pepper money

Appendix 4D

Company details

Entity name:	Pepper Money Limited
ABN:	55 094 317 665
Reporting period:	Half-year ended 30 June 2026 (the "period")
Prior comparative period:	Half-year ended 30 June 2025 ("PCP")
ASX ticker code:	PPM

Results for announcement to the market

All comparisons to half-year ended 30 June 2025:

Statutory Results

				$M
Net interest income	Up	17.3%	to	184.5
Total operating income	Up	10.3%	to	204.0
Net profit after income tax	Up	7.2%	to	50.4

Dividends

The Directors have approved an Interim dividend in respect to the half-year ended 30 June 2026 of 7.2 cents per ordinary share (30 June 2025: 6.4 cents per ordinary share).

This Interim dividend will be paid on 8 October 2026 to shareholders on the share register as at 9 September 2026.

	Amount per share	Franking	Total Amount $M
Interim 2026 dividend	7.2 cents	30%	32.3
Final 2025 dividend	7.8 cents	30%	35.0

Net tangible assets per ordinary share

Net tangible assets per ordinary share is calculated by deducting intangible assets and deferred tax assets from net assets and dividing the number of shares on issue at the reporting date.

	30 June 2026 $	31 December 2025 $
Net tangible assets per ordinary share	**1.60**	1.58

Explanation of results

A reference in this Appendix 4D to the "Group" is a reference to Pepper Money Limited and its controlled entities.

This information should be read in conjunction with the annual financial report for the year ended 31 December 2025 and with any public announcements made in the period by the Group in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the Australian Securities Exchange ("ASX") Listing Rules.

Further explanation of the results for the period is contained in the Directors' report accompanying the Half Year financial report.

Details of control gained and lost during the year

There were no entities over which control was gained or lost during the period.

Details of associate investments and joint venture entities

The Group did not have any associates or joint venture entities during the period.

Foreign entities

The financial information presented for foreign entities which are consolidated is presented in accordance with the Australian Accounting Standards Board ("AASB").

Audit

This report is based on the condensed consolidated half-year financial report reviewed by Deloitte Touche Tohmatsu.

The financial statements have been reviewed and an unqualified opinion has been issued.

Akiko Jackson
Chair

20 August 2026

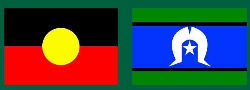
Mario Rehayem
CEO and Director

20 August 2026

Condensed Consolidated Financial Statements

for the half-year ended 30 June 2026

Pepper Money Limited
ASX-PPM



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.

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1H 2026

Highlights

Originations

$6.3bn

+40% PCP

Assets Under Management

$24.0bn

+20% PCP

Net Interest Margin

2.10%

+12bps PCP

Total Operating Income

$204.0m

+10% PCP

Cost to Income Ratio[1]

49.4%

Improved 2% on PCP

Pro-forma Net Profit after Tax

$53.9m

+15% PCP

All numbers in this report subject to rounding.

1. Cost to Income Ratio is on a Pro-forma basis. Costs include $(3.5) million in pre-tax costs in relation to the Non-Binding Indicative Offer for Pepper Money received from Challenger Limited that did not proceed to completion (1H 2025: $Nil). Excluding transaction costs Pro-forma Cost to Income Ratio is 48.0%.

Directors' Report

The Directors of Pepper Money Limited ("Pepper Money" or the "Company") present their report, together with the interim financial statements of Pepper Money and its controlled entities ("the Group") for the half-year ended 30 June 2026 ("the period") which is designed to provide shareholders with a clear and concise overview of Pepper Money's operations and the financial position.

To comply with the provisions of the *Corporations Act 2001*, the Directors' report is as follows:

Directors

The following persons were Directors of the Company during the period and up to the date of this report:

Akiko Jackson

Chair and Independent Non-Executive Director.

Mike Cutter

Independent Non-Executive Director.

Des O'Shea

Non-Executive Director and Shareholder Representative Director.

Vaibhav Piplapure

Non-Executive Director and Shareholder Representative Director.

Mario Rehayem

Chief Executive Officer, Pepper Money Limited.

Justine Turnbull

Independent Non-Executive Director.

Rob Verlander

Independent Non-Executive Director.

Company Secretary

John Williams.

Presentation of financial information

Results and key financial drivers of the current and prior periods are set out below in the Directors' Report and are on a Pro-forma basis.

Pro-forma items are one-off in nature and relate to merger and acquisitions and business development transactions that proceed. Transactions that are not successful are not treated as Pro-forma items. In the six months to 30 June 2026, $3.5 million Pro-forma adjustments (post-tax) were recorded (1H 2025: $Nil, 2H 2025: $0.3 million post-tax). Pro-forma adjustments relate to Pepper Money's appointment as the servicer of the RAMS mortgage portfolio, acquired by a Consortium of investors. The transaction completed 1 August 2026.

Non-binding offer to acquire 100% of the shares in Pepper Money Limited

On 9 February 2026, Pepper Money released an announcement to the ASX that it had 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 (ASX:CGF) ("Challenger") under which Challenger and Pepper Group ANZ HoldCo Limited ("Pepper Group") would jointly acquire Pepper Money. Under the Indicative Proposal, Pepper Group was to initially acquire an interest in the acquiring entity that is at least equal to its current interest in Pepper Money. The Indicative Proposal to Pepper Money shareholders (other than Pepper Group) was a cash consideration equal to $2.60 per share, less the CY2025 fully-franked Final dividend of 7.8 cents per share ("cps") and any special dividend paid or declared.

On 17 March 2026 Pepper Money released an announcement to the ASX that it had received a revised non-binding, indicative proposal from Challenger Limited at a price of $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.

On 25 March 2026, following its consideration of the proposal and consultation with shareholders, the IBC determined that the Revised Proposal was not reasonably capable of execution. Accordingly, the IBC decided not to proceed with the transaction and discussions with Challenger in relation to the Revised Proposal ceased.

Costs relating to the transaction have not been treated as Pro-forma items in the Company's results.

Principal activities

Pepper Money commenced business in Australia in 2000 as a provider of home loans to consumers who fall outside the lending criteria of traditional bank and non-bank lenders, otherwise known in Australia as the non-conforming or specialist mortgage market. Pepper Money has since this time broadened its Australian business activities to also include the origination of prime residential mortgages, commercial real estate loans, auto and equipment finance, novated leases and third-party loan servicing. Pepper Money also provides residential mortgages in New Zealand. Pepper Money's mission remains to "**help people succeed**", by focusing on challenging the way loans are designed, distributed and offered in Australia and New Zealand.

Pepper Money's operating model combines **risk-based credit underwriting** expertise with **customer-focused operations**, **servicing and customer solutions management**. Together, these capabilities support the ongoing strong performance in both the **lending and servicing businesses** across residential and commercial mortgages to consumer, commercial and novated lease asset financing.

Pepper Money is committed to supporting **Broker and Introducer partners** by being easy to work with, consistent in credit decisions, and focused on delivering innovative home loan and asset finance solutions for both customers and partners.

At the heart of Pepper Money's success is the recognition that our people make the difference. Our values — **Can Do, Balanced, and Real** — are the foundation of how the business operates and how we support our customers, partners, and communities. Our strategy is anchored by three pillars of success — **Experience, Performance, and Brand** — which connect our vision and mission to the strong values that define our Company.

Pepper Money's business model provides a diversified base of revenue generated at multiple points across the customer relationship and includes loan origination, lending and capital-light loan servicing. Pepper Money operates in three core segments:

- **Mortgages**: financing residential home loans and small balance commercial real estate loans;
- **Asset Finance**: financing a range of asset types for consumer and commercial customers; and
- **Loan and Other Servicing**: independent loan servicing for mortgages, asset finance and personal loans.

Pepper Money is recognised for its funding and capital management capabilities. Since 2003 until 30 June 2026, the Company has raised $44.8 billion in the public markets, across 68 transactions. Pepper Money complements funding through its strong Whole Loan Sales program. Since 2016, Pepper Money executed 47 Whole Loan Sales/Private Term placements[2] totalling $16.0 billion. Whole Loan Sales realise value by selling the loans Pepper Money has originated, while retaining the servicing of the loans with Pepper Money continuing to earn an ongoing servicing fee, and maintaining the same level and quality of service to the customer.

On 9 July 2026, Pepper Money established a new 3–year revolving credit facility, with a total size of $275.0 million and retired the existing Corporate Debt Facility (facility size $270.0 million), that was established 24 May 2024. The drawn amount of the new Corporate Debt Facility remains at $120.0 million, on better terms.

On 31 July 2026, Pepper Money announced that it had entered into binding arrangements under which it will be appointed servicer of a portfolio of Australian home loans and personal loans originated by HSBC Bank Australia Limited ("HSBC") following the proposed acquisition of that portfolio by an entity wholly owned by funds managed by affiliates of Blackstone Inc ("Blackstone"). HSBC has entered into an Asset Sale and Purchase Agreement with the Blackstone-controlled purchaser for the sale of the portfolio, which had a book value of approximately $36.0 billion as at 31 March 2026. Pepper Money will act as servicer for the ongoing administration and management of the loans following completion. Completion of the transaction is subject to satisfaction of a number of conditions precedent and is expected to occur in the first half of 2027.

On 3 November 2025, Pepper Money announced that it was part of the Consortium[3] to acquire the Westpac RAMS mortgage portfolio, with Pepper Money appointed as the servicer of the portfolio. This transaction completed 1 August 2026, with Pepper Money now servicing the $15.4 billion in loans acquired by the Consortium.

2. Includes Private Term issuances, totalling $4.5 billion across 8 transactions.
3. In addition to being appointed servicer, Pepper Money has taken a small investment in the securitisation finance vehicle that acquired the interest in the loan portfolio, alongside other members of the Consortium.

Operational performance

Pepper Money's **three core segments**, and the summary performance for these segments for the first half of 2026, are as follows:

1H 2026	Mortgages	Asset Finance	Loan & Other Servicing
Description	Finance residential home loans in Australia and New Zealand and small balance commercial real estate loans in Australia.	Finance a range of asset types. Focus on underserved segments (for example, consumer used cars).	Ongoing management and administration for loan portfolios owned by third parties (non-bank lenders and ADIs).
Products	• Residential Mortgages – Conforming: Prime – Non-Conforming: Near Prime Clear, Near Prime and Specialist • Commercial Real Estate (Australia) • Self-Managed Super Fund Mortgages (Australia) • Sharia lending (Australia)	• Consumer • Commercial • Novated Lease	• Residential home loan servicing • Asset Finance loan servicing • Third-party loan servicing
Originations **Total: $6.3 billion** +40% vs 1H 2025 + 7% vs 2H 2025	**$4.5 billion** +63% vs 1H 2025 +12% vs 2H 2025	**$1.7 billion** +2% vs 1H 2025 (3)% vs 2H 2025	
Originations Mix **Product**	Prime: 79% Non-Conforming: 21%	Tier A: 78% Tier B: 20% Tier C: 2% Consumer: 19% Commercial: 29% Novated Lease: 52%	
Originations Mix **Channel**	Retail: 49% White Label: 48% Direct: 3%	Auto Broker: 10% Commercial Broker: 17% Mortgage Broker: 11% Dealer: 9% Novated Lease: 52%	
AUM (closing) **Total: $24.0 billion** +20% vs 1H 2025 +10% vs 2H 2025	**$12.5 billion** +32% vs 1H 2025 +22% vs 2H 2025	**$6.0 billion** (4)% vs 1H 2025 (6)% vs 2H 2025	**$5.5 billion** +26% vs 1H 2025 +8% vs 2H 2025
Operating Income[4] **Total: $204.0 million** +10% vs 1H 2025 + 0% vs 2H 2025	**$99.6 million** +(12)% vs 1H 2025 +(3)% vs 2H 2025	**$92.0 million** +48% vs 1H 2025 +1% vs 2H 2025	**$10.9 million** +30% vs 1H 2025 +18% vs 2H 2025

4. Operating Income: segment analysis excludes $1.5 million from the Corporate segment which is included in the total.

Results overview

For the half year ended 30 June 2026, the Group reported **Statutory Net Profit After Tax** ("NPAT") of $50.4 million and **Pro-forma NPAT** of $53.9 million, an increase of 7% versus Statutory, and 15% versus Pro-forma NPAT for the six months to 30 June 2025 (prior comparative period, "PCP").

On a Pro-forma basis:

- **Net Interest Income** of $184.5 million improved by $27.2 million, +17%, on PCP given strong Originations growth (up 40% on PCP), supporting Lending AUM growth, which grew 18% on 30 June 2025.
- **Total Net Interest Margin** increased to 2.10%, up 12bps on 1H 2025 of 1.98%.
- **Whole Loan Sales** executed over the period of $1.4 billion (1H 2025: $1.7 billion), delivered $27.0 million in gain on sale (1H 2025: $30.6 million).
- **Loan Loss Expense** closed 1H 2026 at $(48.7) million versus $(40.9) million 1H 2025. The increase of 19% is driven by portfolio volume growth, and an increase to Collective provisions following changes to the weightings of base to downside and macro-economic variables assumptions given underlying economic conditions.
- **Total Operating Income** of $204.0 million improved 10% on PCP.
- **Total Expenses** of $(124.9) million increased by $(8.2) million, (7)%, on PCP. During 1H 2026, the Group incurred pre-tax costs of $(3.5) million in relation to the Non-Binding Indicative Offer for Pepper Money received from Challenger Limited that did not proceed to completion. These costs include legal, financial, tax, due diligence and advisory fees. Adjusting for these non-recurring costs, Total Expenses increased by $(4.7) million, (4)%, on PCP.
- **Profit pre-Tax and Loan Loss Expense** in 1H 2026 of $127.8 million increased $18.6 million, +17%, on PCP. Adjusting for the aforementioned non-recurring costs, Profit pre-Tax and Loan Loss Expense for 1H 2026 was $131.3 million, an increase of $22.1 million, +20%, on PCP.
- **Effective Tax Rate** ("ETR") for 1H 2026 of 32% on the accounting net profit before tax for the period, was above the 1H 2025 rate of 31%.
- The Board has declared a **fully-franked Interim Dividend** of 7.2 cents per share, representing a payout ratio of 60% on 1H 2026 Pro-forma NPAT.

Over the first half of 2026, the Group repaid $50.0 million in Medium Term Notes and drew $(22.5) million from the Corporate Debt Facility. Total drawn Corporate debt closed 1H 2026 at $120.0 million, down from $187.5 million at 30 June 2025 (31 December 2025: $147.5 million). On 9 July 2026, Pepper Money established a new 3-year revolving credit facility, with a total size of $275.0 million, and on better terms, with a drawn balance of $120.0 million and retired the existing Corporate Debt Facility ($270.0 million).

Unrestricted cash closed 30 June 2026 at $79.4 million (30 June 2025: $142.9 million; 31 December 2025: $121.8 million). The Unrestricted cash at 30 June 2026 is before the payment of the declared 7.2 cents per share fully franked Interim dividend, payable 8 October 2026.

Summary financial results

A$ Million	Pro-forma[5] 1H 2026	2H 2025	1H 2025	$ Change 1H 2026 vs 2H 2025	% Change 1H 2026 vs 2H 2025	$ Change 1H 2026 vs 1H 2025	% Change 1H 2026 vs 1H 2025	Statutory 1H 2026	2H 2025	1H 2025
Net interest income	184.5	178.3	157.3	6.2	3%	27.2	17%	184.5	178.3	157.3
Lending fee income	33.3	35.5	32.5	(2.2)	(6)%	0.7	2%	33.3	35.5	32.5
Lending expense	(15.1)	(15.5)	(14.7)	0.4	3%	(0.4)	(3)%	(15.1)	(15.5)	(14.7)
Other operating income	50.0	55.3	50.8	(5.3)	(10)%	(0.8)	(2)%	50.0	55.3	50.8
Loan losses	(48.7)	(49.7)	(40.9)	1.0	2%	(7.8)	(19)%	(48.7)	(49.7)	(40.9)
Total operating income	**204.0**	**203.8**	**185.0**	**0.1**	**0%**	**19.0**	**10%**	**204.0**	**203.8**	**185.0**
Employee benefits expense	(68.5)	(68.6)	(63.5)	0.1	0%	(5.0)	(8)%	(69.6)	(68.6)	(63.5)
Marketing expense	(8.7)	(8.0)	(6.7)	(0.7)	(9)%	(2.0)	(30)%	(8.7)	(8.0)	(6.7)
Technology expense	(13.6)	(13.2)	(13.2)	(0.5)	(4)%	(0.4)	(3)%	(13.7)	(13.2)	(13.2)
Other operating expenses	(17.4)	(17.9)	(12.1)	0.4	2%	(5.4)	(44)%	(21.3)	(18.1)	(12.1)
Depreciation and amortisation expense	(7.3)	(7.5)	(8.9)	0.2	3%	1.6	18%	(7.3)	(7.5)	(8.9)
Corporate interest expense	(9.3)	(10.2)	(12.3)	1.0	9%	3.0	24%	(9.3)	(10.2)	(12.3)
Tax expense	(25.2)	(20.7)	(21.3)	(4.5)	(22)%	(3.9)	(18)%	(23.7)	(20.6)	(21.3)
Net profit after tax	**53.9**	**57.8**	**47.0**	**(3.8)**	**(7)%**	**6.9**	**15%**	**50.4**	**57.6**	**47.0**

5. 1H 2026 post tax Pro-forma adjustments of $3.5 million composed of $0.8 million Employee benefits expenses (contractors), and $2.7 million in Professional fees / consulting taken through Other operating expenses (General and Admin). (1H 2025 $Nil. 2H 2025: Post tax $0.3 million, $0.1 million in Professional fees / consulting and $0.2 million in regulatory filing fees taken through Other operating expenses (General and Admin)).

Macro-economics

Market conditions are being affected by ongoing geopolitical and macro-economic uncertainty. Recent tax policy changes announced by the Australian Federal Government in respect of capital gains, negative gearing and residential property lending to self-managed super funds have added to this uncertainty. In preparing the financial statements for the half year ending 30 June 2026, these factors, both direct and indirect, have been considered in the application of critical estimates and judgements. In line with the year ending 31 December 2025, the main impact on the financial statements was the provision for expected credit losses.

In assessing and responding to market conditions over the period, Pepper Money has:

- reviewed the macro-economic scenarios used in modelling expected credit losses, the weightings of those scenarios between base-case and downside impacts, and certain specific industry overlays that have been taken historically – resulting in an increase in Collective provisions;
- retained a Post Model Overlay provision of $6.0 million (30 June 2025: $11.2 million; 31 December 2025: $4.8 million) for potential future economic loss directly related to the impacts from macro-economic conditions beyond those captured in models.

The resultant provision coverage remains adequate and continues to reflect a cautious approach to managing risk in current market conditions.

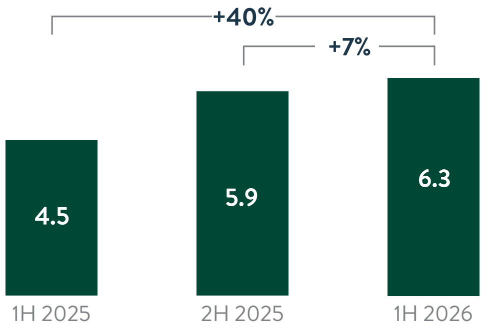
Refer to Note 1 (E)(a) for additional information on credit risk management and the provision for expected credit losses.

Operating and financial results[6]

Originations

Total Originations ($ billion)

1H 2026: **$6.3bn**



Versus 1H 2025

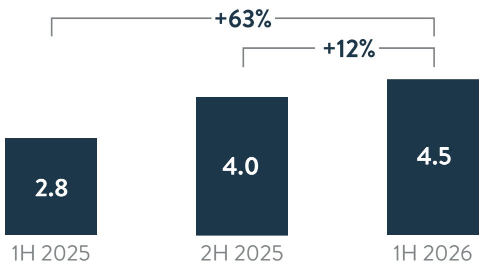
1H 2026 Total Originations at $6.3 billion were a record half year for the business. Versus 1H 2025 Total Originations grew by 40% – with both Mortgages and Asset Finance reporting strong growth on PCP.

Versus 2H 2025

Total Originations for 1H 2026 exceeded 2H 2025 – the previous highest half year recorded – by $0.4 billion, +7%. Origination growth was driven by Prime mortgages, given the strength of the application pipeline developed over the latter part of 2025 and into 2026.

Mortgage Originations ($ billion)

1H 2026: **$4.5bn**



Versus 1H 2025

Mortgage Originations closed 1H 2026 at $4.5 billion – the highest reported Originations in any given half year. Prime Originations[7] grew by 86% on PCP. Commercial Real Estate continued to report strong growth, with Originations up 40% versus 1H 2025, while Non-Conforming increased by 16% over the same period. 1H 2026 Originations mix was 79% Prime and 21% Non-Conforming (1H 2025: 70% Prime, 30% Non-Conforming).

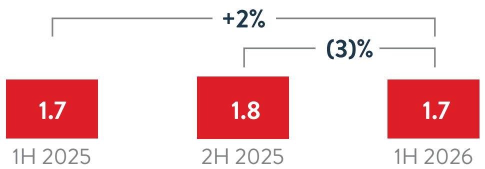
Versus 2H 2025

Mortgage Originations grew by 12% on 2H 2025, following 2H 2025 growing by 46% on first half 2025.

Origination growth versus 2H 2025 was strongest from Prime mortgages, which increased by 19%, and Commercial Real Estate growing by 2%.

Asset Finance Originations ($ billion)

1H 2026: **$1.7bn**



Versus 1H 2025

Asset Finance closed 1H 2026 with Originations of $1.7 billion, a growth of 2% on PCP. Novated Lease delivered the strongest absolute growth, increasing 8% on 1H 2025, and contributing 52% of total Asset Finance Originations for the period. Growth in Novated Lease was strongest from EV/hybrids, which accounted for 72% of total Novated Lease Originations in 1H 2026 (1H 2025: 57%). Origination mix was split Tier A: 78%, Tier B: 20% and Tier C: 2% (1H 2025: 75%, 22% and 3%, respectively).

Versus 2H 2025

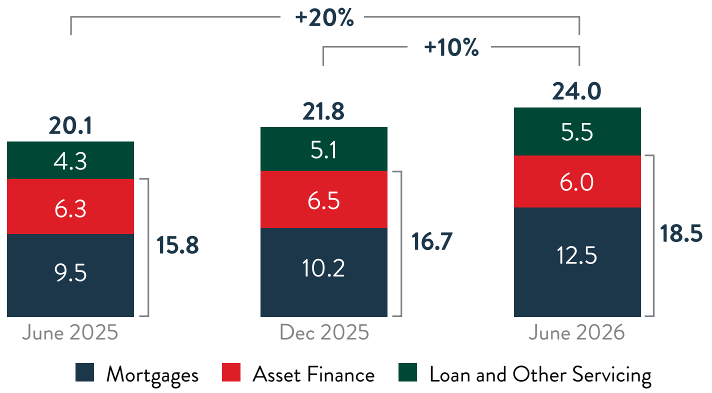
Reduced consumer confidence, ongoing cost of living pressures and interest rate rises have contributed to Asset Finance Originations reducing by (3)% versus 2H 2025. Novated Lease continued to report growth, up 12% on 2H 2025, however this was offset by Consumer, where Originations fell (34)% on 2H 2025.

6. Reported results subject to rounding.
7. Prime Originations excludes CRE.

Assets Under Management

By Business Segment ($ billion)

30 June 2026: **$24.0bn**



Versus 30 June 2025

Total AUM grew by $3.9 billion, +20% on June 2025

Mortgages AUM: strong Origination growth resulted in Mortgage AUM closing 30 June 2026 at $12.5 billion – a growth of $3.1 billion, +32% on PCP. AUM growth is net of $0.4 billion Whole Loan Sales (WLS) executed over the first half of 2026 (1H 2025: $1.7 billion) and customer attrition.

Asset Finance AUM: closed 30 June 2026 at $6.0 billion, down $(0.3) billion, (4)%, on 30 June 2025, following the execution of a $1.0 billion WLS in May 2026 (1H 2025: nil). Whole Loan Sales sees AUM transferred from Lending segments to the Servicing segment.

Servicing AUM: net of customer attrition, ongoing demand resulted in $1.4 billion in WLS executed over the 1H 2026 (1H 2025: $1.7 billion), with Servicing AUM closing 30 June 2026 at $5.5 billion, up $1.1 billion, +26%, on PCP.

Versus 31 December 2025

Total AUM grew by $2.2 billion, +10% on December 2025

Mortgages AUM: the flow through of strong Originations growth, net of customer attrition, and $0.4 billion in Whole Loan Sales (2H 2025: $1.2 billion), delivered an increase of $2.3 billion, +22%, in Mortgage AUM versus 31 December 2025.

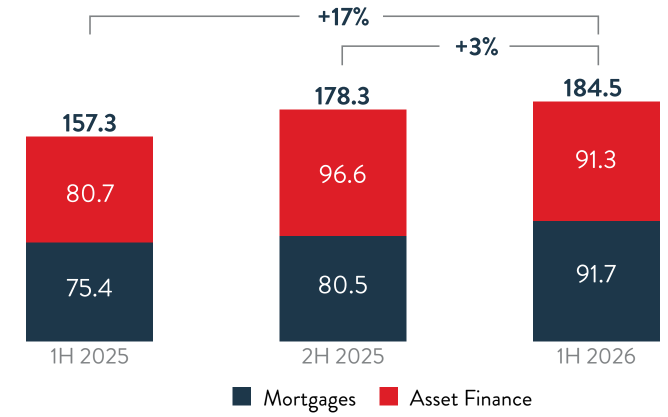
Asset Finance AUM: declined $(0.5) billion on 31 December 2025, with the growth in Originations offset by a $1.0 billion Whole Loan Sale (2H 2025: $0.5 billion).

Servicing AUM: closed 30 June 2026 up $0.4 billion on 31 December 2025, given the flow through of WLS executed of $1.4 billion (2H 2025: $1.7 billion), net of customer attrition.

Net Interest

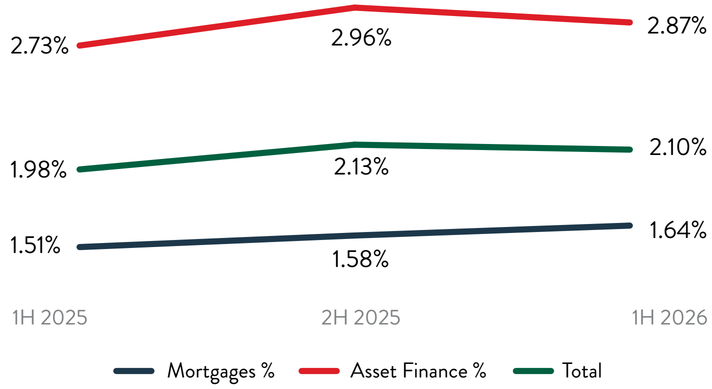
Net Interest Income[8] ($ million)

1H 2026: **$184.5m**



Net Interest Margin (%)

1H 2026: **2.10%**



Versus 1H 2025

Total Net Interest Income of $184.5 million increased 17% on 1H 2025

Mortgages Net Interest Income of $91.7 million for 1H 2026 increased by 22% on PCP driven by the strong Origination and AUM growth. Volume growth continued to be weighted to Prime[9], which represented 55% of the portfolio AUM at period end versus 45% at 1H 2025 close.

Asset Finance Net Interest Income increased by 13% to close 1H 2026 at $91.3 million. The growth in Originations versus PCP offset the impact of the Whole Loan Sales executed in May 2026. Whole Loan Sales sees income shift from Net Interest Income to Other Operating Income (Loan & Other Servicing segment).

Total NIM increased to 2.10% up 12 bps on 1H 2025 of 1.98%

Mortgage NIM at 1.64% improved by 13 bps on 1H 2025 benefiting from the flow through of improvement in cost of funds in prior periods, external margin/BBSW and bank interest. RBA interest rate increases were passed on.

Asset Finance NIM at 2.87% increased 14 bps on the prior comparable period driven by the flow through of improved cost of funds and effective hedging minimising swap rate movement supporting improved underlying yield.

Versus 2H 2025

Total Net Interest Income increased 3% on 2H 2025

Mortgages Net Interest Income increased by 14% on 2H 2025, driven by Origination growth, net of Whole Loan Sales.

Asset Finance Net Interest Income closed 1H 2026 (6)% below 2H 2025 following the $1.0 billion Whole Loan Sale executed in May 2026, and Originations being (3)% lower than the prior period.

Total NIM contracted (3) bps over 2H 2025

Mortgages NIM improved by 6 bps, from 1.58% in 2H 2025 to 1.64% 1H 2026, driven in part by increased customer rates, following RBA increases, and in part by mix from an increase in Non-Conforming Originations.

Asset Finance NIM versus 2H 2025 contracted (9) bps mainly driven by portfolio mix and the impact of Whole Loan Sales.

8. Loan and Other Servicing and Corporate segment Net Interest Income not displayed in the bar chart as not material but included in the total.
9. Prime Net Interest excludes CRE.

Credit

Loan Loss Expense ($ million)

1H 2026: **$(48.7)m**

	Half Year		
$ Million	**H1 2026**	**H2 2025**	**H1 2025**
Mortgages			
Specific	(0.8)	(1.8)	(2.7)
Collective[10]	(3.5)	(1.0)	5.3
Mortgages loan loss expense	**(4.3)**	**(2.8)**	**2.6**
Asset Finance			
Specific	(37.6)	(32.8)	(33.2)
Collective[10]	(6.8)	(14.1)	(10.3)
Asset Finance loan loss expense	**(44.4)**	**(46.9)**	**(43.5)**
Total			
Specific	(38.4)	(34.7)	(35.8)
Collective[10]	(10.3)	(15.0)	(5.1)
Total loan loss expense	**(48.7)**	**(49.7)**	**(40.9)**

Versus 1H 2025

Loan Loss Expense of $48.7 million increased by $(7.8) million versus PCP

Loan Loss Expense increase of $(7.8) million on PCP reflects the changes to the macro-economic (MEV) scenarios used in modelling expected credit losses, and to the relative weightings of base and downside scenario assumptions. Changes in macro-economic variables to reflect market conditions have increased Collective provisions. Increase in Loan Loss Expense also reflects 32% growth in Lending AUM versus PCP.

- **Mortgage Loan Loss Expense:** overall Collective expense increased by $(8.8) million on PCP, given the provision release from Whole Loan Sales in 1H 2025. Collective also reflects the strong growth in Originations and AUM and the change to MEV model assumptions and weighting. Specific expense decreased by $1.9 million reflecting improved portfolio performance.
- **Asset Finance Loan Loss Expense** at $(44.4) million increased $(0.8) million on PCP. A significantly higher provision release from the $1.0 billion Whole Loan Sale in 1H 2026 was offset by the change to MEV model assumptions and weighting, which impacted Asset Finance more materially than Mortgages.

Versus 2H 2025

Loan Loss Expense decreased by $1.0 million versus 2H 2025

- **Mortgage Loan Loss Expense** increased by $(1.5) million on 2H 2025 reflecting portfolio growth.
- **Asset Finance Loan Loss Expense** decreased by $2.5 million on 2H 2025, given provision release following the $1.0 billion Whole Loan Sale executed in May 2026, net of the impact from the change to MEV model assumptions and weighting. Specific expense increased by $(4.7) million on 2H 2025.

10. Collective includes Post Model Overlay.

Loan Loss Provisions ($ million)

30 June 2026: **$147.2m**

Movement in Loan Book and Coverage Ratio

As at	AUM	Collective Provisions	Specific Provisions	Total Provisions	Coverage Ratio
30 June 2026	**$Bn**	**$M**	**$M**	**$M**	
Mortgages	12.5	18.2	3.2	21.4	0.17%
Asset Finance	6.0	89.5	36.3	125.8	2.08%
Total	**18.5**	**107.7**	**39.5**	**147.2**	**0.79%**
31 December 2025					
Mortgages	10.2	14.7	3.7	18.4	0.18%
Asset Finance	6.5	82.7	37.5	120.2	1.86%
Total	**16.7**	**97.4**	**41.2**	**138.6**	**0.83%**
30 June 2025					
Mortgages	9.5	13.7	3.1	16.8	0.18%
Asset Finance	6.3	68.7	39.2	107.9	1.71%
Total	**15.8**	**82.4**	**42.3**	**124.7**	**0.79%**

Versus 30 June 2025

Loan Losses Provisions closed 1H 2026 at $147.2 million, increasing by $(22.5) million versus 30 June 2025

Key movements in provisions:

- 1H 2026 Collective provisions increased by $(25.3) million on 1H 2025 following the revision to the macro-economic scenarios used in modelling expected credit losses, the relative weightings of base to downside assumptions, and the revaluation of certain specific industry overlays; and growth in AUM across the period
- Specific provisions reduced by $2.8 million

1H 2026 coverage ratio closed at 0.79% – in line with 1H 2025, and inclusive of $6.0 million in Post Model Overlays.

Versus 31 December 2025

Loan Loss Provisions increased by $(8.6) million, 6% on December 2025 close

Key movements in provisions:

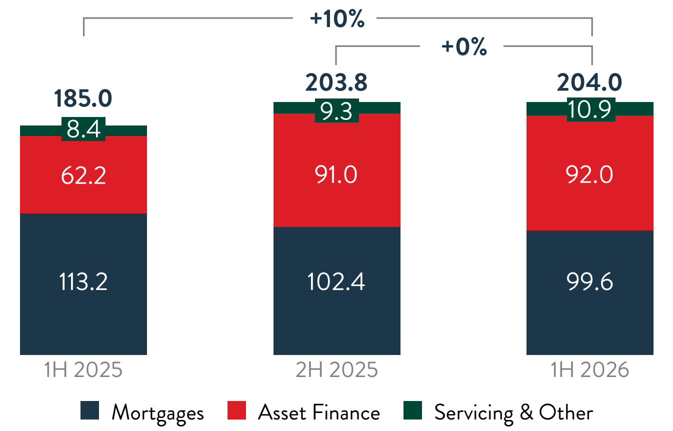
- 2H 2025 Collective provision increase was driven by model recalibrations to ensure alignment to market practices, to embed enhancements in data and analytics, and to reflect portfolio growth, changes in borrower profile, AUM growth and product development and mix
- 30 June 2026 Collective provision increase on 31 December 2025 reflects portfolio movement, and the change to MEV model assumptions and related scenario weighting

1H 2026 coverage ratio closed at 0.79% – marginally down from 0.83% (inclusive of Post Model Overlays) given the strong growth in new Lending AUM, and the growth in Mortgages AUM relative to Asset Finance.

Income and Expenses

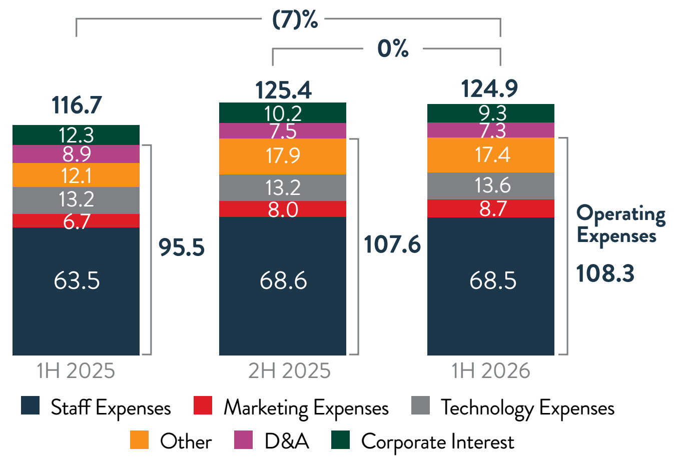
Total Operating Income[11] ($ million)

1H 2026: **$204.0m**



Total Expenses ($ million)

1H 2026: **$(124.9)m**



Versus 1H 2025

1H 2026 Total Operating Income at $204.0 million increased 10% on 1H 2025

Mortgage Operating Income over the first half of 2026 declined by $(13.6) million on 1H 2025 to $99.6 million, driven by timings in Whole Loan Sales. In the first half of 2025, $1.7 billion of WLS were completed, versus $0.4 billion in 1H 2026. Lower WLS volume resulted in $(23.0) million lower Gain on Sale being booked. Excluding Whole Loan Sales, Mortgage Operating Income decreased (11)% on PCP, with strong volume growth, product and pricing initiative supporting NIM improvement all contributing.

Total expenses increased by $(8.2) million, (7)%, on PCP

During 1H 2026, the Group incurred costs of $(3.5) million in relation to the Non-Binding Indicative Offer for Pepper Money received from Challenger Limited that did not proceed to completion. These costs are primarily comprised of legal, financial, tax, due diligence and advisory fees. Adjusting for these non-recurring costs, Total Expenses increased by $(4.7) million, (4)%, on PCP – in line with inflation.

11. Total Operating Income: chart does not show Corporate segment as not material, however has been included in the total.

Versus 1H 2025 continued

Asset Finance Operating Income at $92.0 million for 1H 2026 improved $29.9 million on PCP, following the $1.0 billion Whole Loan Sale executed in 1H 2026 (1H 2025: $nil), resulting in an increase of $19.4 million in Gain on Sale being booked versus PCP. Excluding Whole Loan Sales gain, Asset Finance Operating Income increased 17% on PCP, driven by volume growth, NIM expansion and constant underlying credit performance.

Servicing and Other Operating Income for 1H 2026 increased 30% versus 1H 2025 given the flow through of Whole Loan Sale that delivers capital light service income.

- **Employee benefit expense** increased $(5.0) million, (8)% on PCP to $(68.5) million, reflecting both salary inflation and the increase in Core Sales FTE which supported the Originations growth.
- **Marketing expense** increase of 30% on PCP relates to the pull forward of the West Tigers sponsorship to 2H 2024 from 1H 2025 spend.
- **Impairment in equity investments** was $2.5 million favourable to PCP reflecting mark to market.
- **General and administration** cost increase included the aforementioned non-recurring costs for the transaction that failed to complete. Underlying G&A increased $(6.7) million on PCP as Consulting Costs relating to Technology development increased on PCP.
- **Technology expense** increased (3%) on PCP – with expenses shifting in part from capitalised to operating.
- **Depreciation and amortisation expenses** declined 18% over the same period.
- **Corporate Interest expense** improved by $3.0 million on PCP as total corporate debt reduced by $27.5 million – with the CDF increasing $(22.5) million, offset by a $50.0 million repayment in Medium Term Notes.

Versus 2H 2025

Total Operating Income was $0.2 million ahead of 2H 2025

Mortgage Operating Income decreased (3)% on 2H 2025, driven by lower Whole Loan Sales volume reducing gain on sale and by mix, given strong volume growth in Prime.

Asset Finance Operating Income increased by $1.0 million, +1%, on 2H 2025 largely from Loan Loss provision release and premium received on the execution of the Whole Loan Sale in May 2026.

Servicing and Other Operating Income for 1H 2026 increased $1.6 million, +18%, on the second half of 2025, as the demand for Whole Loan Sales delivers capital light service income growth.

Total expenses closed $0.5 million lower than 2H 2025.

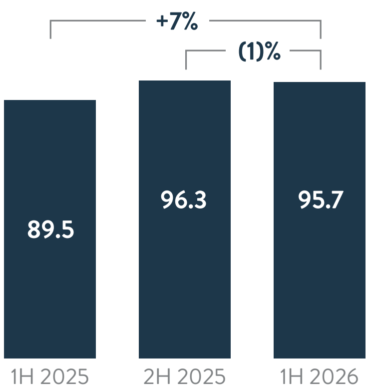
Adjusting Total Expenses for the non-recurring transaction costs booked in 1H 2026, Total Expenses decreased (4)% on 2H 2025.

- **Employee benefit expense** of $(68.5) million were in line with 2H 2025.
- **Marketing expense** increased by $(0.7) million on 2H 2025 reflecting timing of campaigns in market.
- **Impairment in equity investments** was $(1.0) million adverse to 2H 2025, following bi-annual review of investments.
- **Technology expense** only marginally increased by (4)% – in line with inflation – over 2H 2025.
- **Depreciation and amortisation** declined 3% over the same period.
- **Corporate interest expense** declined by $1.0 million reflecting $27.5 million reduction in the drawn balance of the debt facilities.

Profitability ($ million)

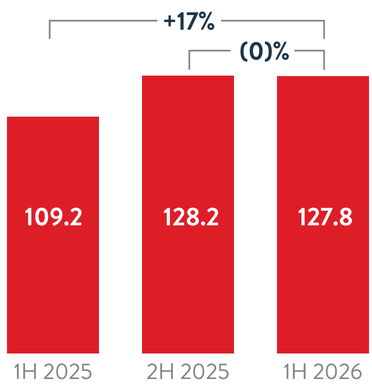
EBITDA[12]

1H 2026: **$95.7m**



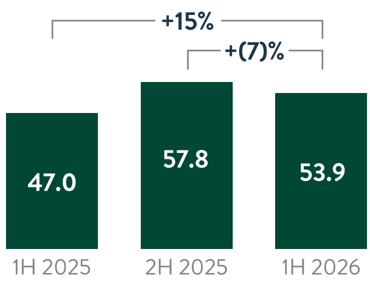
Pro-forma Profit pre-Tax and Loan Losses

1H 2026: **$127.8m**



Pro-forma NPAT

1H 2026: **$53.9m**



Versus 1H 2025

EBITDA at $95.7 million for 1H 2026 increased 7% on PCP, with the strong Originations growth offsetting lower Whole Loan gains (timing) and increased expenses from non-recurring transaction costs.

Profit pre-Tax and Loan Loss Expense increased 17% on PCP to $127.8 million, given increased Total Operating Income net of expense growth, including the non-recurring expense items.

Pro-forma NPAT closed 1H 2026 at $53.9 million – delivering 15% growth vs PCP as strong volume and improved margin offset the increase in Loan Loss Expense driven by the change in macro-economic variables, increase in expenses due to non-recurring transaction costs, as well as higher tax due prior year tax adjustment.

Versus 2H 2025

EBITDA was (1)% lower than 2H 2025, as higher Net Interest Income was offset in part by lower Whole Loan Sales in 1H 2026 versus 2H 2025.

Profit pre-Tax and Loan Loss Expense was $(0.4) million, (0)%, versus 2H 2025.

Pro-forma NPAT was (7)% lower than 2H 2025, with higher Net Interest Income offset by lower Whole Loan Sales, and higher corporate tax due to the treatment of equity investment impairment and prior year tax adjustment.

12. EBITDA: Earnings before interest, tax, depreciation and amortisation.

Shareholder

Returns

Interim Dividend per Share

7.2 cps

+12% vs 2025 Interim

Interim Dividend cash

$32.3m

+14% vs 2025 Interim

Annualised Yield

9.5%

Up from 7.1% 2025 Interim

The Board has declared a **fully franked Interim Dividend** for 2026 of 7.2 cents per share, representing a payout ratio of 60.0% of the Pro-forma NPAT for the period 1 January – 30 June 2026. The 2026 Interim Dividend delivers an increase of 12% per share on the 2025 Interim, with annualised yield increasing from 7.1% to 9.5%.[13]

Total cash return to shareholders of $32.3 million represents a 14% increase over 2025 Interim cash payment.

The record date for the fully-franked Interim Dividend is 9 September 2026, with payment on 8 October 2026.

13. Annualised dividend yield: Interim Dividend payable, based on 30 June 2026 closing share price ($1.51) and 30 June 2025 closing share price ($1.80).

Funding and capital

Pepper Money maintains access to a diversified funding platform supported by established funding relationships and a Board approved funding policy. The following funding channels are currently used to support Pepper Money's lending activities:

Public Term Securitisations	Private Term Securitisations	Whole Loan Sales	Warehouse Facilities
Loans that are initially funded via a warehouse facility can be pooled together and refinanced by being sold to a new funding vehicle that issues limited-recourse asset-backed securities to public market investors.	Funding transactions that are similar to Public Term Securitisations, which result in Pepper Money raising funds from a single investor or a small number of investors.	Additional funding capacity can be created by selling specific pools of loans that allows the release and recycle of capital.	Limited recourse Funding Vehicles established by Pepper Money and provided by funding partners that finance the origination or purchase of new loans, or the purchase of loans from Term Transactions to facilitate the exercise and fulfilment of call options.

Over the first half of 2026, two Whole Loan Sales / Private Term securitisations, totalling $1.4 billion occurred:

- Prime Mortgage Whole Loan Sale totalling $0.4 billion; and
- an Asset Finance Whole Loan Sale of $1.0 billion.

Warehouse facility limits were materially upsized over the first half in support of growth. At 30 June 2026, total facility limits were $15.1 billion, an increase of 13% on 31 December 2025, and up by $3.7 billion on 30 June 2025.

Capital and liquidity management: Pepper Money's cash resources, including cash funded via Pepper Money's Corporate Debt Facility and Debt Issuance Program, are used to fund Pepper Money's investment in Junior Securities in Warehouse Facilities and Term Securitisations, investment in CRR (Credit Risk Retention) Securities to meet credit risk retention requirements, funding of various loan assets (predominantly seed pools for new asset classes) and other operating expenses.

Pepper Money established a $270.0 million syndicated 3-year revolving credit facility Corporate Debt Facility (CDF) on 23 May 2024. On 9 July 2026, Pepper Money established a new 3-year revolving credit facility, with a total size of $275.0 million, and on better terms, and retired the existing Corporate Debt Facility. The key terms of the corporate debt facilities are summarised below:

Facility Name	2024 Syndicated Facility Agreement	2026 Syndicated Facility Agreement	Medium Term Notes
Commencement	23 May 2024	9 July 2026	13 October 2021
Retired	9 July 2026		
Facility Size	**A$270.0 million** Revolving cash advance facility	**A$275.0 million** Revolving cash advance facility	
Drawn as of 30 June 2026	**A$120.0 million**		Nil
Drawn as of 9 July 2026	Fully repaid	**A$120.0 million**	Nil
Interest and Fees	At a minimum, the CDF bears interest at the 3-month BBSY (Bank Bill Swap Bid Rate) plus a margin. Fees paid/payable in connection with the CDF include the following: • a one-off upfront fee paid on drawdown of the CDF; and • an ongoing commitment fee on the undrawn portion of the commitments.	At a minimum, the CDF bears interest at the 3-month BBSY (Bank Bill Swap Bid Rate) plus a margin. Fees paid/payable in connection with the CDF include the following: • a one-off upfront fee paid on drawdown of the CDF; and • an ongoing commitment fee on the undrawn portion of the commitments.	The Medium-Term Notes bear interest at 3-month BBSW (Bank Bill Swap Rate) plus a margin. A one-off upfront fee paid on drawdown of the Notes.

Over the twelve months to 30 June 2026, and in line with Pepper Money's capital management strategy, $27.5 million of Corporate Debt Facilities (CDF and Medium-term Notes) were repaid, with the drawn amount at 30 June 2026 reduced to $120.0 million. On the retirement of the existing Syndicated Facility on 9 July 2026, the drawn balance was repaid in full and a new Syndicated Facility established with a drawn balance of $120.0 million.

The Group paid $35.0 million in fully franked dividends over the half. At 30 June 2026, the Group had $79.4 million in unrestricted cash (30 June 2025: $142.9 million, 31 December 2025: $121.8 million).

Dividend and shareholder return

The Board has declared a fully-franked Interim Dividend of 7.2 cents per ordinary share which will be paid on 8 October 2026. This represents a payout ratio of 60.0% of Pro-forma NPAT for the six months to 30 June 2026. The 2026 Interim Dividend represents an annualised yield of 9.5% (2025 Interim Dividend: 7.1%).

	For the six months to 30 June	
Dividend	**2026 Pro-forma**	**2025 Statutory & Pro Forma**
Unrestricted Cash ($ million)	**79.4**	142.9
Issued Shares (# million)	**449.3**	443.9
Pro-forma NPAT ($ million)	**$53.9**	$47.0
Interim Dividend		
Interim Dividend Payout Ratio	**60.0%**	60.0%
Interim Dividend ($ million)	**$32.3**	$28.2
Interim Dividend per Share (cents)	**7.2**	6.4
Interim Dividend yield: annualised	**9.5%**	7.1%

Consolidated balance sheet (extract)

$M	30 June 2026	31 December 2025	30 June 2025
Assets			
Cash and cash equivalents	**935.4**	1,267.0	999.9
Receivables	**30.1**	25.2	16.5
Derivative financial assets	**38.6**	40.7	3.8
Loans and advances	**18,711.6**	16,854.0	15,892.8
Other financial assets	**15.1**	15.2	13.4
Other assets	**11.5**	10.3	10.8
Deferred tax assets	**49.9**	46.9	63.1
Right of use assets	**14.4**	17.3	20.2
Property, plant and equipment	**1.8**	1.6	1.9
Goodwill and intangibles	**118.8**	121.5	124.9
Total Assets	**19,927.2**	**18,399.7**	**17,147.3**
Liabilities			
Trade payables	**25.5**	17.4	14.7
Current tax	**4.7**	13.2	6.5
Provisions	**28.4**	32.4	26.5
Derivative liabilities	**0.8**	2.8	54.0
Borrowings	**18,881.4**	17,372.4	16,121.7
Lease liabilities	**18.6**	21.4	25.3
Other liability categories	**0.3**	1.4	58.7
Other financial liabilities	**80.6**	68.8	62.9
Total Liabilities	**19,040.3**	**17,529.8**	**16,370.3**
Net Assets	**886.9**	**869.9**	**777.0**
Net Tangible Assets[14]	**718.2**	**701.5**	**589.0**

The Group had loans and advances at 30 June 2026 of $18.7 billion (31 December 2025: $16.9 billion), reflecting a 11% net portfolio change on December 2025 close. The Group originated $6.3 billion in new financial assets in the period, while over the same period executed Whole Loan Sales totalling $1.4 billion. Warehouse capacity was increased by 13% on 31 December 2025 to $15.1 billion.

14. Net Tangible Assets: Total Net Assets before Deferred tax and Goodwill and intangibles.

Environmental, Social and Governance

In line with the introduction of the Australian Sustainability Reporting Standard – AASB S2 *Climate-related Disclosures*, Pepper Money, as a Group 1 Reporting Entity, commenced mandatory climate-related reporting from 1 January 2025,[15] (refer Pepper Money Annual Report 2025).

Pepper Money's approach to **Environmental, Social and Governance** (ESG) reflects our mission to "**help people succeed**" as we prioritise the needs of all key stakeholder groups, to seek positive outcomes. As a leading non-bank lender in Australia and New Zealand, we provide a diverse range of customer solutions, including residential home loans, asset finance, commercial real estate loans, novated leases and loan servicing.

Pepper Money is committed to creating a positive impact for our customers, partners, shareholders, employees and the communities we serve. The integration of ESG principles into our strategy, risk management and business practices continues to be a key focus for the Company.

Governance

Pepper Money conducts business in accordance with high standards of corporate governance and with a view to creating and delivering value for Pepper Money's shareholders. To this end, Pepper Money has adopted a system of internal controls, risk management processes, and corporate governance policies and practices which are designed to support and promote the responsible management and conduct of the business.

Strategy

Pepper Money is committed to being a responsible and sustainable business that supports our people, customers and communities. Pepper Money operates in an environment of rapidly changing economic conditions, societal and geo-political shifts, cyber security uncertainty, and the increasing impacts of climate change. As a Company, Pepper Money remains committed to being a business that supports our people, customers, partners and communities through our commitment to financial inclusion.

Risk Management

Pepper Money has established a risk governance framework through a comprehensive committee structure to support the management of risk, including the Audit and Risk Management Committee (Board), Environmental, Social and Governance Committee (Board), Executive Committee (Management), Executive Risk Committee (Management), Credit Committee (Management), Environmental, Social and Governance Committee (Management), Product and Pricing Committee (Management) and Asset and Liability Committee (Management).

Metrics

Pepper Money continues to identify, define, measure and evolve measurable indicators of progress and performance against ESG including:

- Environmental metrics such as greenhouse gas emissions and energy consumption.
- Social metrics such as employee engagement, diversity, training, safety and community impact.
- Governance metrics such as compliance, ethics, and responsible business practices.
- Performance against Board-approved ESG targets and commitments.

15. Refer to Pepper Money Annual Report 2025, Sustainability Report (AASB S2), pages 92-122.

Over the first half of 2026 strong progress was made against key ESG material topics:

Material Topic	Material	Measure	For 1H 2026
Responsible Business	Board composition	No less than 2 female Directors.	2 female Directors on the Board. No change on PCP.
	Compliance training	95% of employees completed on time.	99% at 30 June 2026.
	Health and Safety Training	95% of employees completed on time.	96% at 30 June 2026.
Community	Pepper Giving	Strengthen Big G partnership and engagement with StreetSmart.	Met with StreetSmart CEO to review 2025 impact and plan 2026 initiatives.
	Volunteering	Develop regular volunteering opportunities for our people.	In 1H 2026 teams volunteered at Coastrek (team of 10 volunteered a day) and Our Big Kitchen (team of 19 **volunteered for half a day).
Diversity, Equity and Inclusion	Gender diversity	Women in work force[16]	53% at 31 March 2026.
		Women in senior manager roles: hold or improve on prior period.	47% at 30 June 2026.
	Gender pay equity[17]	Mean gender pay gap on Total Remuneration: hold or improve on prior period.	27% at 31 March 2026[18].
		Mean gender wage pay on Base Salary: hold or improve on prior period.	16% at 31 March 2026.
Customer	Customers helped	1 million customers helped by end 2029.	1H 2026 new customers: 42,296. Cumulative[19] customers: 656,704.
Invest in our People	Learning & development[20]	Learning and Development hours delivered to employees: hold or improve on prior period.	1,361 hours at 30 June 2026.
	Turnover	<20.0%: voluntary turnover[21].	17% – annual at 30 June 2026.

16. Based on Pepper Money Limited employees – Australia, New Zealand and the Philippines as at 30 June 2026.
17. Gender pay gap is based on the Workplace Gender Equality Agency (WGEA) 2025 – 2026 survey (March 2026).
18. 31 March 2026 applied to align to WGEA reporting date (as per footnote above).
19. Cumulative number of customers from 2004 to 30 June 2026.
20. Learning and Development hours: hours delivered by internal programs, which includes Pepper Money's program with the Australian Institute of Management. Excludes external training as annual measure.
21. Turnover: voluntary employee turnover for Australia, New Zealand and Philippines. % is annual rolling average as at 30 June 2026.

Events since the end of the period

Other than as noted above in respect of the new Corporate Debt facility, the announcement on 31 July 2026 that Pepper Money will be appointed servicer of HSBC Australia home loan and personal loan portfolio following the proposed acquisition[22] of that portfolio by an entity wholly owned by funds managed by affiliates of Blackstone Inc, and the completion of the RAMS portfolio transaction on 1 August 2026, the Group has not identified any subsequent events caused by market conditions, which would require adjustment to the amounts or disclosures in the financial statements. In addition, no other material non-adjusting subsequent events were identified requiring disclosure in the financial statements. The Group continues to monitor and review forward-looking assumptions and economic scenarios.

Other than as noted above, there has not been any matter or circumstance occurring subsequent to the end of the period that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future periods.

Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 24 and forms part of this report.

Rounding of amounts

The Company is a company of a kind referred to in ASIC Corporations (*Rounding in Financial/Directors' Reports*) *Instrument 2026/183*, relating to the "rounding off" of amounts in the directors' report. Unless otherwise indicated, amounts in the directors' report and half-year financial report have been rounded off in accordance with the instrument to the nearest million dollars.

This report is signed in accordance with a resolution of the Directors made pursuant to s306(3) of the *Corporations Act 2001*.

On behalf of the Directors of Pepper Money Limited.

Akiko Jackson	**Mario Rehayem**
Chair	CEO and Director
20 August 2026	20 August 2026

22. Subject to conditions precedent.

Auditor's Independence Declaration

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Quay Quarter Tower
50 Bridge Street
Sydney NSW 2000
Australia

Tel: +61 (02) 9322 7000
www.deloitte.com.au

20 August 2026

The Board of Directors
Pepper Money Limited
Level 27, 177 Pacific Hwy
North Sydney, NSW 2060

Dear Board Members,

Auditor's Independence Declaration to Pepper Money Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the Directors of Pepper Money Limited.

As lead audit partner for the review of the half-year financial report of Pepper Money Limited for the half-year ended 30 June 2026, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- Any applicable code of professional conduct in relation to the review.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Heather Baister

Heather Baister
Partner
Chartered Accountants

Independent Auditor's Review Report

Deloitte.

Deloitte Touche Tohmatsu
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Independent Auditor's Review Report to the Members of Pepper Money Limited

Conclusion

We have reviewed the half-year financial report of Pepper Money Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 30 June 2026, and the condensed consolidated statement of profit and loss, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration as set out on pages 27 to 51.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* ("ASRE 2410"). Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional and Ethical Standards Board ("the Code") that are relevant to our audit of the annual financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the Directors of the Company, would be in the same terms if given to the Directors as at the time of this auditor's review report.

Directors' Responsibilities for the Half-year Financial Report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2026 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Heather Baister
Partner
Chartered Accountants

Sydney, 20 August 2026

Condensed consolidated statement of profit or loss

	Notes	Half-year ended 30 June 2026 $M	Half-year ended 30 June 2025 $M
Interest income	2(A)	**676.0**	637.5
Interest expense[1]	2(A)	**(491.5)**	(480.2)
Net interest income[1]		**184.5**	157.3
Lending fee income	2(B)	**33.3**	32.5
Lending expense	2(B)	**(15.1)**	(14.7)
Whole loan sales gain	2(C)	**27.0**	30.6
Loan losses	3(B)	**(48.7)**	(40.9)
Servicing fees and other income	2(B)	**23.0**	20.2
Total operating income		**204.0**	185.0
Employee benefits expense	2(D)	**(69.6)**	(63.5)
Marketing expense		**(8.7)**	(6.7)
Technology expense		**(13.7)**	(13.2)
General and admin expense		**(20.3)**	(8.6)
Fair value losses on financial assets		**(1.0)**	(3.5)
Depreciation and amortisation expense		**(7.3)**	(8.9)
Corporate interest expense		**(9.3)**	(12.3)
Operating expenses		**(129.9)**	(116.7)
Profit before income tax		**74.1**	68.3
Income tax expense		**(23.7)**	(21.3)
Net profit after income tax		**50.4**	47.0

		Cents	Cents
Earnings per share (EPS)	2(E)		
Basic EPS		**11.26**	10.62
Diluted EPS		**10.84**	10.16

1. Excludes corporate interest expense.

The above condensed consolidated statement of profit or loss should be read in conjunction with the accompanying Notes.

Condensed consolidated statement of comprehensive income

	Half-year ended	
	30 June 2026 $M	**30 June 2025 $M**
Net profit after tax	**50.4**	47.0
Other comprehensive income that may be recycled to profit or loss		
Currency translation movement	**(1.9)**	0.8
Changes in fair value of hedging instruments	**(0.2)**	(60.9)
Income tax relating to items that may be recycled to profit or loss	**0.1**	18.3
Total other comprehensive income that may be recycled to profit or loss	**(2.0)**	(41.8)
Total comprehensive income for the period	**48.4**	5.2

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying Notes.

Condensed consolidated statement of financial position

	Notes	30 June 2026 $M	31 December 2025 $M
		As at	
Assets			
Cash and cash equivalents	3(A)	**935.4**	1,267.0
Receivables		**30.1**	25.2
Derivative financial assets		**38.6**	40.7
Loans and advances	3(B)	**18,711.6**	16,854.0
Other financial assets		**15.1**	15.2
Other assets		**11.5**	10.3
Deferred tax assets		**49.9**	46.9
Right of use assets	8(A)	**14.4**	17.3
Property, plant and equipment		**1.8**	1.6
Goodwill and intangibles		**118.8**	121.5
Total assets		**19,927.2**	18,399.7
Liabilities			
Trade payables		**25.5**	17.4
Current tax		**4.7**	13.2
Provisions		**28.4**	32.4
Derivative liabilities		**0.8**	2.8
Borrowings	4	**18,881.4**	17,372.4
Lease liabilities	8(A)	**18.6**	21.4
Other liabilities		**0.3**	1.4
Other financial liabilities – trail commission payable	5	**80.6**	68.8
Total liabilities		**19,040.3**	17,529.8
Total net assets		**886.9**	869.9
Equity			
Issued capital	7	**748.9**	738.0
Other reserves		**33.1**	42.4
Retained earnings		**104.9**	89.5
Total equity attributable to owners of Pepper Money Limited		**886.9**	869.9
Total equity		**886.9**	869.9

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying Notes.

Condensed consolidated statement of changes in equity

	Issued capital $M	Currency translation reserve $M	Cash flow hedge reserve $M	Share-based payments reserve $M	Business combinations reserve $M	Remeasure-ment reserve $M	Retained earnings $M	Attributable to owners of the Group $M	Total equity $M
1 January 2025									
Opening balance	730.7	(1.0)	7.4	23.0	(4.8)	–	100.3	855.6	855.6
Profit for the period	–	–	–	–	–	–	47.0	47.0	47.0
Currency translation movements	–	0.8	–	–	–	–	–	0.8	0.8
Cash flow hedge movements, net of income tax	–	–	(42.6)	–	–	–	–	(42.6)	(42.6)
Total comprehensive income	–	0.8	(42.6)	–	–	–	47.0	5.2	5.2
Ordinary shares issued	6.3	–	–	–	–	–	–	6.3	6.3
Share buyback cancelled shares	(0.4)	–	–	–	–	–	–	(0.4)	(0.4)
Dividends paid and/or declared	–	–	–	–	–	–	(87.0)	(87.0)	(87.0)
Shared-based payments	–	–	–	(2.7)	–	–	–	(2.7)	(2.7)
Balance as at 30 June 2025	736.6	(0.2)	(35.2)	20.3	(4.8)	–	60.3	777.0	777.0
1 January 2026									
Opening balance	**738.0**	**(2.9)**	**26.5**	**23.5**	**(4.8)**	**0.1**	**89.5**	**869.9**	**869.9**
Profit for the period	–	–	–	–	–	–	**50.4**	**50.4**	**50.4**
Currency translation movements	–	**(1.9)**	–	–	–	–	–	**(1.9)**	**(1.9)**
Cash flow hedge movements, net of income tax	–	–	**(0.1)**	–	–	–	–	**(0.1)**	**(0.1)**
Total comprehensive income	–	**(1.9)**	**(0.1)**	–	–	–	**50.4**	**48.4**	**48.4**
Ordinary shares issued	**10.9**	–	–	–	–	–	–	**10.9**	**10.9**
Dividends paid	–	–	–	–	–	–	**(35.0)**	**(35.0)**	**(35.0)**
Shared-based payments	–	–	–	**(7.3)**	–	–	–	**(7.3)**	**(7.3)**
Balance as at 30 June 2026	**748.9**	**(4.8)**	**26.4**	**16.2**	**(4.8)**	**0.1**	**104.9**	**886.9**	**886.9**

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying Notes.

Condensed consolidated statement of cash flows

	Notes	Half-year ended 30 June 2026 $M	 30 June 2025 $M
Cash flows from operating activities			
Interest received		**656.8**	620.1
Interest paid		**(494.6)**	(481.2)
Receipts from loan fees and other income		**54.9**	51.2
Payments to suppliers and employees		**(142.5)**	(112.7)
Payments of net loans to borrowers		**(3,251.4)**	(1,642.7)
Proceeds from sale of loan portfolios		**1,418.7**	1,763.6
Income taxes paid		**(35.1)**	(34.9)
Net cash (outflow)/inflow from operating activities		**(1,793.2)**	163.4
Cash flows from investing activities			
Payment for intangibles and other assets		**(0.3)**	(3.6)
Net cash (outflow) from investing activities		**(0.3)**	(3.6)
Cash flows from financing activities			
Proceeds from borrowings		**5,585.4**	5,503.4
Repayment of borrowings		**(4,084.8)**	(5,853.9)
Repayment of lease liabilities		**(3.7)**	(3.7)
Share buyback		–	(0.4)
Payment of dividends	2(G)(a)	**(35.0)**	(31.5)
Net cash inflow/(outflow) from financing activities		**1,461.9**	(386.1)
Net (decrease) in cash and cash equivalents		**(331.6)**	(226.3)
Cash and cash equivalents at the beginning of the financial period		**1,267.0**	1,226.2
Cash and cash equivalents at end of period		**935.4**	999.9

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying Notes.

Notes to the Consolidated Financial Statements

1. General information

The information presented in Note 1 is considered relevant to an understanding of the consolidated financial statements.

A. Reporting entity

These condensed consolidated financial statements are for the consolidated Group (the "Group") consisting of Pepper Money Limited ("Pepper Money" or "the Company") and its controlled entities and were approved and authorised for issue in accordance with a resolution of the Directors on 20 August 2026.

Pepper Money Limited is a public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Level 27, 177 Pacific Highway, North Sydney, NSW, 2060.

The Group's shares are listed on the Australian Securities Exchange ("ASX").

B. Significant event in the current reporting period

Non-binding offer to acquire 100% of the shares in Pepper Money Limited

On 9 February 2026, Pepper Money released an announcement that it had 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") would jointly acquire Pepper Money. The Indicative Proposal was a cash consideration equal to $2.60 per share, less the CY2025 fully-franked Final dividend of 7.8 cents per share and any special dividend paid or declared.

On 17 March 2026 Pepper Money released an announcement that it had received a revised non-binding, indicative proposal from Challenger at a price of $2.25 per share ("Revised Proposal") and was expressed to be Challenger's best and final offer, in the absence of a superior proposal.

On 25 March 2026, following its consideration of the Revised Proposal and consultation with shareholders, the Independent Board Committee ("IBC") determined that the Revised Proposal was not reasonably capable of execution. Accordingly, the IBC decided not to proceed with the transaction and discussions with Challenger in relation to the Revised Proposal ceased.

C. Basis of preparation of half-year report

These condensed consolidated financial statements have been prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with IFRS Accounting Standard IAS 34 *Interim Financial Reporting*.

This interim financial report does not include all of the disclosures normally included in annual consolidated financial statements. Accordingly, this interim financial report should be read in conjunction with the consolidated financial statements for the financial year ended 31 December 2025 and any public announcements made up until the date of this interim financial report.

The condensed consolidated financial statements have been prepared on the historical cost basis, except for financial instruments that have been measured at fair value.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year, except for the adoption of new and amended accounting standards as set out below.

D. New and amended Accounting Standards adopted in the period

The Group has not early adopted any Standard, interpretation or amendment that has been issued but is not yet effective. Several amendments were mandatorily effective for the current reporting period but did not have an impact on the condensed consolidated financial statements of the Group.

AASB 18 *Presentation and Disclosure in Financial Statements* was issued in June 2024 and replaces AASB 101 *Presentation of Financial Statements*. The standard will be effective for the Group from 1 January 2027. AASB 18 will not change the recognition or measurement of items in the financial statements, but will impact the presentation and disclosure of financial information. Key changes include:

- introducing new categories and subtotals in the income statement to enhance comparability;
- enhancing disclosures of Management-defined performance measures to improve transparency; and
- providing useful grouping of information in the financial statements.

The Group continues to assess the impact of adopting AASB 18. At this stage, the Group does not expect the new standard to have a material impact on its financial results or presentation.

E. Accounting estimates

The preparation of these condensed consolidated financial statements requires the use of judgement, estimates and assumptions about the carrying value of assets, liabilities, revenues and expenses that are not readily apparent from other sources. Should different assumptions or estimates be applied, the resulting values may change, impacting the net assets and/or income of the Group. These estimates and assumptions are reviewed on an ongoing basis.

The nature of significant estimates and judgements that the Directors have made in the process of applying the Group's accounting policies, are noted below.

a. Determination of impairment losses on loans and advances

The Group recognises an allowance for expected credit losses ("ECLs" or "Provisions for loan impairment") for all financial assets held at either amortised cost, or fair value through other comprehensive income ("FVOCI"). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include, where applicable, cash flows from the sale of collateral held.

The Group's approach to ECL estimation in respect of loans and advances is detailed below. The ECL required in respect of other credit risk exposures is not significant to the Group.

ECL for loans and advances

The Group's approach consists of three components, being:

1. modelled collective ECL;
2. post-model overlay adjustments; and
3. specific provisions.

ECLs are evaluated on a monthly basis as part of the Group's overall approach to monitoring, measuring and managing credit risk. A portfolio approach is taken in managing credit risk, with the individual management of facilities/customers applied to address specific circumstances as the credit life-cycle develops. The Group has aligned its approach to estimating ECLs with its credit risk management practices and the requirements of AASB 9 *Financial Instruments*, which incorporates segmentation between the following three stages at each reporting date:

	Description	Required provision	Provision approach
Stage 1	Performing loans and advances less than 30 days past due	Losses that arise from a default event in the next 12 months	Modelled collective provision, post-model overlay adjustments
Stage 2	All loans and advances where a significant increase in credit risk has occurred since origination (see below for further detail)	Loss provision equal to the expected loss over the expected lifetime of the asset	Modelled collective provision, post-model overlay adjustments
Stage 3	All loans and advances 90+ days in arrears, other loans and advances which are considered credit impaired (e.g. where the counterparty has been declared bankrupt)	Lifetime ECL provision incorporating a 100% probability of default	Modelled collective provision, post-model overlay adjustments, specific provisions

Key estimates for ECL

The following items are the key matters of judgement in estimating ECLs:

Significant increase in credit risk ("SICR")	An asset moves to Stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased, the Group considers qualitative (e.g. watch lists), quantitative (e.g. 30+ days in arrears), and other reasonable, supportable forward-looking information.
Probability of default ("PD")	An estimate of the likelihood of default over a given time horizon. The Group's PDs are estimates that consider the contractual maturities of exposures and estimated prepayment rates. The estimate is based on current conditions, adjusted to consider estimates of future conditions that will impact PD.
Loss given default ("LGD")	An estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, considering the cash flow capacity of the borrower (including collateral). The LGD is net of recoveries and other costs (eg. collection charges and legal fees).
Exposure at default ("EAD")	The estimated outstanding amount of credit exposure at the time of default, considering repayment of principal and interest, expected additional drawdowns and accrued interest.
Forward-looking adjustments	Captures estimated impacts of scenario weighted macro-economic assumptions. The Group considers macro-economic factors including inflation, unemployment rates and the cash rate analysed across three scenarios – base case, upside and downside. The Group's analysis is informed by a combination of publicly available macro-economic forecasts in respect of the Australian and New Zealand economies, combined with Group portfolio information, judgements and analysis.
Post-model overlay adjustments	The Group applies adjustments to the modelled ECL result to ensure that the provision balance is sufficiently responding to changes in the credit risk profile of the loans which are not modelled in the above assumptions. As at 30 June 2026, the post-model overlay adjustment was $6.0 million (31 December 2025: $4.8 million).

During the period, the Group updated its forward-looking macroeconomic variable ("MEV") assumptions and associated scenario weightings applied in the measurement of expected credit losses. The revised assumptions reflect the prevailing economic environment, including a higher-for-longer interest rate outlook, persistent inflationary pressures and increased uncertainty in economic growth, with expectations of gradually rising unemployment and moderation in housing market conditions. In response, the Group recalibrated its base, upside and downside scenarios and adjusted the scenario weightings to appropriately reflect the range of possible economic outcomes.

These updates have been incorporated into the Group's ECL models to ensure that the provision for expected credit losses continues to reflect current and forward-looking information as at the reporting date. Refer to Note 3(B)(c) for more detail.

b. Goodwill and intangibles

Goodwill on acquisitions of subsidiaries is included in goodwill and intangibles in the statement of financial position. The Group determines whether goodwill and other identifiable intangible assets with indefinite useful lives, are impaired at least annually, or more frequently if events or changes in circumstances indicate that they might be impaired.

Impairment testing requires an estimation of the recoverable amount of the cash generating units ("CGUs") to which the goodwill and other intangible assets with indefinite useful lives are allocated, or where impairment indicators are identified.

c. Share-based payments valuation

In measuring and recognising various equity-settled share-based payment arrangements, the Group utilises valuation models which require judgement, such as grant date fair value and vesting probability.

d. Net present value of trail commission payable

The recognition of expected future trail commission payable in the statement of financial position is an accounting estimate, given the valuation techniques and assumptions applied in the modelling.

Key assumptions underlying the estimation of the present value of future cash flows include the run-off rate and discount rate. These assumptions are determined based on experience and current and forecast economic factors.

Refer to Note 5 for further information, including the key assumptions used.

2. Financial performance

A. Interest income and interest expense

	Half-year ended	
	30 June 2026 $M	**30 June 2025 $M**
Interest income:		
Interest from customers	**656.1**	615.6
Bank interest	**19.9**	21.9
Total interest income	**676.0**	637.5
Interest expense:		
Interest expense	**(491.5)**	(480.2)
Net interest income	**184.5**	157.3

B. Non-interest income and expenses

Lending fee income

	Half-year ended	
	30 June 2026 $M	**30 June 2025 $M**
Settlement fees	**16.3**	15.9
Post-settlement fees	**17.0**	16.6
Total lending fee income	**33.3**	32.5

Lending expense

	Half-year ended	
	30 June 2026 $M	**30 June 2025 $M**
Trustee and other Special Purpose Vehicle (SPV) expenses	**(1.3)**	(1.2)
Enforcement costs	**(4.8)**	(4.3)
GST input tax loss	**(2.1)**	(1.9)
Origination expense	**(3.1)**	(3.1)
Other lending expense	**(3.8)**	(4.2)
Total lending expense	**(15.1)**	(14.7)

Servicing fees and other income

	Half-year ended	
	30 June 2026 $M	30 June 2025 $M
Loan and other servicing income	9.2	6.8
Brokerage commissions	5.1	3.8
Volume bonuses and incentives	3.0	3.4
Other income	5.7	6.2
Total servicing fees and other income	**23.0**	20.2

C. Disaggregation of revenue from contracts with customers

The table below summarises revenue from contracts with customers and how revenue is disaggregated by revenue type and timing of revenue recognition.

The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (refer to Note 2(F)).

	Mortgages		Asset Finance		Loans and Other Servicing		Total	
Half-year ended 30 June	2026 $M	2025 $M	2026 $M	2025 $M	2026 $M	2025 $M	2026 $M	2025 $M
Revenue Type:								
Lending fee income	13.0	11.2	20.3	21.3	–	–	33.3	32.5
Whole loan sales gain	7.5	30.5	19.5	0.1	–	–	27.0	30.6
Servicing fees and other income	0.9	1.5	11.1	10.2	11.0	8.5	23.0	20.2
Total revenue from contracts with customers	**21.4**	43.2	**50.9**	31.6	**11.0**	8.5	**83.3**	83.3
Timing of revenue recognition:								
Services transferred at a point in time	21.4	43.2	47.9	28.2	1.8	1.7	71.1	73.1
Services transferred over time	–	–	3.0	3.4	9.2	6.8	12.2	10.2
Total revenue from contracts with customers	**21.4**	43.2	**50.9**	31.6	**11.0**	8.5	**83.3**	83.3
Lending expense	(9.2)	(8.0)	(5.8)	(6.6)	(0.1)	(0.1)	(15.1)	(14.7)
Other operating income as reported in Note 2(F) Segment Reporting	**12.2**	35.2	**45.1**	25.0	**10.9**	8.4	**68.2**	68.6

Whole loan sales gain is recognised when there is a sale of loans, originated by the Group, to a third party, which results in the derecognition of the loans from the Group and a gain on sale being recognised. This gain has been included above for ease of reconciliation to Other operating income.

D. Expenses

Employee benefits expense

	Half-year ended	
	30 June 2026 $M	**30 June 2025 $M**
Salaries and wages	**(53.8)**	(49.3)
Employee incentive and share-based payments	**(13.3)**	(11.9)
Other personnel expenses	**(2.5)**	(2.3)
Total employee benefits expense	**(69.6)**	(63.5)

E. Earnings per share

a. Methodology

Basic earnings per share ("EPS") is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period, plus the weighted average number of ordinary shares that would be issued on conversion of all of the dilutive potential ordinary shares into ordinary shares.

b. EPS calculation inputs

	Half-year ended	
	30 June 2026 $M	**30 June 2025 $M**
Profit attributable to ordinary equity holders of the Group	**50.4**	47.0
Weighted average number of ordinary shares ("WANOS") used in the calculation of basic EPS (millions of shares)	**447.5**	442.4
Dilutive effect of share options (millions of shares)	**17.5**	20.0
WANOS used in the calculation of diluted shares (millions of shares)	**465.0**	462.4

c. Basic earnings per share

	Half-year ended	
	30 June 2026 Cents	**30 June 2025 Cents**
Basic EPS	**11.26**	10.62
Total basic EPS attributable to the ordinary equity holders of the Group	**11.26**	10.62

d. Diluted earnings per share

	Half-year ended	
	30 June 2026 Cents	**30 June 2025 Cents**
Diluted EPS	**10.84**	10.16
Total diluted EPS attributable to the ordinary equity holders of the Group	**10.84**	10.16

F. Segment reporting

Operating segments are presented on a basis that is consistent with information provided internally to the Group's Board and Executive Committee (the chief operating decision makers).

The accounting policies of the reportable segments are the same as the Group's accounting policies. All assets and liabilities are allocated to reportable segments and no intersegment revenues occur. The Mortgages and Asset Finance segments include the relevant structured entities which hold the Group's mortgage and asset finance assets and liabilities. There is no equity in these structured entities and as a result segment assets equal segment liabilities.

The chief operating decision makers examine the Group's performance from a portfolio perspective and have identified the following operating and reportable segments:

- The **Mortgages** segment includes both residential mortgages and commercial real estate and includes the revenues and direct expenses associated with the origination of residential mortgages in Australia and New Zealand and with the origination of small balance commercial real estate and Self Managed Super Fund ("SMSF") loans in Australia. Mortgage lending comprises residential prime and non-conforming mortgages.
- The **Asset Finance** segment includes the revenues and direct expenses associated with the origination and ongoing ownership of loans secured over a range of assets, including new and used cars, caravans, small commercial equipment and novated leasing in Australia. The Group's wholly owned subsidiary, Stratton Finance Pty Ltd ("Stratton"), is included within this segment given common customer base, revenue and cost synergies.
- The **Loan and Other Servicing** segment includes the revenues and direct expenses associated with the servicing and / or administration of loan portfolios for third parties conducted by the Group.

In addition to those segments identified above, Management has identified the Corporate division for inclusion in this disclosure. Although not meeting the strict definition of an operating segment by virtue of the fact it does not earn revenues, Management believe that the Corporate division is essential to understanding how the business operates.

a. Segment income statement

The table below shows the segment information provided to the chief operating decision makers for the reportable operating segments and also the basis on which revenue is recognised. All revenue is derived from external customers.

	Mortgages $M	Asset Finance $M	Loan and Other Servicing $M	Corporate $M	Total $M
Half-year ended 30 June 2026					
Interest income	**410.5**	**264.0**	**–**	**1.5**	**676.0**
Interest expense	**(318.8)**	**(172.7)**	**–**	**–**	**(491.5)**
Net interest income	**91.7**	**91.3**	**–**	**1.5**	**184.5**
Other operating income	**12.2**	**45.1**	**10.9**	**–**	**68.2**
Loan loss expense	**(4.3)**	**(44.4)**	**–**	**–**	**(48.7)**
Total segment reporting income	**99.6**	**92.0**	**10.9**	**1.5**	**204.0**
Corporate costs	**–**	**–**	**–**	**(113.3)**	**(113.3)**
Depreciation and amortisation	**–**	**–**	**–**	**(7.3)**	**(7.3)**
Corporate interest expense	**–**	**–**	**–**	**(9.3)**	**(9.3)**
Profit before income tax	**99.6**	**92.0**	**10.9**	**(128.4)**	**74.1**
Income tax expense	**–**	**–**	**–**	**(23.7)**	**(23.7)**
Net profit after tax	**99.6**	**92.0**	**10.9**	**(152.1)**	**50.4**
Half-year ended 30 June 2025					
Interest income	389.1	247.2	–	1.2	637.5
Interest expense	(313.7)	(166.5)	–	–	(480.2)
Net interest income	75.4	80.7	–	1.2	157.3
Other operating income	35.2	25.0	8.4	–	68.6
Loan loss provision release/(loan loss expense)	2.6	(43.5)	–	–	(40.9)
Total segment reporting income	113.2	62.2	8.4	1.2	185.0
Corporate costs	–	–	–	(95.5)	(95.5)
Depreciation and amortisation	–	–	–	(8.9)	(8.9)
Corporate interest expense	–	–	–	(12.3)	(12.3)
Profit before income tax	113.2	62.2	8.4	(115.5)	68.3
Income tax expense	–	–	–	(21.3)	(21.3)
Net profit after tax	113.2	62.2	8.4	(136.8)	47.0

b. Segment balance sheet

	Mortgages $M	Asset Finance $M	Loan and Other Servicing $M	Corporate $M	Total $M
As at 30 June 2026					
Segment assets	**12,299.4**	**5,076.6**	–	**2,551.2**	**19,927.2**
Segment liabilities	**(12,299.4)**	**(5,085.0)**	–	**(1,651.2)**	**(19,035.6)**
Current tax liability	–	–	–	**(4.7)**	**(4.7)**
Total	–	**(8.4)**	–	**895.3**	**886.9**
As at 31 December 2025					
Segment assets	10,325.5	5,660.1	–	2,414.1	18,399.7
Segment liabilities	(10,325.5)	(5,666.6)	–	(1,524.5)	(17,516.6)
Current tax liability	–	–	–	(13.2)	(13.2)
Total	–	(6.5)	–	876.4	869.9

The Corporate division represents the Group's support functions not specifically aligned to business operations in the other divisions listed above (specifically Finance, Treasury, Risk, Human Resources, Administration, Legal and Technology) as well as the Group's executives' costs. Operating foreign exchange gains or losses are also presented as part of the Corporate division.

G. Dividends

a. Declared and paid during the period

	Half-year ended 30 June 2026 $M	Half-year ended 30 June 2025 $M
Final 2025 dividend: $0.078 (2024: $0.071)	**35.0**	31.5

The final 2025 dividend of $35.0 million was fully-franked at 30% and paid on 16 April 2026 (2024: $31.5 million).

b. Proposed dividends not recognised as a liability at the end of the period

	Half-year ended 30 June 2026 $M	Half-year ended 30 June 2025 $M
Interim 2026 dividend: $0.072 (Interim 2025: $0.064)	**32.3**	28.2

On 20 August 2026, the Directors declared a fully-franked Interim dividend of 7.2 cents per share to the holders of fully paid ordinary shares in respect of the half-year ended 30 June 2026, to be paid to shareholders on 8 October 2026. This dividend has not been recognised as a liability in these financial statements.

The total estimated Interim 2026 dividend to be paid out of retained earnings at 30 June 2026 is $32.3 million.

3. Financial assets

A. Cash and cash equivalents

Cash and cash equivalents comprise the Group's unrestricted cash (i.e. cash at bank and cash in transit) and restricted cash held in the limited recourse financing vehicles. Restricted cash includes monies in the Special Purpose Vehicles and securitisation trusts on behalf of members in those Trusts and various clearing accounts. Restricted cash is not available for operational use.

	As at	
	30 June 2026 $M	**31 December 2025 $M**
Cash at bank	**79.4**	121.8
Restricted cash	**856.0**	1,145.2
Total cash and cash equivalents	**935.4**	1,267.0

B. Gross loans and advances

	As at	
	30 June 2026 $M	**31 December 2025 $M**
Gross loans and advances		
Loans and advances	**18,585.8**	16,720.9
Deferred transaction costs	**243.7**	252.7
Capitalised brokerage costs	**80.6**	69.0
Mortgage risk fee	**(51.3)**	(50.0)
Provision for loan impairment	**(147.2)**	(138.6)
	18,711.6	16,854.0
Provision for loan impairment		
Specific provision	**(39.5)**	(41.2)
Collective provision	**(107.7)**	(97.4)
	(147.2)	(138.6)
Specific provision		
Opening balance	**(41.2)**	(39.6)
Provided for during the year	**(38.4)**	(70.5)
Loans previously provided for written-off or sold	**40.1**	68.9
Specific provision closing balance	**(39.5)**	(41.2)
Collective provision		
Opening balance	**(97.4)**	(77.3)
Provided for during the year	**(10.3)**	(20.1)
Collective provision closing balance	**(107.7)**	(97.4)

The following table summarises loans and advances and associated loss provisions by lending portfolio. The disclosures reflect the primary portfolios through which the Group manages and monitors credit risk.

	As at					
	30 June 2026 $M			31 December 2025 $M		
	Mortgages	Asset Finance	Total	Mortgages	Asset Finance	Total
Specific provision						
Opening balance	(3.7)	(37.5)	(41.2)	(2.2)	(37.4)	(39.6)
Provided for during the year	(0.8)	(37.6)	(38.4)	(4.5)	(66.0)	(70.5)
Loans previously provided for written-off or sold	1.3	38.8	40.1	3.0	65.9	68.9
Specific provision closing balance	(3.2)	(36.3)	(39.5)	(3.7)	(37.5)	(41.2)
Collective provision						
Opening balance	(14.7)	(82.7)	(97.4)	(19.0)	(58.3)	(77.3)
(Provided for) / released during the year	(3.5)	(6.8)	(10.3)	4.3	(24.4)	(20.1)
Collective provision closing balance	(18.2)	(89.5)	(107.7)	(14.7)	(82.7)	(97.4)

a. Staging analysis by loans and advances and provisions for impairment

The following tables show movements in:

- the gross carrying amount of financial assets subject to impairment requirements; and
- allowance for expected credit losses,

for the half-year ended 30 June 2026 and year-ended 31 December 2025.

Deferred transaction costs, mortgage risk fees, capitalised brokerage costs and loans and advances are incorporated in the gross carrying amount of loans and advances.

Loans and advances $M	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL)	Total
Gross carrying amount as at 1 January 2026	16,278.3	489.5	224.8	16,992.6
Transfer to Stage 1	220.5	(164.3)	(56.2)	–
Transfer to Stage 2	(347.2)	354.9	(7.7)	–
Transfer to Stage 3	(112.9)	(77.0)	189.9	–
Financial assets that have been derecognised during the period	(2,409.9)	(57.0)	(43.6)	(2,510.5)
New financial assets originated at end of period	5,623.8	31.3	6.6	5,661.7
Net repayments and interest for the period	(1,170.4)	(59.1)	(55.5)	(1,285.0)
Gross carrying amount as at 30 June 2026	18,082.2	518.3	258.3	18,858.8

Provision for loan impairment $M	**Stage 1 (12-month ECL)**	**Stage 2 (Lifetime ECL)**	**Stage 3 (Lifetime ECL)**	**Total**
Loss allowance as at 1 January 2026	50.3	18.1	70.2	138.6
Transfer to Stage 1	16.8	(9.6)	(7.2)	–
Transfer to Stage 2	(1.8)	3.2	(1.4)	–
Transfer to Stage 3	(1.4)	(6.4)	7.8	–
Financial assets that have been derecognised during the period	(2.0)	(2.9)	(3.1)	(8.0)
New financial assets originated at end of period	8.5	1.9	1.7	12.1
Net repayments and interest for the period	(15.7)	12.3	1.9	(1.5)
Total	54.7	16.6	69.9	141.2
Post-model overlay adjustments	–	–	6.0	6.0
Loss allowance as at 30 June 2026	54.7	16.6	75.9	147.2

Loans and advances $M	**Stage 1 (12-month ECL)**	**Stage 2 (Lifetime ECL)**	**Stage 3 (Lifetime ECL)**	**Total**
Gross carrying amount as at 1 January 2025	15,367.0	506.6	235.1	16,108.7
Transfer to Stage 1	266.8	(193.7)	(73.1)	–
Transfer to Stage 2	(345.1)	363.3	(18.2)	–
Transfer to Stage 3	(204.0)	(73.8)	277.8	–
Financial assets that have been derecognised during the period	(4,905.0)	(98.5)	(107.8)	(5,111.3)
New financial assets originated at end of period	7,782.7	77.9	12.4	7,873.0
Net repayments and interest for the period	(1,684.1)	(92.3)	(101.4)	(1,877.8)
Gross carrying amount as at 31 December 2025	16,278.3	489.5	224.8	16,992.6

Provision for loan impairment $M	**Stage 1 (12-month ECL)**	**Stage 2 (Lifetime ECL)**	**Stage 3 (Lifetime ECL)**	**Total**
Loss allowance as at 1 January 2025	45.5	12.0	59.4	116.9
Transfer to Stage 1	19.6	(9.7)	(9.9)	–
Transfer to Stage 2	(1.6)	3.3	(1.7)	–
Transfer to Stage 3	(2.2)	(5.9)	8.1	–
Financial assets that have been derecognised during the period	(2.0)	(2.1)	(4.5)	(8.6)
New financial assets originated at end of period	16.1	5.3	2.0	23.4
Net repayments and interest for the period	(25.1)	15.2	12.0	2.1
Total	50.3	18.1	65.4	133.8
Post-model overlay adjustments	–	–	4.8	4.8
Loss allowance as at 31 December 2025	50.3	18.1	70.2	138.6

The value of the collateral held as security for loans in the Stage 1, Stage 2 and Stage 3 Collective provision as at 30 June 2026 is $22.3 billion (31 December 2025: $19.1 billion).

The value of the collateral held as security for loans in the Stage 3 Specific provision as at 30 June 2026 is $12.5 million (31 December 2025: $8.5 million).

b. Maximum exposure to credit risk and the relative credit quality of financial assets

30 June 2026	Maximum exposure to credit risk $M	Relative credit quality of assets: Rated*	Relative credit quality of assets: Unrated
Cash and cash equivalents	**935.4**	**Investment grade**	–
Derivative financial instruments	**38.6**	**Investment grade**	–
Gross Mortgages loans and advances (including undrawn facilities)	**13,958.4**	–	
LVR Band 90%+			**785.0**
LVR Band 75-90%			**6,178.1**
LVR Band 60-75%			**3,858.0**
LVR Band <60%			**3,137.4**
Gross Asset Finance loans and advances	**6,072.9**	–	
Commercial			**2,155.5**
Consumer			**1,904.2**
Novated lease			**2,013.2**
Receivables	**30.1**	–	**30.1**
Total	**21,035.4**	–	**20,061.4**

31 December 2025	Maximum exposure to credit risk $M	Relative credit quality of assets: Rated*	Relative credit quality of assets: Unrated
Cash and cash equivalents	1,267.0	Investment grade	–
Derivative financial instruments	40.7	Investment grade	–
Gross Mortgages loans and advances (including undrawn facilities)	11,519.2	–	
LVR Band 90%+			615.4
LVR Band 75-90%			4,725.0
LVR Band 60-75%			3,339.0
LVR Band <60%			2,839.8
Gross Asset Finance loans and advances	6,494.6	–	
Commercial			2,097.7
Consumer			1,987.2
Novated lease			2,409.7
Receivables	25.2	–	25.2
Total	19,346.7	–	18,039.0

* Investment grade: AAA to BBB by Standard & Poor's.

As at 30 June 2026 the Group had $1,497.8 million of undrawn credit facilities (31 December 2025: $1,331.8 million).

Undrawn customer commitments and redraw balances which can be cancelled at any time by the Group are not recognised on the statement of financial position. As required by AASB 9 *Financial Instruments*, the Group has assessed ECL on undrawn credit commitments as immaterial and no provision has been recognised.

Mortgage loans are secured by a first registered mortgage over the property. This provides the Group with first priority over the proceeds of any sale of the property to repay the outstanding balance of the loans.

Asset Finance loans are secured by a Purchase Money Security Interest ("PMSI") registered with the personal property security register over the financed asset. This provides the Group with first priority over the proceeds of any sale of the asset to repay the outstanding balance of the loans.

Collateral valuations are obtained at origination and updated in limited circumstances, such as when the Group becomes a mortgagee in possession.

c. Expected credit loss provisions

Macro-economic scenarios

As at 30 June 2026, the weighting applied to each of the macro-economic scenarios was as follows:

- **Base case scenario** 60% (31 December 2025: 65%)
- **Upside scenario** 5% (31 December 2025: 5%)
- **Downside scenario** 35% (31 December 2025: 30%)

Macro-economic variables ("MEV")

The MEV assumptions used in the base case, upside and downside scenarios were as follows:

	30 June 2026		
	Upside case (5%)	**Base case (60%)**	**Downside case (35%)**
MEV			
CPI (%)	**3.20%**	**4.00%**	**5.50%**
Unemployment rate (%)	**4.40%**	**4.60%**	**6.00%**
Cash rate (%)	**4.35%**	**4.60%**	**5.10%**

	31 December 2025		
	Upside case (5%)	**Base case (65%)**	**Downside case (30%)**
MEV			
CPI (%)	2.40%	3.30%	5.50%
Unemployment rate (%)	3.90%	4.40%	6.00%
Cash rate (%)	3.10%	3.35%	4.35%

4. Financial liabilities

Borrowings

All borrowings are initially recognised at fair value of the consideration received less directly attributable transaction costs.
After initial recognition, interest bearing borrowings are measured at amortised cost using the effective interest rate ("EIR") method.

	As at	
	30 June 2026 $M	**31 December 2025 $M**
Non-recourse facilities	**18,760.2**	17,223.5
Corporate debt facilities	**121.2**	148.9
Total borrowings	**18,881.4**	17,372.4

Corporate debt facilities secured over certain assets of the Group were also in place in the year ended 31 December 2025 and the period to 30 June 2026.

On 23 May 2024 the Group entered into a secured, syndicated 3-year revolving credit facility. As at 30 June 2026, $120.0 million was drawn down on the total facility of $270.0 million (31 December 2025: $97.5 million drawn on a total facility of $270.0 million). This facility carries a floating interest rate at 3-month BBSY plus a margin (31 December 2025: floating interest rate at 3-month BBSY plus a margin).

Transaction costs directly attributable to the facility have been capitalised and are amortised over the facility term.

A debt issuance programme was established in October 2021. As at 30 June 2026, the value of outstanding floating rate notes was nil as it was repaid in full during the reporting period (31 December 2025: $50.0 million). These notes carry a floating interest rate at 3-month BBSW plus a margin. Transaction costs directly attributable to the notes have been capitalised and were amortised over the facility term.

The Corporate debt facilities are Australian-dollar denominated and carried at amortised cost. Therefore they have not impacted on the Group's exposure to foreign exchange risk.

The Company is required to comply with certain covenants. During the period and as at 30 June 2026, the Group was compliant with these covenants.

The table below summarises the contractual maturity of the Group's corporate debt facilities:

	As at	
	30 June 2026 $M	**31 December 2025 $M**
Corporate debt facilities maturity:		
Within one year	**121.2**	50.4
More than one year	**–**	98.5
Total corporate debt facilities	**121.2**	148.9

5. Other financial liabilities – trail commission payable

Trail commission payable

	As at	
	30 June 2026 $M	**31 December 2025 $M**
Other financial liabilities – trail commission payable	**80.6**	68.8
Total other financial liabilities – trail commission payable	**80.6**	68.8

The Group makes trail commission payments in respect of mortgages originated through brokers in Australia and New Zealand. These payments are based on monthly loan balances outstanding (excluding 0% commission rate loans and "in-arrears" loans).

On initial recognition of a mortgage loan at settlement, the Group recognises a trail commission financial liability which is recognised based on the net present value ("NPV") of expected future trailing commission payable to brokers. Subsequent to initial recognition, trail commission financial liability is measured at amortised cost using the effective interest rate method.

A corresponding capitalised trail commission asset is capitalised to the loan as part of the transaction costs.

The following key assumptions have been used in the determination of the estimated future cash flows:

	As at	
	30 June 2026	**31 December 2025**
Run-off rate (depending on product and loan seasoning)	**Between 13.1% – 41.1%**	Between 12.7% – 47.3%
Discount rate	**Between 8.3% – 12.6%**	Between 10.2% – 12.6%

Run-off rate

The run-off rate consists of discharges, prepayments and scheduled loan repayments and is the most sensitive factor in the NPV modelling. It is calculated based on observed portfolio seasoning performance and reflects expected behavioural life. It incorporates historical averages, key run-off drivers and prior-year trends.

Discount rate

For the purpose of the valuation, the discount rate is determined for each cohort of originations within the relevant period and applied to the estimated future trail commission cash flows.

The discount rate reflects the current market assessment of the time value of money and the risks that are specific to the estimated future cash flows. It is calculated using an estimated cost of financing the Group, based on the Group's existing cost of debt.

Sensitivity analysis on 30 June 2026 valuation

Sensitivity analysis (on the trail commission payable) has been performed on both the run-off rate and discount rate:

- the impact of a +/- 2% movement in the run-off rate is $3.9 million; and
- the impact of a +/- 1% movement in the discount rate is $1.7 million.

6. Financial instrument disclosures

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

- **Level 1:** the fair value of financial instruments traded in active markets (e.g. publicly traded derivatives and equity securities) is based on quoted market prices (unadjusted) for identical assets or liabilities, at the end of the reporting period;
- **Level 2:** the fair value of financial instruments that are not traded in an active market (e.g. over–the–counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2; and
- **Level 3:** if one or more of the significant inputs for the asset or liability are not based on observable market data, the instrument is included in Level 3.

The following assets and liabilities are measured at fair value by the Group for financial reporting purposes:

			As at	
	Fair value hierarchy	**Valuation technique and key inputs**	**30 June 2026 $M**	**31 December 2025 $M**
Equity investments at FVTPL	Level 3	Market approach based on acquisition value and financial performance since acquisition, adjusted for changes in macroeconomic factors	**10.8**	11.8
Derivative financial assets and liabilities	Level 2	Discounted cash flow, forward interest rates, contract interest rates, counterparty valuations	**37.8**	37.9
Total			**48.6**	49.7

In the period to 30 June 2026 there has been no change in the fair value hierarchy or the valuation techniques applied to any of the balances above. The unrealised movement in Level 3 equity instruments is reported in fair value losses on financial assets in the condensed consolidated statement of profit or loss.

Fair value of assets and liabilities not measured at fair value

The Group has considered all financial assets and liabilities not carried at fair value to determine whether the carrying value is an accurate reflection of fair value. For financial assets and liabilities whose carrying value does not accurately reflect the fair value, the Group performed a discounted cash flow valuation to determine fair value at the balance date.

Management consider that the carrying amounts of financial assets and liabilities recognised in the consolidated financial statements approximate their fair value.

7. Equity

Issued capital

	Number of shares (millions)	$M
Opening balance 1 January 2026	444.5	738.0
Ordinary shares issued to employees as part of share-based payment schemes	4.7	10.9
Balance as at 30 June 2026	**449.2**	**748.9**

During the period, the Group issued additional ordinary shares to employees in accordance with various Pepper Money equity plans. The issuances occurred on two separate dates during the period, with the vesting price ranging between $1.66 and $2.31.

8. Leases

A. Group as lessee – property lease

Leases are classified as finance leases whenever the terms of the lease substantially transfer all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

	30 June 2026 $M	31 December 2025 $M
Right of use assets		
Carrying amount at start of period	17.3	23.2
Incentive adjustments	–	(1.4)
Depreciation expense	(2.9)	(4.5)
Total right of use assets	14.4	17.3

	30 June 2026 $M	31 December 2025 $M
Lease liabilities		
Carrying amount at start of period	21.4	28.2
Incentive adjustments	–	(2.2)
Interest expense	0.9	1.8
Payments	(3.7)	(6.4)
Total lease liabilities	18.6	21.4

Lease liabilities – Maturity analysis (Contractual undiscounted cash flows)

The below table summarises the Group's remaining expected maturity for its lease liabilities with agreed repayment periods and specifically relates to lease liabilities.

The table details the undiscounted cash flows of lease liabilities based on the earliest date on which the Group can be required to pay and hence will not necessarily reconcile with the amounts disclosed in the consolidated statement of financial position. The contractual maturity is based on the earliest date on which the Group may be required to pay.

	As at	
	30 June 2026 $M	**31 December 2025 $M**
Not later than 1 year	**6.2**	7.3
Later than 1 year	**15.4**	18.0
Total commitments	**21.6**	25.3

B. Commitments for leases not yet commenced

As at 30 June 2026, the Group had committed to a lease which had not yet commenced. The commitment relates to a lease agreement associated with a new office premises, which is expected to commence in August 2026. Accordingly, the lease contract is not included in the calculation of the Group's lease liabilities. The Group has estimated that the potential future lease payments (undiscounted) for non-cancellable periods of the lease are $1.6 million.

9. Events occurring after the reporting period

A. Significant transactions

On 31 July 2026, the Group announced that it had entered into binding arrangements under which it will be appointed servicer of a portfolio of Australian home loans and personal loans originated by HSBC Bank Australia Limited ("HSBC") following the proposed acquisition of that portfolio by an entity wholly owned by funds managed by affiliates of Blackstone Inc ("Blackstone"). HSBC has entered into an Asset Sale and Purchase Agreement with the Blackstone-controlled purchaser for the sale of the portfolio, which had a book value of approximately $36 billion as at 31 March 2026. The Group will act as servicer for the ongoing administration and management of the loans following completion. Completion of the transaction is subject to satisfaction of a number of conditions precedent and is expected to occur in the first half of 2027.

On 1 August 2026, the Group commenced servicing a portfolio of RAMS home loans sold by Westpac Banking Group to a consortium. The portfolio at the date of onboarding of servicing was $15.4 billion and associated servicing income and expense will be recognised in the Loan and Other Servicing segment from this date.

The execution of the new servicing arrangement does not have a material impact on the Group's financial position or financial performance for the period ending 30 June 2026.

B. Refinancing of borrowing

On 9 July 2026, the Group entered into a new syndicated 3-year revolving credit facility with a total facility limit of $275.0 million on better terms. Subsequent to the reporting period, the Group fully refinanced the $120.0 million outstanding under its existing syndicated revolving credit facility as at 30 June 2026 through drawdowns under the new facility.

C. Interim dividend declared

Refer to Note 2(G)(b) for dividends proposed to be declared since the end of the reporting period.

Other than as noted above, there has not been any matter or circumstance occurring subsequent to the end of the period that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future periods.

Directors' declaration

The Directors of Pepper Money Limited declare that, in the Directors' opinion:

a. there are reasonable grounds to believe that Pepper Money Limited will be able to pay its debts as and when they become due and payable; and

b. the condensed consolidated financial statements of Pepper Money Limited (as defined in Note 1) including the Notes set out on pages 27 to 50:

   i. are in accordance with the *Corporations Act 2001*, including compliance with Accounting Standard AASB 134 *Interim Financial Reporting* and giving a true and fair view of the consolidated entity's financial position as at 30 June 2026 and its performance for the half-year ended on that date.

Signed in accordance with a resolution of the Directors made pursuant to s303(5) of the *Corporations Act 2001*.

On behalf of the Directors

Akiko Jackson
Chair

20 August 2026

Mario Rehayem
CEO and Director

20 August 2026

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Secretary

John Williams

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