

23 April 2025

## ASX ANNOUNCEMENT

### 2025 Annual General Meeting – Managing Director and CEO's Address

Thank you Chair and welcome shareholders to Latitude's 2025 AGM.

2024 was a pivotal year for our company characterised by the material strengthening of a wide range of underlying business drivers which compounded to generate a clear and solid performance turnaround, evidenced by Latitude's FY24 results.

Our strategic focus has been guided by the 5 key pillars that make up our Path to Full Potential corporate strategy. This included executing on a targeted set of initiatives that delivered market leading asset growth while improving revenue margins. We also maintained expense and credit underwriting discipline, lifted our operating leverage and further strengthened our balance sheet – all things that create the foundations for sustained strong performance in 2025 and beyond.

As Mike mentioned, environmental conditions began to stabilise through 2024 and factors that had been impediments to growth began to shift in our favour. And while this is a welcome change, our FY24 performance was predominantly driven by a sharp focus on delivery, with every function making meaningful contributions. Our leaders were required to rethink the way we operate (strategically, innovatively and commercially), finding new ways to improve how we deliver our products to customers and meet the evolving needs of our partners.

Pleasingly, the momentum from 2024 has continued in the first few months of 2025, with strong credit demand and consumer spending activity resulting in YoY growth in new accounts, origination volumes and receivables balances. Net Interest Margins continue to expand, benefiting from the carry over effect of prior year pricing actions along with lower funding costs as we enter a quantitative easing cycle. These things all give us confidence in our ability to deliver sustained profit and further shareholder value in the months and years ahead.

Other notable achievements in 2024 included the launch of several new marquis partnerships in our Pay Division, including Amazon, Officeworks, Coco Republic and Warehouse Group. Very importantly, we have also extended contractual agreements with our most strategically important retail partnerships across both core markets. 2024 also saw the company re-enter the private-label credit card market with David Jones, which included the migration of \$168 million in receivables and 130,000 new customers to our business. The pivot to growth in our Pay Division has also been supported by improvements to the value proposition of our 28° Global Platinum Mastercard® and the introduction of the new Latitude Low Rate credit card, a segment leading proposition offering the benefit of a low rate and cash-back rewards.

Our Money Division delivered a particularly strong FY24 result as we focussed on leverage the power of our world-class lending technology to offer customers and broker partners a better, faster and easier digital application experience. This led to record high new loan origination volumes of \$1.5 billion and enabled us to further entrench our position as the second largest lender of personal loans in Australia, behind only Commonwealth Bank, and the #1 segment share position in New Zealand. Importantly, this growth was achieved at higher Risk Adjusted Revenue margins.

In my first AGM address two years ago, I committed to building a more efficient business where company capital would be invested into a smaller set of high-yielding opportunities. I'm pleased to report that we are delivering on this pledge, with our re-engineered cost base allowing us to largely offset inflationary pressures and free up more capital for targeted, growth focused investments in marketing and technology. This, along with strong topline growth last year, drove an over 300bps reduction in our cost to income ratio to 49.4%, a metric I expect to improve further as expense discipline is maintained, new operating efficiency opportunities are pursued and as earnings continue to build.

We also capitalised on favourable public and private debt markets last year, which helped optimised funding costs - raising \$1.6 billion of new term funding and refinancing \$2.7 billion in private credit facilities on better terms, while also further diversifying our investor base and extending our debt maturity profile.

We maintained a 12-month liquidity runway, with \$1 billion of headroom available as at 31 December 2024 to support our continued and expected growth in receivables. Tangible Equity Ratio, a key measure of a company's financial strength (measured as a percentage of gross receivables) also improved, ending the year at 7.1% and above our 6% to 7% Board-mandated target range.

Maintaining top and bottom line growth momentum across our Money and Pay divisions over the next two years remains a key priority for this management team and we will continue to pursue a range of organic opportunities within our core products, partnerships and business operations.

At the same time, we'll look to enter new customer segments and business sectors that enable us to extend our core capabilities, especially where we believe we can rigorously compete and win. In support of this agenda, we will pursue local and global strategic partnerships that provide innovative technologies to better assist our customers and further streamline our operations.

While there is still much work to be done to fully embed our *Path to Full Potential* strategy, we are encouraged by the considerable progress made in 2024 and we will continue to take all necessary actions to ensure this momentum continues through 2025 and beyond.

The changes that have been made to ensure Latitude reaches its full financial potential are being led by a globally experienced executive team, further bolstered in 2024 with the additions of Areti Rapakousios, Group General Manager, Internal Audit & Operational Excellence; Steve Rubenstein, Executive General Manager, Money Division; and Campbell Morrison, Executive General Manager, Enterprise Services.

We're also very pleased to be welcoming our newly appointed CFO Guillaume Leger on 16 June 2025. Guillaume brings deep international consumer finance leadership and listed company experience and we're thrilled to have someone of Guillaume's talent and global perspective join us in this critical role. Let me take a moment to again thank Stefano Tognon, Group Treasurer and Group GM, Corporate Development, for ably leading the Finance Team as Interim CFO since 1 January 2025.

These Executive appointments reflect our unwavering focus on attracting and retaining the best talent needed to advance our strategic agenda and to win in the marketplace. It would be remiss of me not to mention the extraordinary commitment and significant contributions that our Chair Mike Tilley and each of our Board members have made in shaping the future of our company and we thank them for their unwavering support.

Let me finish by extending my gratitude to all my Latitude colleagues for their outstanding contributions last year. I also want to thank our customers who every day choose Latitude's products to make purchases important in their lives. Finally, thank you to our shareholders, for your belief in this leadership team and our strategic direction.

Authorised for release to the ASX by Vicki Letcher, Company Secretary.

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