

ASX Announcement
29 February 2024

Pepper Money announces on-market share buy-back as part of overall capital management strategy

Pepper Money Limited (ASX: PPM) advises that, following a capital management review, the Company will undertake an on-market buy-back of up to 10% of the ordinary shares currently on issue ("Share Buy-Back"). The Company intends to commence the Share Buy-Back from 2 April 2024 for up to a 12-month period.

The Share Buy-Back is in addition to the change in Dividend Policy announced today as part of the Company's CY2023 full year results. The dividend payout ratio has increased to 30.0 - 60.0% of Pro-forma Net Profit After Tax from 30.0 - 40.0%.

Pepper Money's Chair, **Mike Culhane** said *"The decision to undertake an on-market share buy-back and to increase the dividend payout ratio reflects an ongoing disciplined management of capital and our commitment to enhancing shareholder value. Our approach is to ensure we provide flexibility around the capital required to grow and fund the business whilst also delivering strong returns to shareholders"*.

Pepper Money's CEO, **Mario Rehayem** said, *"Pepper Money knows when to grow our business and when to manage for value. Given current macro-economic conditions, we believe there is clear opportunity to optimise returns to shareholders by utilising an on-market share buy-back. In addition, increasing the upper limit of our dividend payout provides the Company with the ability to return value to our shareholders when surplus capital is generated. We will constantly monitor the opportunities that exist in both the mortgage and asset finance markets as well as continuing to assess other opportunities to deploy capital with a view to generating value and returns for shareholders."*

The Share Buy-Back will be conducted in the ordinary course of trading over the 12-month buy back period. The timing and the number of shares purchased under the Share Buy-Back will depend on market conditions, the prevailing share price and other capital considerations of the business. The Company will only buy back shares at such times and in such circumstances as it considers beneficial to the capital management of the Company and gives no assurances that the Company will buy back any or all of the 43,979,051 shares contemplated. The Company reserves the right to suspend or terminate the Share Buy-Back at any time.

ENDS

This announcement was authorised for release by the Board.

About Pepper Money

Pepper Money is one of Australia and New Zealand's leading non-bank lenders. It was established in 2000 as a specialist residential home loan lender in Australia with a focus on providing innovative home loan solutions to customers that were being underserved by traditional lenders. Pepper Money today has a broad product offering of residential home loans, asset finance commercial real estate and novated leases in Australia and residential home loans in New Zealand. For more information visit www.peppermoney.com.au

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