ASX Release

FY25 Results release

28 August 2025

Solvar Limited (ASX: "SVR" or "Solvar" or "Group"), the leading provider of specialist finance, is pleased to announce its financial performance for the year ended 30 June 2025 (FY25).

Highlights:

- Normalised **NPAT* of $34.1 million up 17.4%** on pcp;
- Statutory NPAT of $31.4 million, up 84.4% on pcp;
- Normalised **EPS of 16.8 cents**, up 21.2% on pcp;
- Final fully franked dividend of **8.0 cents**, with full year of 14.0 cents, **up 40% on pcp;**
- **$35.0 million** allocated for on-market share buy-back program, with $23.9 million utilised so far; 14.3 million shares repurchased during the FY25, at an average price of $1.46 per share;
- Strong balance sheet with **sufficient unrestricted cash**, and a 7.4% reduction in drawn Group debt to $587.3 million;
- Net tangible assets of $1.62 per share;
- 5.3% increase in Australian loan book **to $832.7 million** up 5.3% on pcp; and
- Interest Income increased **to $180.3 million** in Australia.

*Normalised for legal fees related to legal matters in Australia and New Zealand.

Operational Performance

Solvar demonstrated its resilience and adaptability throughout FY25, building on 20 years of consistent profitability. The Group significantly enhanced its credit assessment capabilities and risk management frameworks, positioning the business to better serve underserved markets while maintaining prudent lending standards. This strengthened foundation, combined with our deep expertise in consumer and commercial finance, positions Solvar to leverage its proven skills across a greater breadth of markets and customer segments.

The Group's continued focus on operational excellence and strategic diversification ensures we remain well-placed to capitalise on emerging opportunities while delivering sustainable returns to shareholders.

The Group launched "Bennji", a dedicated brand for commercial lending in May 2025. Bennji was introduced to take advantage of the Groups existing distribution channels, where Brokers often encountered small businesses wanting light commercial vehicles but did not have a suitable product to address the demand from existing introduction partners.

In August 2024, the Group announced it would cease new lending in New Zealand as part of the strategic pivot to pursuing opportunities in larger addressable markets in Australia. The loan book in New Zealand reduced by 44.4% during the year to $77.4 million on 30 June 2025.

Repatriation of funds from New Zealand allowed the Australian operations to grow the gross loan book by 5.3% to $832.7 million while at the same time reducing Group debt 7.4% to $587.3 million. This focus on capital management underpinned an overall 17.4% uplift in Group profitability to $34.1 million.

Financial Performance

Interest income in Australia operations increased by 1.4% to $180.3 million, underpinned by loan book growth of 5.3%. Interest income across Australian operations will continue to grow throughout FY26 as the loan books of the business units continues to grow.

Interest expense for the Group reduced by 12.6% to $52.1 million. This reduction is driven by the repayment of the external debt in New Zealand as well as a reduction in funding margins. Repatriated funds from New Zealand will support loan book growth in Australia along with existing warehouse headroom.

Pleasingly bad debts have remained within the 3.5% - 4.5% target range for the last 5 years and with the contraction of the New Zealand loan book it is expected FY26 will remain within this range. Greater discipline on credit quality is ensuring the Group maintains this trend.

A focus on operating efficiency has seen a $6.6 million saving in general administrative expenses. The Group maintains a prudent focus on investment in technology driving operational efficiency and simplifying the process for a customer to apply for a loan.

Funding

During FY25, the Group focussed on strengthening its relationships with the existing partners and diversifying the funders in its Money3 debt facilities. In March 2025, Solvar successfully executed its inaugural Asset Backed Securitisation (ABS) for ~$200 million with an initial ~$140.0 million in external debt amortising over term. The deal was competitively priced, resulting in ~1% improvement in funder margins and creating capacity to the existing debt facility limits. On 30 June 2025, the Group had a funding headroom of over $300.0 million.

Solvar extended its hedging strategy during the year to include its Money3 business unit, resulting in 57.5% of the variable rate debt hedged as of 30 June 2025, an increase from 28.9% hedged in the prior year.

Capital Management

The Board declared **8.0 cents final divided (fully franked)** taking the full year dividend to 14.0 cents. The Board approaches each of the capital management decisions with a lens of enhancing shareholder value. Our normalised EPS increased by 21.2% to 16.8 cents and our Return on Equity increased to 9.5% from 7.8% in FY24.

During the year Solvar repurchased 14.3 million shares, representing 6.8% of the register, lifting EPS and delivering immediate value to shareholders.

Mr Scott Baldwin, Managing Director & CEO of Solvar, said: "In FY25 we focussed on executing various elements of our Group's strategy continuing to build a platform for strong growth for the years to come. The launch of Bennji will propel our growth in the commercial lending market, while conclusion of the ASIC matter, expected in late 2025, along with our disciplined approach to credit will see improving returns from the Money3 business unit.

The continued focus on reducing funder margins will help the Group compete in the near prime lending segment Automotive Financial Services participates in, while continued expansion of the ABS program will provide funding diversification. We commence FY26 with confidence and a team motivated to providing funding alternatives in specialised markets."

Approved for release by the Board.

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ABOUT SOLVAR LIMITED (ASX: SVR)

Solvar is a market leading Consumer and Commercial finance company with over 20 years' experience in Australia and New Zealand, having funded over $3 billion of vehicles and personal loans. Dominating the used-vehicle finance market and delivering a unique customer experience from loan application to the final loan payment the Group leverages technology to provide a seamless application process from a broker, online or directly to the Group.