

USX ANNOUNCEMENT GENEVA FINANCE

Quarterly trading update: June 2024 (Q1, 31 March 2025 financial year)

Group Financial Performance

Group Pretax Profit of \$2.4 million, was up \$0.98 million (+71.4%) compared to the June 2023 quarter.

NZ Lending Operations

Formerly reported as separate operations (GFSL, Parent company, Stellar Collections, MFL, Geneva Capital Limited).

Reported a \$0.6 million loss, but this represents a \$0.1 million improvement over the previous year and includes NZX delisting costs of \$0.2 million incurred to date. Cost of funds were up \$0.3m on Q1 prior year as the Group's overall cost of funding remains high.

Q1 lending volume decreased by 21% compared to last year, despite an increase in lending inquiries. Although asset quality is being maintained, the current challenging economic environment is having an impact as additional provisioning was absorbed in the current quarter. This is an area that is being monitored closely. Net Receivables Ledger amounts to \$101.6 million, up \$1.5 million from the previous year.

The debt litigation and invoice factoring businesses have been exited, with efforts ongoing to collect the remaining outstanding receivables.

Quest Insurance

The Insurance Business contributed a \$2.5 million Q1 profit, being a \$0.9 million increase on the previous year quarter. Gross written premiums for the quarter increased by 18.1% to \$14.0m.

Tonga Lending operations (FPF Tonga)

Pretax profit: \$0.5m, equal to the Jun 2023 quarter.

Funding

Westpac Funding: \$82.1m up \$5.8m on last year.

Kiwi Bank: \$1.9m, down 1.5m on last year as this facility is being repaid.

Wholesale investors: \$17.0m, up \$1.7m on last year.

Summary

The performance for Q1 2025, demonstrates an improvement in profitability, primarily driven by strong performance from our insurance business.

NZ Lending Operations volumes are still recovering from previous challenges mainly due to disruptions in sub-note funding (our contribution to the Westpac securitization facility) experienced in Q3 and Q4 of the previous year for which a November 2023 EGM was needed. Loan book quality remains stable amid a tough economic environment.

Quarterly featured executive profile

This quarter we feature Steve Te Waiti, Head of Sales and Lending



Steve commenced with Geneva Finance in September 2022

Steve grew up in Otahuhu, where his father worked as a train driver and his mother served as a nurse at Middlemore Hospital. After leaving school with aspirations of becoming a social worker, Steve soon realized that career path wasn't right for him. Instead, he entered the motor vehicle finance industry, beginning in 1988 as a credit controller.

Throughout his career, Steve has held numerous positions in dealerships, ranging from Business Manager to Dealer Principal, and he considers himself fortunate to have worked with some outstanding finance companies. Before joining Geneva, Steve was the Group Manager for Finance at Eagers Automotive New Zealand. Prior to that, he held significant roles at BMW Financial Services and UDC Finance.

Regarding the first quarter of trading, Steve shares his insights:

"At Geneva, despite the economic headwinds many are facing, we are navigating the current tough market climate with a strategic focus on growth and resilience. The recent changes to the CCCFA (responsible lending code) will now allow us to assess applications that would have previously been overlooked. This will likely lead to a significant increase in application numbers in the coming months, but we remain committed to preserving margins and maintaining the quality of our loan book."