

Accelerating growth, investing in change



"In 2025, we delivered a very strong performance, and are now focused on accelerating the rate of growth and the pace of change to better serve our customers."

Gerard Ryan
Chief Executive Officer

2025 was a pivotal year for IPF. We delivered a very strong operational performance, made good progress against our strategy and strengthened our ability to serve more customers across our markets. At the same time, it has been a year of reflection on how best to ensure that this progress translates into long-term value for all stakeholders.

For several years, both our shareholders and I have been frustrated that the great progress we have made has not been reflected in the share price. A core part of my role is to create shareholder value, and despite excellent operational execution and delivery, we were not achieving this as effectively as we should. With the Board's support, we started to look at non-operational avenues to create this value, the principal one being a change in ownership structure. After appointing independent advisers, we undertook a strategic review of the business and it became clear that we could achieve our purpose of building financial inclusion more quickly while at the same time generate greater shareholder value if we were no longer a publicly quoted entity. And more than 18 months later, having announced a recommended cash acquisition from IPF Parent Holdings Limited (BasePoint) in December last year, we find ourselves at a point where shareholders have the opportunity to be rewarded for their faith in us and we, as a business, get the chance to make longer-term investments to accelerate financial inclusion without the constraints of quarterly public reporting. It is, in my view, a great potential outcome for all concerned.

What drove the step-up in growth in 2025?

Success is rarely achieved through one single ingredient, but rather it is a combination of factors interacting at the right moment that can achieve outstanding performance. In our case, all three divisions executed on their agreed strategy to deliver strong top-line growth, very good portfolio quality and disciplined cost control. Strong demand from our customer segment was evident throughout the year, and our teams worked hard to meet this demand by expanding our product range and our distribution channels whilst at the same time investing in technology to improve our customer experience.

How has the Next Gen strategy contributed to delivery this year?

Our three pillar Next Gen strategy has become our common language across the Group. It provides the guide rails within which we allocate multi-year investments to our strategically

important initiatives. Examples include launching short-term lending in Poland and Mexico or retail partnerships in Romania and Mexico under our financial inclusion pillar, creating a new business transformation office as part of our Next Gen organisation pillar, or investing to become a cloud-based business to deliver on our Next Gen technology and data pillar. These examples have enabled and accelerated our growth, made us a more efficient organisation and improved our customer experience.

How have you maintained such strong repayments while accelerating growth?

Each time we updated shareholders during the year, I commented on the strength and consistency of our customer repayment behaviour and I think there are three core factors driving this. First and foremost is our application of our affordability principles through which we seek to ensure that the repayments a customer is signing up to are truly affordable for them, and this in turn drives our portfolio quality. The second contributing factor is that notwithstanding higher levels of inflation, the employment markets where we trade have remained robust and our customers have access to regular income. And finally, and perhaps the most critical, is the very strong operating rhythm we have across our organisation where we develop very strong and mutually beneficial habits with our customers.

Where is the biggest opportunity to expand financial inclusion?

It is in the nature of the business we are in that we will always see strong demand from our customer segment. By definition, our customers have fewer choices when it comes to accessing financial services and our role, therefore, is to be there to provide financial inclusion in a transparent and affordable way. We are currently investing strongly in Mexico and Australia because of the growth opportunities we see there. In Mexico, it is driven by the sheer scale of the underserved population that needs to be addressed, whereas in Australia, we are investing to build our brand recognition. If we look at the opportunity to expand financial inclusion through a product or distribution lens rather than a geographic one, we see great scope for growth in our new short-term lending and credit card products, while our retail partnership models in Romania and Mexico are also set to be large growth contributors in the years ahead.

What's driving the success of your new products and channels?

As I mentioned earlier, success usually has many ingredients. In the case of our new products and channels, we are always focused on what the customer wants to prioritise most. For those customers who only want a very limited advance to see them through a short period of time, our new short-term loan was designed to meet this requirement. For those customers who are looking to experience the benefits of wider usability, our credit card product with its easy instalment repayment plan is proving to be a very good match. As for distribution channels, to support customers who need finance for a slightly larger purchase, our new partnership model is delivering the right solution. In short, delivering what the customer values most has proven to be a reliable pathway to success.

How important is employee engagement in delivering customer and performance outcomes?

I am always humbled and positively surprised by the dedication and commitment shown by our colleagues across the Group. Within the business, we are very proud that we can consistently mobilise more than 20,000 colleagues to unify around a singular purpose of building financial inclusion. As a leadership group, we invest a lot of time and effort to build a global team where colleagues are motivated and energised by their work. Our internal colleague surveys, all of which are anonymous, deliver consistently positive feedback and we are always looking to make improvements to the roles and opportunities we have on offer. There is no doubt in my mind that this positivity is a key ingredient in our continued success.

How is investment in technology and data transforming IPF?

Other than our people costs, investing in technology has become our single largest operating expense. Broadly speaking, we are investing across three strategic areas: simplifying the business, protecting the business and building the business. Our Group has evolved significantly from its early days of being a simple, single-product home credit business to become a multi-product, multi-channel, digitally enabled provider of financial services. To ensure we get the most out of the opportunity this new phase presents, we are mandating common systems wherever possible, moving systems to the cloud and dramatically reducing the number of technology platforms in use. This investment in simplification provides us with a great opportunity to make our technology more robust and secure, something that has certainly become one of my top priorities for the Group. The most obvious evidence of the impact of our technology investment is in our new products, channels and ways of working, all of which are enabled by a combination of our own in-house team and trusted external partners.

How are your digital services making lending more accessible?

Consumer expectations are increasing all the time, and our customers are no exception. In particular, our customers have come to expect seamless switching between communication channels when using our services, perhaps starting out with a call to one of our customer contact centres, then moving

to an email and subsequently to messaging services such as WhatsApp. The standardisation of the technology and services we use, together with our transition to cloud servicing, have enabled us to meet the increasing demands of our customers. Every one of our customer representatives is equipped with handheld technology and all our new services are being designed to be mobile first. This is undoubtedly a significant investment, but it will lead to greater efficiencies across the business and more customer-focused journeys, which can only be a good thing for our organisation.

What impact is AI having on your business?

I am a firm believer that AI will have a significant and positive impact on our business, but rather than occurring through a single transformative event, it will derive from the cumulative effect of multiple applications across diverse processes in our organisation. We are already seeing benefits in onboarding new customers more efficiently, software being developed more rapidly and cost effectively, and training and development being rolled out more easily to our colleagues. Other areas where AI will surely play a big role include product development, and market and consumer research. I continue to be very optimistic about the role of AI in our future development.

How has competition changed?

Wherever people see a sales opportunity there will be competition and our sector is no different. Each of our markets is already highly competitive but it takes a lot of experience to serve our customer segment fairly and profitably, so while we have seen multiple new entrants specifically in the Mexican market, most are firmly focused on socio-demographic groups above where we provide our services. In our European markets, we see the cumulative impact of new regulation reducing the risk appetite of several of our competitors. If there is an upside to intense competition, it is that it has forced us to continually evolve our products and services at pace and ultimately our customers will be the beneficiaries of that change.

What is the outlook for 2026 and beyond?

Setting aside the possible acquisition of our business by BasePoint, I see great opportunities for our business to continue to grow and deliver on its purpose of building financial inclusion. Our customers' expectations may be changing but their needs are not, and we are perfectly positioned to meet those needs. We entered 2026 with good momentum, robust credit quality and a strong balance sheet. Our Next Gen strategy keeps us focused on what is important and where to invest to deliver growth and efficiency. We have very clear opportunities for growth in Mexico and Australia as well as our digital products and new channels. We therefore plan to increase our investment in these new initiatives by approximately £5m per annum over the next two to three years. Although this may impact returns in 2026 and 2027, we believe it will sustain our improved growth rates and allow us to more effectively fulfil our purpose of building financial inclusion.

With a very committed team of colleagues focused on delivering for our customer segment, I remain confident in our ability to fulfil our purpose while providing shareholders with an appropriate return.

Gerard Ryan
Chief Executive Officer

Strategic progress

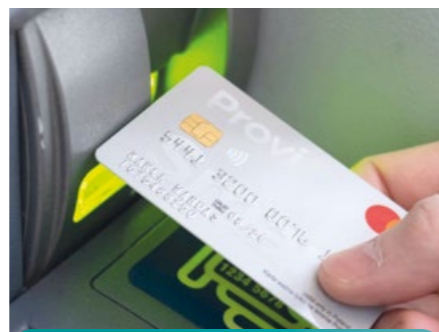
We accelerated delivery against our strategic objectives in 2025, making strong progress across all pillars of our Next Gen strategy and building real momentum in growth, innovation and change.



Next Gen financial inclusion



Next Gen organisation



Next Gen technology and data

Accelerating growth and the pace of change in 2025

- Expanded credit card offering in Poland to nearly 200,000 active cards and launched a fully digital version.
- Advanced plans to launch credit cards to consumers in Romania in Q3 2026.
- Retail finance now in 1,500 physical stores and 200 online merchants in Romania, and in 100 online merchants and 900 stores in Mexico.
- Opened two new branches in Mexico.
- Rolled out short-term digital loan products in Mexico and Poland.
- Began investment in Australia to increase market share.
- Strengthened hybrid model in Romania, improving credit quality and customer reach.
- Achieved 91% participation in our Global People Survey.
- 4,000 colleagues volunteered to support our local communities.
- Partnered with UN Women in Mexico to promote gender equality and financial inclusion.
- Invested £500,000 in our 'Invisibles' community programme.
- Multiple award wins including Top Employer for our Provident Europe businesses.
- Retained FTSE4Good status.
- Achieved ISO 45003 certification at Provident Europe and Mexico, and IPF Digital in Poland.
- Launched new customer mobile app in Hungary.
- Rolled out a single customer platform in Provident Europe connecting call centres, websites and apps.
- Introduced webchat in Provident Europe, improving real-time customer support.
- Began migrating Group systems to the public cloud, strengthening security and resilience.
- Advanced paperless process and systems upgrades to increase efficiency across Provident Europe.
- Continued investments in data management and analytics to drive insight-led customer service and efficiency.

Priorities in 2026

- Continue to grow credit card in Poland.
- Launch credit card to consumers in Romania.
- Open two new branches in Mexico.
- Accelerate growth in IPF Digital Mexico and Australia.
- Increase scale of retail partnerships model.
- Grow our digital channel in Romania.
- Create strategic leadership hubs to accelerate multi-market delivery.
- Continue investment in our colleagues to ensure we remain a great place to work.
- Support more communities through our Invisibles programme.
- Roll out customer mobile app in Romania and Czech Republic.
- Continue call centre modernisation to unlock customer experience and enhance productivity.
- Implement a Group-wide ERP system making everyday work simpler and more efficient.
- Complete paperless transformation programme.
- Generate further value from data and AI.

See pages 22 and 23 for our key performance indicators.

