricing optimisation and lower funding costs.

The interest expense/AGR improved by 55bps YoY to 5.12%, driven by lower benchmark interest rates during the same period in 2025 in New Zealand and improved funding spreads driven by new term funding initiatives and warehouse refinancing.

1H26 Other income declined \$1.9m or 16% YoY, driven by lower customer fees and interchange revenue from softer international spend and higher scheme fees, with a smaller impact from FX and interest rate hedge movements.

Table 5: Net interest income / margin

(\$m)	30-June-26	31-Dec-25	30-June-25	HoH Change	YoY Change
	1H26	2H25	1H25	%	%
Interest income	611.4	600.0	588.4	2 %	4 %
Interest expense	(183.3)	(182.5)	(192.3)	— %	5 %
Net interest income	428.1	417.5	396.1	3 %	8 %
Other operating income	9.7	14.3	11.6	(32)%	(16)%
Total operating income	437.8	431.8	407.7	1.4 %	7.4 %
Net charge offs	(152.0)	(136.2)	(130.1)	(12)%	(17)%
Risk adjusted income	285.8	295.6	277.6	(3)%	3 %
Interest income yield	17.06 %	16.97 %	17.34 %	9	(28)
Interest expense yield	(5.60)%	(5.61)%	(6.13)%	1	53
Benefit of equity	0.48 %	0.45 %	0.46 %	3	2
Interest expense/ AGR	(5.12)%	(5.16)%	(5.67)%	4	55
Net interest margin	11.95 %	11.81 %	11.68 %	14	27
Other operating income yield	0.27 %	0.40 %	0.34 %	(13)	(7)
Operating income margin	12.22 %	12.22 %	12.02 %	—	20
Net charge offs / AGR	(4.24)%	(3.85)%	(3.83)%	(39)	(41)
RAI yield	7.98 %	8.36 %	8.18 %	(38)	(20)

Table 6: Average balance sheet

(\$m)	Half year 30-Jun-26			Half year 31-Dec-25			Half year 30-Jun-25		
	1H26			2H25			1H25		
	Ave bal.	Interest	Rate	Ave bal.	Interest	Rate	Ave bal.	Interest	Rate
Receivables (AGR)	7,225	611	17.1 %	7,012	600	17.0 %	6,842	588	17.3 %
- Pay	3,855	327	17.1 %	3,754	325	17.2 %	3,730	333	18.0 %
- Money	3,371	284	17.0 %	3,259	274	16.7 %	3,112	255	16.5 %
Average assets	8,158			8,028			7,908		
- Securitisation	6,612	180	5.5 %	6,424	179	5.5 %	6,287	189	6.1 %
- Corporate Debt ¹	30	2	10.1 %	31	2	10.9 %	35	2	10.5 %
- Other		1	n.m.		2	n.m.		2	n.m.
Total ave borrowings	6,642	183	5.6 %	6,456	183	5.6 %	6,322	192	6.1 %
Average liabilities	6,910			6,811			6,687		
NII/spread		428	11.5 %		417	11.4 %		396	11.2 %
Net interest margin		428	12.0 %		417	11.8 %		396	11.7 %
Average equity	1,249			1,218			1,221		

(1) Corporate debt average balance excludes undrawn balances on the facility. Corporate debt interest costs include facility fee.

04 | Net Charge Offs, Provisions & Asset quality

Credit performance remains aligned with portfolio risk settings, with loss rates reflecting macroeconomic conditions and supported by strong risk adjusted returns

Net charge offs increased to \$152m for 1H26 up 41bps YoY to 4.24%. This increase is in line with macroeconomic conditions and allows for optimisation of risk adjusted returns.

Group coverage rate increased by 14bps to 4.59% and receivables at 90+ days past due increased 14bps to 1.74% since Dec-25. Under the previous 120 days charge off policy in Money, the Group 90+ days past due on a pro forma basis would stand at 1.27%, up 12bps on this normalised basis.

Hardship inventory increased by 61bps HoH to 4.01%. The increased rate of hardship is aligned with macroeconomic conditions.

Table 8: Net charge offs & provisions

(\$m)	30-June-26 1H26	31-Dec-25 2H25	30-June-25 1H25	HoH Change %	YoY Change %
Net Charge Offs	(152.0)	(136.2)	(130.1)	(12)%	(17)%
NCOs/ AGR	(4.24)%	(3.85)%	(3.83)%	(39)	(41)
Provision movement					
Impact of change in receivables ¹	(5.1)	(15.0)	(7.8)	66 %	35 %
Impact of change in coverage	(9.9)	(7.2)	(4.3)	(36)%	(127)%
Provision expense movement	(15.0)	(22.2)	(12.1)	32 %	(24)%
Loan impairment expense	(167.0)	(158.4)	(142.2)	(5)%	(17)%
Group coverage	4.59 %	4.45 %	4.35 %	14	24
90+ days past due					
Group	1.74 %	1.60 %	1.61 %	14	13
Pay	1.70 %	1.52 %	1.58 %	18	12
- Australia	1.85 %	1.62 %	1.70 %	23	15
- New Zealand	1.03 %	1.08 %	1.17 %	(5)	(15)
Money	1.79 %	1.70 %	1.65 %	9	14
- Australia	1.72 %	1.66 %	1.54 %	6	17
- New Zealand	2.14 %	1.90 %	2.15 %	24	(1)
Hardship Inventory					
Group	4.01 %	3.40 %	3.27 %	61	74
Pay	3.33 %	2.57 %	2.65 %	76	68
Money	4.76 %	4.35 %	3.98 %	41	78

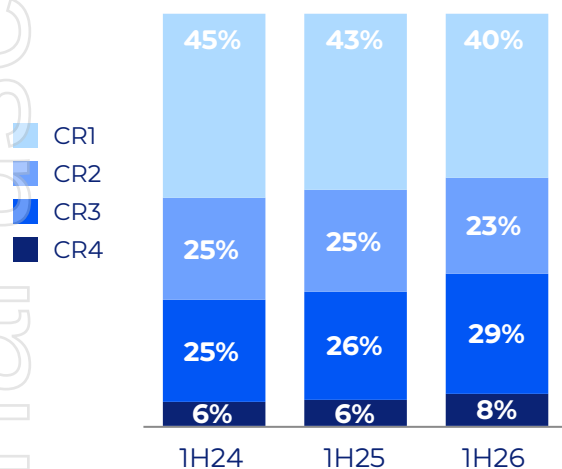
(1) Impact from change in receivables on provision calculated on constant currency basis.

Risk adjusted returns remain strong

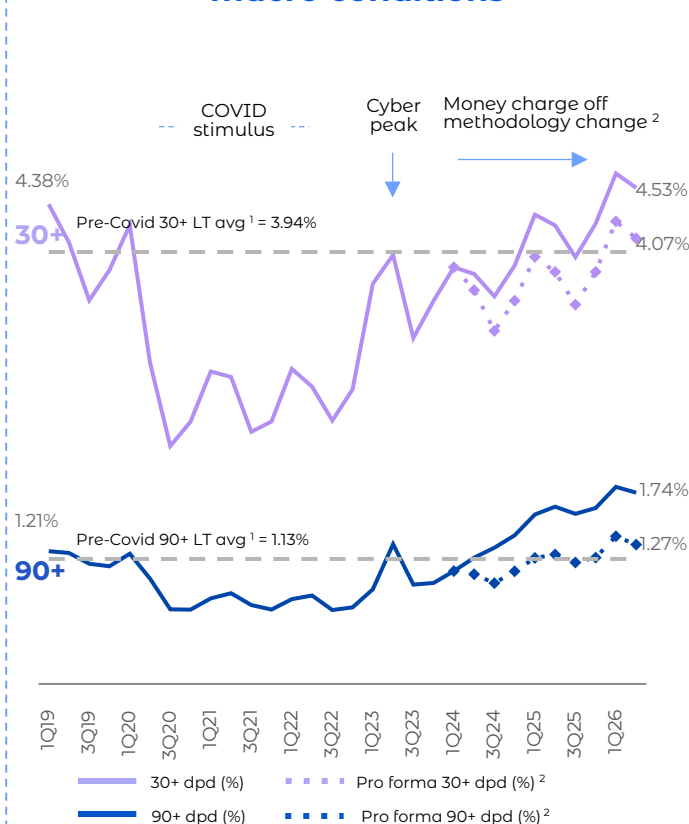
Credit metrics reflect macroeconomic conditions. Asset quality remains consistent with portfolio risk settings.

Credit quality sustained through disciplined underwriting

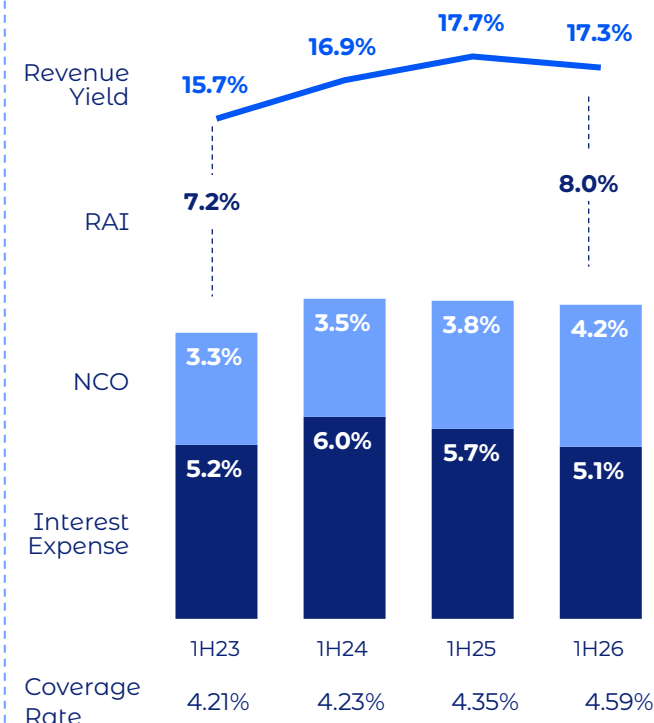
New customer originations quality



Delinquency trends reflect macro conditions



Net charge offs aligned with portfolio risk settings



¹ Pre-Covid LT avg is from FY17 to FY19. Refer to P26 of the investor presentation for more detail on long term trends.

² As at 30 Jun 26 impact to DPD % of 46bps on 30+ and 47bps on 90+ as a result of Money Charge off methodology change from 120 to 180 days.

05 | Operating Expenses, Notable Items

Disciplined cost management delivering operating leverage and efficiency, with 390bps YoY improvement in the cash cost-to-income ratio

1H26 cash operating expenses decreased 2% YoY to \$180.8m, reflecting disciplined cost management and productivity initiatives, which more than offset higher employee and technology costs. As a result, the cash cost-to-income ratio improved by 390bps to 41.3%.

Employee costs increased 8% YoY to \$70.7m driven by wage inflation, higher incentives aligned with profit growth, partially offset by productivity initiatives and ongoing workforce optimisation.

Marketing expenses decreased 23% YoY to \$15.0m reflecting improved marketing effectiveness and disciplined allocation of spend across acquisition and brand activities.

Information technology spend increased 7% YoY to \$43.6m driven by continued investments in technology, software as a service cost and artificial intelligence capabilities to enhance customer experience, improve productivity and support further growth.

Other expenses reduced 10% YoY to \$50.4m reflecting disciplined cost management and operational efficiency initiatives across the Group. The reduction was driven by lower third-party and discretionary expenditure, including reductions in consultant and origination-related costs, as productivity improvements and simplification initiatives continued to deliver benefits. Cost efficiencies realised during the period were partially reinvested into strategic technology and artificial intelligence capabilities to support future growth.

Depreciation and amortisation decreased 56% YoY to \$7.7m due to run-off of existing assets and a continued shift toward recognising investments in cash operating expenditure due to accounting treatment of SaaS spend.

Table 9: Operating expenses

(\$m)	30-June-26	31-Dec-25	30-June-25	HoH Change	YoY Change
	1H26	2H25	1H25	%/bps	%/bps
Employee	70.7	63.3	65.4	12 %	8 %
Marketing	15.0	18.3	19.5	(18)%	(23)%
Occupancy	1.1	0.9	2.0	22 %	(45)%
Information technology	43.6	38.6	40.9	13 %	7 %
Other	50.4	56.9	56.3	(11)%	(10)%
Cash operating expenses	180.8	177.9	184.1	2 %	(2)%
Depreciation & amortisation (ex leases)	7.7	14.1	17.7	(45)%	(56)%
Total Opex	188.5	192.0	201.9	(2)%	(7)%
Cash cost-to-income ratio	41.3 %	41.2 %	45.2 %	10	(390)
Total cost-to-income ratio	43.1 %	44.5 %	49.5 %	(140)	(640)
Cash opex/ AGR	(5.0)%	(5.0)%	(5.4)%	—	40
Spot FTE	707	733	743	(4)%	(5)%
Capex	—	—	—	n.m.	n.m.

Restructuring costs of \$3.9m in 1H26 largely relate to redundancy costs for operating model changes.

Remediations of \$6.1m in 1H26 include costs associated with responding to regulatory actions and enquiries as well as class action defence, partially offset by cyber insurance recoveries relating to the cyber incident.

Asset/Work in Progress Impairment of \$0.7m relates to small asset write-offs.

Table 10: Notable items

(\$m)	30-June-26 1H26	31-Dec-25 2H25	30-June-25 1H25	HoH Change %	YoY Change %
Restructuring Costs	3.9	2.0	2.5	100 %	54 %
Remediation Costs	6.1	(1.5)	4.4	571 %	38 %
Asset Impairment	0.7	3.8	2.0	(82)%	(65)%
Decommissioned facilities	—	—	0.5	100 %	(100)%
Notable items pre-tax	10.7	4.3	9.4	149 %	14 %

06 | Balance Sheet & Shareholder Returns

Growing business momentum and a strong balance sheet have enabled the Board to declare a fully franked 1H26 dividend of 5.50 cents per share.

The TER% (Tangible equity / net receivables) at 7.0% once adjusted for Capital Notes 1¹, remains strong and in line with the 6-7% target range and enabled the Board to declare a 1H26 fully franked dividend of 5.50 cents per share. The dividend is supported by the improved fundamentals of the business including continued earnings momentum, strong cash and TER position.

Table 12: Balance sheet

(\$m)	30-June-26 1H26	31-Dec-25 2H25	30-June-25 1H25	HoH Change %/bps	YoY Change %/bps
Total assets	8,205	8,135	7,935	1 %	3 %
Net receivables	6,904	6,850	6,612	1 %	4 %
Intangible assets	719	732	757	(2)%	(5)%
Total liabilities	6,925	6,918	6,717	— %	3 %
Total equity	1,280	1,218	1,218	5 %	5 %
Tangible equity	561	486	460	15 %	22 %
Tangible equity/ net receivables (TER)¹	8.1 %	7.1 %	7.0 %	100	110
RoAGR	1.8 %	1.7 %	1.4 %	10	40
RoE	10.4 %	9.7 %	7.7 %	70	270
RoTE	24.8 %	24.7 %	20.3 %	10	450
Net tangible assets per share (\$ps)	0.54	0.47	0.44	16 %	22 %
Book value per share (\$ps)	1.23	1.17	1.17	5 %	5 %
Dividend cents	5.50	5.00	4.00	10 %	38 %
Franking	100 %	100 %	0 %		
Payout ratio	89 %	88 %	90 %	1	(1)
Ex-dividend date	18/9/2026	20/03/2026	19/09/2025		
Record date	21/9/2026	23/03/2026	22/09/2025		
Dividend payment date	22/10/2026	21/04/2026	23/10/2025		

All periods align with financials disclosed in Appendix 4D & Appendix 4E. Refer to Appendix 4D for more information.

⁽¹⁾Tangible Equity Ratio would be 7.0% on a pro forma basis assuming redemption of Capital Notes 1 at its first call date on 27 Oct'26.

LFS will continue to target a full year payout ratio of 60–70% of cash NPAT over the medium term. The Board determines the dividend per share based on net profit after tax (cash) per share, having regard to a range of factors including:

- Current and expected rates of business growth and the mix of business;
- Long term average loss rates;
- Capital needs to support economic, regulatory and funding requirements;
- Investments and/or divestments to support business development;
- Competitors comparison and market expectations;
- Expected earnings per share growth; and
- TER and cash position.

07 | Funding & Liquidity

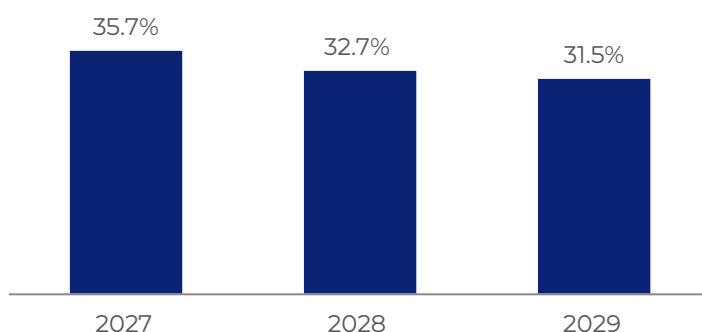
The balance sheet was further optimised with \$2.3b raised in public transactions and private warehouse refinancing. Transactions were engineered to enhance liquidity and funding cost outcomes. Over \$1bn of committed headroom is held to support receivables growth.

\$134.6m of new Capital Notes 2 were issued on improved terms.

Latitude systematically manages its maturity profile within its target range of no more than 50% of funding maturities in any given year and no more than 40% of funding maturities within the next 12 months. The following graph sets out Latitude's debt maturity profile as at 30 June 2026.

Summary of Securitisation Funding Facilities

Chart 2: Latitude securitised debt maturity profile as at 30 June 2026



(1) Amortising ABS term deals included at their 10% call option date.

Summary of Warehouse Funding Facilities

Significant changes in Warehouse funding in 1H26 included:

- March: The Australian Auto Loans Trust was refinanced on 19 March 2026 for \$712.5 million with a scheduled amortisation date of 19 March 2029.
- June: The Australian Personal Loans Trust No. 2 was refinanced on 18 June 2026 for \$346.9 million with a scheduled amortisation date of 17 June 2029.
- June: The New Zealand Sales Finance and Credit Card Trust was refinanced on 22 June for NZD \$813.9 million with a scheduled amortisation date of 22 June 2029

The following table sets out the position of each of Latitude's warehouses as at 30 June 2026:

Table 13: Warehouse facilities as at 30 June 2026

(\$m)	Australia Sales Finance and Credit Cards Trust	Australia Sales Finance and Credit Cards Trust No. 3	Australia Sales Finance and Credit Cards Trust No. 4	Australia Personal Loans Trust	Australia Personal Loans Trust No. 2	Australia Auto Loans Trust	New Zealand Sales Finance and Credit Cards Trust	New Zealand Personal Loans Trust
Limit ²	A\$807.5	A\$568.5	A\$190	A\$1118.4	A\$346.9	A\$712.5	NZ\$813.9	NZ\$667.6
Drawn	A\$498.8	A\$296.4	A\$110.8	A\$1011.1	A\$257.2	A\$655.8	NZ\$554.3	NZ\$616
Headroom	A\$308.7	A\$272.1	A\$79.3	A\$107.4	A\$89.7	A\$56.7	NZ\$259.6	NZ\$51.6
Revolving period end date	22-Oct-27	22-Aug-28	22-Nov-28	17-Dec-27	17-June-29	19-Mar-29	22-June-29	17-Feb-28

(2) The Australian Sales Finance and Credit Card Trust No.4 limit is uncommitted unless already drawn. All other limits are committed for the revolving period. Limit excludes the seller note (i.e., the equity position contributed by Latitude).

Summary of ABS Funding

Latitude continued its programmatic issuance of public Asset Based Securities (ABS) in 2026 securing strong pricing and advance rates despite market impacts from geopolitical volatility stemming from the Middle East conflict.

Significant changes in ABS funding in 1H26 included:

- March 2026: The Australian Credit Card Master Trust Series 2023-1 was redeemed on 23 March 2026 on the expected redemption date.
- April 2026: The Australian Credit Card Master Trust Series 2026-1 was issued on 1 April for \$500 million with an expected redemption date of 24 September 2029.

Table 14: ABS issuance as at 30 June 2026

(\$m)	Latitude Australia Credit Card Loan Note Trust – Series 2024-1	Latitude Australia Credit Card Loan Note Trust – Series 2024-2	Latitude Australia Credit Card Loan Note Trust – Series 2025-1	Latitude Australia Credit Card Loan Note Trust – Series 2026-1	Latitude Australia Personal Loan Series 2024-1 Trust	Latitude Australia Personal Loan Series 2025-1 Trust	Latitude Australia Personal Loan Series 2025-2 Trust	Latitude New Zealand Credit Card Loan Note Trust – Series 2024-1
Underlying segment receivables	Sales finance & credit card receivables	Sales finance & credit card receivables	Sales finance & credit card receivables	Sales finance & credit card receivables	Personal loans	Personal loans	Personal loans	Sales finance & credit card receivables
Notes issued	A\$400.0	A\$500.0	A\$500.0	A\$500.0	A\$500.0 ³	A\$500.0 ³	A\$500.0 ³	NZ\$250.0
Senior Note bps	125	117	115	107	125	100	90	130
Issue date	26-Mar-24	30-Sept-24	3-July-25	1-Apr-26	30-Apr-24	27-Mar-25	23-Oct-25	26-June-24
Revolving period end date ¹	22-Mar-27	22-Mar-28	22-Nov-28	24-Sept-29	n.a.	n.a.	28-Feb-26	22-June-27
Outstanding Notes at 30 June 2026	A\$400.0	A\$500.0	A\$500.0	A\$500.0	A\$114.9 ³	A\$214.1 ³	A\$404.3 ³	NZ\$250.0
Outstanding Variable Funding Note at 30 June 2026		 A\$28			n.a.	n.a.	n.a.	NZ\$7.1
Expected call date ²	22-Mar-27	22-Mar-28	22-Nov-28	24-Sept-29	17-Oct-27	17-May-28	17-May-29	22-June-27
Outstanding Notes at 31 December 2025	A\$400.0	A\$500.0	A\$500.0	n.a.	A\$166.8 ³	A\$305.1 ³	A\$500.0 ³	NZ\$250.0
Outstanding Variable Funding Note at 31 December 2025		 A\$36.3.....			n.a.	n.a.	n.a.	NZ\$13.7

(1) The Latitude Australia Personal Loans Series 2025-2 Trust had a 4-month substitution period ended 28 February 2026.

(2) Series issued by Latitude Australia Credit Card Loan Note Trust are expected to be called at the issue amount; the Latitude Australia Personal Loans Series 2024-1, Series 2025-1 and Series 2025-2 Trusts are expected to be called at their 10% clean-up call option date.

(3) including seller notes that have been subscribed for by Latitude.

Summary of Corporate Debt Facilities

LFS rolled US\$20m corporate debt outstanding in 1H26 on improved terms. LFS continues to maintain access to undrawn commitments of AUD\$76.6m via the Syndicated Facility Agreement.

Significant changes in corporate debt facilities included:

- March 2026: US\$20m single draw bullet facility #1 with SBI Shinsei Bank was refinanced, maturing 30 March 2027.

Utilisation of the Syndicated Facility Agreement with maturity date of 5 April 2027 as at 30 June 2026:

- Facility A & C: A\$77.5m multicurrency bullet revolving credit facility.
As at 30 June 2026, A\$2.5m of the Facility A was utilised to support bank guarantees and letters of credit. A\$75m of Facility A & C remained undrawn.
- Facility B: US\$41m bullet revolving credit facility.
As at 30 June 2026, US\$39.9m of the Facility B was utilised to support letters of credit provided as collateral for access to credit card scheme card payment networks. US\$1.1m of Facility B remained undrawn.

Summary of Capital Notes

LFS successfully issued \$134.6m of new Capital Notes 2 to be used for general corporate purposes, including funding the potential redemption of Capital Notes 1 not reinvested.

- April 2026: Capital Notes 2 issued including \$64m of reinvestment of Capital Notes 1 and \$70.6m of new investment.
- As at 30 June 2026, outstanding Capital Notes 1 reduced to \$75m with a first call date in October 2026.

Section B | Supplementary Information

Section B| Supplementary Information

This section includes supplemental information that Latitude believes is useful for investors and users of this financial information.

B.1 Information about Cash NPAT and other Non-IFRS Metrics

Cash PBT and Cash NPAT

Cash PBT is calculated by deducting cash operating expenses from risk adjusted income (RAI – see definition below). It excludes non-cash items such as movement in IFRS 9 impairment provisions, depreciation of capitalised software and depreciation of property, plant & equipment. It also excludes notable items and is a pre-tax measure. Latitude uses Cash PBT for internal management reporting as it believes it best reflects underlying risk adjusted performance.

Some of the limitations of Cash PBT include that this measure does not reflect:

- The movements in IFRS 9 provisions for future losses on Latitude's receivables;
- The approach of other companies in Latitude's industry which may calculate this measure differently from Latitude, thus limiting its usefulness as a comparative measure; and
- The notable items or tax expense.

Cash NPAT is calculated by adding back the after-tax impact of notable items to NPAT.

Cash NPAT is measured by Latitude to evaluate the operating performance of the business without the impact of the non-cash expenses associated with notable items.

Some of the limitations of Cash NPAT include:

- It excludes notable items which by their nature create a different profile to statutory profit;
- It is not representative of the free cash flow of Latitude's business (refer to Consolidated Statement of Cash Flows for this information); and
- Other companies in Latitude's industry may calculate this measure differently from Latitude (including using a different definition of notable items) thus limiting its usefulness as a comparative measure.

Risk Adjusted Income (RAI)

RAI is calculated as total operating income less net charge offs and is measured by Latitude to evaluate the risk adjusted margin on receivables after funding costs and net charge offs before the movement in provisions for losses and operating expenses.

RAI is considered useful by Latitude as it measures the risk adjusted contribution from each product.

It allows Latitude to have a consistent measure of risk adjusted performance and yields across its various segments and portfolios. RAI should not be considered as an alternative to Profit/(loss) before income tax and NPAT in considering the overall net profit of Latitude.

Some of the limitations of RAI include that this measure does not reflect:

- The loan impairment expense associated with the movement in provisions for future losses due to growth in Latitude's receivables or changes in the coverage ratio;
- The direct operating expenses incurred by Latitude in generating RAI;
- The indirect costs associated with Latitude's business;
- The approach of other companies in Latitude's industry which may calculate this measure differently from Latitude, thus limiting its usefulness as a comparative measure; and
- Moreover, current net charge offs may not be reflective of future long run net charge offs and will be influenced by the current macro-economic environment as well as historical portfolio credit quality characteristics that may change over time.

Section B| Supplementary Information

B.2 Additional information on seasonality

Seasonality

Latitude experiences a seasonal effect in its financial performance between 1H and 2H of each financial year.

For example, demand for Latitude's Pay Division products is typically higher during the 2H period in comparison to the 1H period as a result of increased consumer spending during Black Friday/Cyber Monday sales events in the lead up to the Christmas holiday period and the post-Christmas sales period. This causes an increase in new volumes and receivables at the end of the 2H period. An increase in income from the higher 2H receivables balance is typically observed in 1H in the next Financial Year. Conversely the Latitude portfolio historically exhibits a seasonal impact with delinquencies rising in 1H with higher indebtedness following the December holiday periods as well as higher Net charge offs in 1H, followed by increased repayment rates and improving delinquencies and charge offs in 2H as borrowers typically reduce indebtedness following the end of tax year for Australia in June upon the receipt of tax refunds.

B.3 Reconciliation from Cash NPAT to Stat NPAT for continuing operations

Table B.1: Cash NPAT to Stat NPAT 1H26

1H26	Cash NPAT	Restructuring costs	Remediation Costs	Asset impairment	Stat NPAT
Net interest income	428.1	—	—	—	428.1
Other Operating income	9.7	—	—	—	9.7
Total operating Income	437.8	—	—	—	437.8
Net charge offs	(152.0)	—	—	—	(152.0)
Risk adjusted income	285.8	—	—	—	285.8
Cash operating expenses	(180.8)	(3.9)	(6.1)	(0.7)	(191.5)
Cash PBT	105.0	(3.9)	(6.1)	(0.7)	94.3
Movement in provision for impairment	(15.0)	—	—	—	(15.0)
Depreciation & Amortisation (excl leases)	(7.7)	—	—	—	(7.7)
Profit before tax	82.3	(3.9)	(6.1)	(0.7)	71.6
Income tax (expense)/benefit	(18.0)	1.2	(0.6)	0.2	(17.2)
Profit after tax from continuing operations	64.3	(2.7)	(6.7)	(0.5)	54.4

B.4 Glossary of key terms

Term	Definition
30+ (or 90+) days past due	Total amount of receivables 30+ (or 90+) days past due at period end divided by period end gross loan receivables
Active accounts	Defined as a customer who has a balance and/or transaction/fee on a product in the last month
Average gross receivables (AGR)	Average gross monthly receivables balance during the period (e.g. calculated based on the 13 month average for a financial year, 7 month average for a half year). AGR is a key driver of earnings for the business
Book value per share	Net assets divided by ordinary shares on issue at the end of the reporting period.
Card Purchase Volume	Total value of purchases transacted on Latitude issued credit cards through scheme card networks (e.g., Visa or Mastercard) during a specific period, excluding interest free plans, balance transfers, and cash related volume.
Cash operating expenses	Represents the sum of Employee expense, Marketing expense, Occupancy expense, Information technology expense and Other operating expenses
Cash operating expenses/AGR	Cash operating expenses divided by AGR for the relevant period
Cash Cost-to-income ratio	Represents the ratio of cash operating expenses to operating income
Cash PBT	Refer Section B.1
Cash NPAT	Refer Section B.1
Coverage ratio	Represents the ratio of provisions for expected losses to gross loan receivables in accordance with IFRS 9
Depreciation & amortization (ex leases)	Includes amortisation of capitalised software and depreciation of property, plant and equipment
DPS	Represents the cash dividend per share calculated as dividend for the period divided by the weighted average shares on issue for the period
EPS Cash - Basic	Represents the cash earnings per share calculated as Cash NPAT divided by the weighted average shares on issue for the period
EPS Cash - Diluted	Represents the cash earnings per share calculated as Cash NPAT divided by the weighted average shares on issue for the period, including the dilutive effect of capital notes
Employee expense	Relates to employee salary, incentives and related on-costs. Employee expenses exclude costs associated with corporate development, restructuring and remediations which have been presented separately in notable items
FTE	Includes a permanent or fixed term employee of Latitude.
Gross loan receivables	Total outstanding receivables balance across all products at the end of the period excluding the net fair value unwind and discontinued operations
Hardship inventory	Represents end of period Hardship balances divided by Gross Loan Receivables
Information technology expense	Relates to the expenses associated with technology including platform costs, license fees and maintenance
Interest Bearing Receivables	Relates to total Gross Loan Receivables excluding any receivables on a current promotional interest free plan
Interest expense	Interest expense incurred by Latitude to finance Latitude's receivable assets inclusive of interest margin, base rate interest, commitment fees, guarantee fees, interest rate swap interest expense and amortisation expenses associated with capitalised costs incurred in the establishment of new trusts
Interest expense/AGR	Interest expense divided by AGR for the relevant period

Term	Definition
Interest expense yield	Interest expense divided by average borrowings for the relevant period
Interest income	Interest income is based on an effective interest rate methodology and comprises interest charged on outstanding customer balances and net loan-related fees and charges. Customer balances include revolving credit card balances (including interest-bearing sales finance products), personal loans and auto loans. Fees and charges include merchant service fees (for sales finance) which Latitude earns from retail partners for financing interest free sales, establishment fees, annual fees, account keeping fees, late fees and third-party commission expenses, net of origination costs.
Interest income yield	Interest income divided by AGR for the relevant period
Loan impairment expense	Represents losses from loan receivables charged off in the period and the movement in the provision for impairment losses (estimated in accordance with IFRS 9, excluding movement in transaction fraud losses), net of recoveries of amounts previously written off
Loan Origination Volume	Encompasses all new principal personal and auto loan receivables lent by the business, including secured and unsecured loans, in the relevant period (excludes refinanced balance on Personal Loans).
Marketing expense	Relates to marketing, advertising and sales promotion expenses
Net charge offs (NCO)	Gross charge offs less any subsequent recoveries of charged off debt
Net charge offs/AGR	Net charge offs divided by AGR for the relevant period
n.m. or “Not Meaningful”	Refers to a variance that is not meaningful due to being immaterial or includes a denominator or numerator that is equal to Zero
Net interest margin (NIM)	Interest income less interest expense divided by AGR for the relevant period
Net receivables	Represents Gross loan receivables less loan provisions for impairments, deferred income and customer acquisition costs
Net tangible assets per share	Net assets excluding intangible assets, non-controlling interests and other equity instruments divided by ordinary shares on issue at the end of the reporting period
New Volume	Key lead indicator representing all new principal receivables originated during the relevant period. It includes new personal and auto loan originations (excluding refinanced balances) and total purchase volumes (including card purchases, interest free plan purchases, balance transfers and cash advances). Volume provides insight into customer spending habits, product performance, future income, effectiveness of top line initiatives, and lending appetite.
Notable items	Latitude believes these items are outside the ordinary course of business and temporary in nature or relate to the costs associated with entering new segments and markets where the associated revenues or benefits from that uncapitalised investment will not evolve during the reporting period.
Occupancy expense	Relates to the expenses associated with facility occupancy
Operating income	Operating Income is calculated as Net interest income plus Other operating income
Operating income margin	Operating Income divided by AGR for the relevant period
Other operating expenses	Primarily relates to outside services costs and other general operating costs. Expenses associated with Latitude’s restructuring have been excluded and presented separately in notable items

Term	Definition
Other operating income	Includes statement fees, interchange and other fees & charges. Other operating income is offset by direct costs including credit card Scheme and related fees, partner loyalty fees, customer loyalty fees. For certain fee categories where fees are a pass through of external costs due to customer channel selection, these costs are netted against the associated fees (e.g. paper statement fees, payment handling fees)
Payout ratio	Calculated as the ratio of dividend per share divided by cash earnings per share
Provision movement	Represents the movement in the provision for impairment losses (estimated in accordance with IFRS 9, excluding movement in transaction fraud losses)
Repayment Rate	Calculated as customer repayments in the period including principal, interest and fees, divided by opening receivables, expressed on an annualised basis.
Return on AGR (RoAGR)	RoAGR is calculated as Cash NPAT divided by the average gross receivables (AGR) for the relevant period
Return on Equity (ROE)	ROE is calculated as Cash NPAT divided by the average Total Equity for the relevant period
Return on Tangible Equity (ROTE)	Calculated as Cash NPAT divided by average Tangible Equity for the relevant period
Risk adjusted income (RAI)	Refer Section B.1
Risk adjusted income (RAI) yield	Risk adjusted income divided by AGR for the relevant period
Tangible Equity (TE)	Total Equity less Intangible assets
Tangible Equity/Net Receivables (TER)	Calculated as Tangible Equity divided by Net receivables
Total Cost-to-income ratio	Represents the ratio of total operating expenses to operating income
Total Equity	Sum of contributed equity, common control reserve, other reserves & retained earnings

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