2025 Sustainability Report

ColCap Financial

ABOUT THIS REPORT

This Sustainability Report has been prepared by ColCap Financial Ltd. for general information purposes only. ColCap Financial Ltd (ACN 650 487 353), is the ultimate holding company of Columbus Capital Pty Ltd (ACN 119 531 252), and its subsidiaries and controlled entities. The information in this report relates to ColCap Financial Ltd and its subsidiaries and controlled entities (collectively referred to as "ColCap" or "the Group").

This report represents a complete set of climate-related financial disclosures for ColCap for the year ended 31 December 2025. The Group's climate-related disclosures have been prepared in accordance with AASB S2 Climate-related Disclosures, which is the mandatory Australian Sustainability Reporting Standard (ASRS) that has been issued by the Australian Accounting Standards Board (AASB). As this is the first year in which the Group has applied AASB S2, the Group has elected to not disclose comparative information in this report.

ColCap's climate disclosures for FY2025 include Scope 1 and Scope 2 emissions only. ColCap has applied the transition relief available in AASB S2 paragraph C4(b) not to disclose scope 3 emissions in its first year of reporting.

We continue to monitor developments in sustainability standards and will expand our reporting scope as data quality and regulatory requirements evolve.

This report has been prepared for use by persons making decisions relating to providing resources to the Group. These are current and potential:

- Shareholders in ColCap;
- Investors in mortgage-backed securities issued by ColCap;
- Providers of loan capital for use by ColCap; and
- Creditors of ColCap.

This report is not intended for use by retail consumers.

This report outlines the Group's approach to identifying, assessing, and managing climate-related risks.

ColCap is at an early stage in its development of strategies and policies for managing climate-related risks and we will continue to actively develop and refine processes, including engagement with third-party service providers and suppliers to ensure alignment with our sustainability values and to support responsible business practices throughout our supply chain.

Forward Looking Statements

This report contains forward-looking statements, including statements regarding ColCap's future operations, strategies, financial performance and climate-related risks and opportunities. These statements are based on current expectations, estimates, forecasts, and projections about the operating environment, industry trends, and regulatory developments, and are subject to known and unknown risks, uncertainties, and assumptions.

Forward-looking statements are not guarantees of future performance and involve inherent risks and uncertainties, many of which are beyond ColCap's control. Actual outcomes may differ materially from those expressed or implied in any forward-looking statement due to a range of factors, including changes in economic conditions, regulatory requirements, climate-related impacts, and other unforeseen events.

ColCap does not undertake to update or revise any forward-looking statements to reflect subsequent events or circumstances, except as required by law.

Judgements and Measurement Uncertainty

Management has exercised judgement in the process of preparing this Sustainability Report and in determining what information to report. The following are the areas where we have exercised this judgement:

- GHG-related metrics – ColCap has measured its GHG emissions in accordance with the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)* (***GHG Protocol***). The data is subject to inherent uncertainties arising from reliance on activity data and third party data. Refer page 9.
- Selection of scenarios and materiality – ColCap has used its judgement to identify the scenarios explored and has used third party data and assumptions to understand this risk. Actual risk events may differ from this analysis. More detail on the judgements and assumptions are contained on page 11.
- Portfolio risk – ColCap has determined that for 2025 the key risk to the business is the Australian Portfolio of Loans. This may change in the future. Refer page 11.

Additional Information about this Report

Only specific disclosures have been subject to limited assurance, relating to specific obligations within the AASB 2 requirements, in accordance with the Independent Auditor's Review Report on pages 15-19. The rest of this report has not been subject to external assurance.

This report does not constitute financial product advice, investment advice, or a recommendation to invest in any financial products. Readers are encouraged to seek independent professional advice before making any decisions based on the information in this report.

ABOUT COLCAP | STRUCTURE & OPERATIONS

ColCap is a leading non-bank financial institution specialising in prime residential mortgage lending, in Australia and the United Kingdom.

Entities within the Group also provide products, services, and infrastructure to facilitate the provision of mortgage loan products to borrowers. Group entities also undertake third party loan servicing and trust management activities. The ColCap Group's business is funded through a combination of bank balance sheet warehouses and wholesale term capital market transactions (securitisation transactions), as well as fees it receives from its various products and services.

Core Businesses

We serve our customers through five key businesses: Origin Mortgage Management Services, Homestar Finance, Granite Home Loans, Austrata and Molo. As at 31 December 2025, our loan portfolio exceeded A$19.5 billion. Our customers range from individual borrowers purchasing their first home to investors seeking specialist mortgages. Approximately 95% of ColCap's loan portfolio is originated through its Australian businesses.

ORIGIN MORTGAGE MANAGEMENT SERVICES

Origin is an Australian wholesale distribution business that provides providing third-party funding for mortgage loans originated by Mortgage Managers under their brands. Origin also provides account servicing, back-office loan processing, underwriting and white-label mortgage management support.

homestar finance

Homestar is an Australian retail mortgage lending business that provides loans directly to retail consumers including loan products for owner occupied and investment purposes as well as SMSF and construction loans.

GRANITE

Granite is an Australian funder of residential mortgage loans originated primarily through mortgage aggregators and mortgage broking groups

Austrata FINANCE

Austrata is an Australian funder of strata loans originated primarily through owner's corporations and body corporates.

molo

ColCap Financial UK Limited trades as Molo in the United Kingdom and is a mortgage lender offering loans direct to borrowers and through intermediaries. The business targets Buy-to-Let mortgages.

Our Values

Our core values are the guideposts that help to ensure our decisions and behaviors are the right ones over the long term. They explain who we are and what we stand for, and they provide a roadmap for continued success.

Every day we seek to ensure that these core values demonstrate themselves in our products, our working relationships, our interactions with customers and our business operations.

- Care for our people
- Own what we do
- Lead by example
- Curious & innovative
- Act with integrity & respect
- Put the customer first

ColCap Financial

GOVERNANCE

ColCap operates across Australia, the United Kingdom and the Philippines with business written in Australia and the United Kingdom. Climate related risks and opportunities have been considered for all jurisdictions in which ColCap operates, however the detailed 'flood risk assessment' has only focused on the Australian portion of the business which represents the majority (more than 90%) of ColCap's mortgage assets as the material part of our operational risk and opportunity.

Governance of climate-related risks and opportunities is integrated with broader risk and strategic frameworks within the business. Ultimately the Board has responsibility for overseeing all matters for ColCap. The ColCap Board has a majority independent directors with significant experience. Committees have been established with set roles and responsibilities to assist the Board, and management have delegations through their position descriptions for managing the governance processes across the Group.

During 2025, the People and Culture Committee have recommended that the Board have more exposure to sustainability education. This will occur in FY2026.

The Board approves the Risk Management Framework, including setting the risk appetite within which it expects management to operate within. The Board will annually review and approve ColCap's Risk Registers, which encompass both financial and non-financial risks. The Board also approve and monitor strategy, acquisitions, divestments, budget and expenditure.

Risk governance is managed by the Risk and Compliance team and is supported by ColCap's Risk Management Platform (GRM Platform). Risks, controls and attestations relating to all risks, including climate-related risks, are maintained within the GRM Platform. The Risk and Compliance team oversee compliance with risk controls and regulatory controls by monitoring attestations made by management. In 2025, climate change risk was rated Low.

The Board may consider climate-related opportunities as presented by the CEO. Any significant opportunity is subject to assessment of strategic fit and to financial and risk analysis commensurate with the nature of the opportunity. Such analysis will include environmental and climate-related risks, where identified as relevant.

ColCap has not set climate-related targets or performance indicators for managers for 2026.

GOVERNANCE

Roles and responsibilities in relation to governance of climate-related risks and opportunities.

Role	Terms of reference and sustainability role	Competency assessment	Information on climate risks / opportunities
ColCap Board (Board) ***Meets at least four times a year***	**Board Charter:** Board is responsible for approving the Sustainability Report and has oversight of climate-related risks and opportunities.	Directors across the Board and ARC are the same. The People and Culture Committee, appointed by the Board assess general skills and competencies of Directors and make recommendations based on a skills matrix which references ColCap's AFSL, legal and corporate obligations.	• Risks escalated from the ARC (quarterly as applicable) • Strategic proposals consider climate opportunities (as applicable) • Annual approval of the climate 'Sustainability Report' which includes assessment of risk and opportunity.
Audit and Risk Committee (ARC) ***Meets at least four times a year***	**ARC Charter:** ARC oversees Group Risk, including the climate risk(s) and considers the risks in the Sustainability Report to endorse it for Board approval.		• Risks are detailed within the Risk Register and presented at least annually. • Climate-related risks are also captured within the 'Sustainability Report' and presented to the ARC for review in the Q4 meeting.
Credit Risk (Management) Committee (CRC) *(Meets at least 12 times a year)*	**CRC Charter:** Considers all complex credit decisions including changes to Credit Policy. Specifically, the CRC will consider climate related risks and work with the GM Credit and CRO to introduce controls to manage exposure.	CRC must have skilled executives, including the GM Credit, CRO and CEO.	• At least annually climate-related risks will be presented for discussion. • Credit related climate opportunities are considered (ad hoc) presented by CEO.
Chief Executive Officer (CEO)	**Position Description:** Oversight of climate risks and opportunities.	20+ years management of Non-Bank Lender	• Industry forums, news, experience, and discussions with CRO / GM Credit and others (ad hoc)
Chief Financial Officer (CFO)	**Position Description:** Incorporating climate-related matters into financial practices, financial reporting (including climate-related financial disclosures) and disclosure activities for alignment to financial reporting.	25+ years finance experience	• Industry forums, news, experience. • Relationship with auditors, and lawyers. • Sourced from third party experts and consultants. • Legislation and regulation.
Chief Risk Officer (CRO)	**Position Description:** Responsible for the collation of risks across the business, and reporting to Board (inc. CEO) quarterly on risk appetite etc. Work with the CRC and Management to develop appropriate risk controls.	15+ years risk management	• Industry forums, news, experience. • Relationship with auditors, and lawyers. • Sourced from third party experts and consultants. • Legislation and regulation.
General Manager Credit (GM Credit)	**Position Description:** Chair the CRC and consider risks associated with concentration, climate, policy etc.	15+ years credit assessment	• Industry forums, news, experience. • Relationship with auditors, and lawyers. • Sourced from third party experts and consultants. • Legislation and regulation.

RISK OF EXPOSURE | RISK ASSESSMENT

ColCap's strategy for the management of climate-related risks is to understand the likelihood and magnitude of risks in accordance with our Group Risk Framework. Risks are identified in accordance with the Framework and included as part of the Risk Registers overseen by the ARC and approved by the Board.

- **High Risk** – Consequences have a significant impact on the business. Losses are significant (over $10m)
- **Medium Risk** – Consequences have an impact on the efficiency of the business. Losses are notable, but not significant.
- **Low Risk** – Consequences are remediated with minor operational impact. Losses are minimal (under $2m).

Given the emerging nature of climate-related risks and improvements in available technology and data, we expect to continue to develop our assessment capability in relation to climate-related risks on an ongoing basis. The risks have been represented with a horizon of short term (0-3 years), medium term (3-10 years) and long term (10+ years).

The risks assessed within this section apply to all of the ColCap business, including Australia, the United Kingdom and the Philippines (noting that the detailed flood assessment has only been performed on the Australian mortgage loan book).

As a financial services business that issues loans secured against residential property, ColCap currently considers that it has low exposure to climate-related risks. ColCap does not own any building structures and owns few physical assets, resulting in low emissions. In addition, within ColCap's mortgage portfolio, the climate risk associated with the underlying property is primarily held by the owner.

Identified risks are classified as either:

- **Physical risks** - direct impacts of climate-related events on assets, infrastructure and operations. ColCap's physical risks primarily affect the properties financed through its loan portfolio.
- **Transition risks** - financial and operational impacts arising from the shift to a low-carbon economy. These risks are driven by changes in policy, technology, market dynamics, legal frameworks and stakeholder expectations.

Risk	Description	Potential impact	Controls	Risk Rating / Risk Term
Physical Risks				
Credit risk from climate-related physical event (Financial)	Adverse environmental events (e.g. flood, cyclone, fire, and/or erosion) that could cause loan losses or delays in repayment.	Increased loan default issues. Need for more flexible construction loans.	• Financial support programs. • Client insurance of property. • ColCap insurance policy. • Monitoring concentration risk.	Low Risk Short to Medium Term
Business Disruption from a climate event (Financial)	Inability to access office locations. Employees unable to service operational requirements	Disruption to customer services. Death or disablement to employees.	• Multiple office locations and business continuity plan (BCP) to switch activities • Systems are hosted in the cloud and are backed up.	Low Risk Short to Medium Term
Transition Risks				
Climate reporting require-ments	Failure to comply, making incorrect statements, and increased cost of compliance	Penalties, fines and oversight. Reputation	• Regulatory framework and mapped obligations	Low Risk Short to Medium Term

RISK OF EXPOSURE | RISK ASSESSMENT

Climate-related risks impact ColCap in two ways:

Business model

ColCap lends money for purchase and/or development of physical properties, secured by mortgages over those properties. The climate-related risks related to this business model are primarily physical risks with impacts on the capacity of borrowers to meet their obligations, the value of underlying collateral (property values) and completion of building work on properties.

ColCap considers whilst some properties may be impacted by the physical risks outlined above, the geographical diversity of our portfolio means that the overall climate-related risk associated with underlying properties in our current portfolios are not expected to change significantly.

Further, the climate-related risks associated with the value of these properties do not impact ColCap directly, with the primary risk being borne by the property owner.

ColCap's strategy to control the climate-related risk faced within the Group's portfolio is to:

- Ensure ColCap monitors and maintains geographical diversity of exposure and to increase use of emerging data capabilities to manage exposure.
- Access external data and risk assessments when lending on properties in identified higher risk areas.
- Require adequate insurance coverage by owners of higher risk properties.
- Maintain mortgage insurance cover for default by borrowers and loss of collateral value due to the perils, including flood.

Business operations

ColCap is a people intensive financial services business with limited physical resources. As such the climate-related risk to the business operations are largely aligned with those of the broader community and other financial services businesses in Australia and the United Kingdom. ColCap however does have an additional risk in that part of its operations are performed in Manila, Philippines which has a high typhoon risk and due to climate change may increase.

ColCap's risk strategy is to ensure the Group remains aware and informed and implements appropriate practices that protect the wellbeing of our people and meet our compliance obligations.

STRATEGY AND OPPORTUNITIES

ColCap is one of Australia's largest non-bank lenders, specialising in residential mortgage loans for prime borrowers. ColCap operates multiple brands and distributes loans through wholesale, retail, and broker channels. ColCap provides consumer and body corporate related services via these distribution channels.

ColCap raises capital for lending through the issue of mortgage-backed securities to wholesale investors and by sourcing lending pools (warehouses) from financial institutions.

ColCap's purpose is to enable financial wellbeing and home ownership for prime borrowers through innovative, responsible lending. ColCap leverage strategic partnerships and data-driven credit models to maintain a competitive edge in underwriting and portfolio management.

Climate Related Opportunities

ColCap's business strategies do not focus specifically on targeting climate-related opportunities. However, as an innovative non-bank lender ColCap seeks to take advantage of market opportunities that may be neglected or poorly serviced by other providers.

ColCap's strategies include consideration of environmental, social and governance driven opportunities from time to time. For example, the Group is exploring the potential to provide "Green and Social Loans" funded through the issuance of a "Sustainable Debt Instrument" (mortgage-backed securities).

Climate Strategy

ColCap does not currently intend to make any significant changes to our business model as a result of the effects of climate-related risks and opportunities, including not making material direct or indirect mitigation or adaption efforts relating to climate risks or opportunities. As such, ColCap has not developed a climate-related transition plan, nor has it set any climate-related targets.

ColCap will continue to monitor climate-related risks and opportunities and may implement transition plans to develop climate-related targets, including reduction of greenhouse gas emissions in the future.

ColCap will continue to assess these immaterial risk areas, including:

- Potential loan portfolio concentration risk in high-risk flood areas within Australia – improving controls to limit risk;
- Expand analysis of climate risk on the loan portfolio in the UK; and
- Assess climate-change risk and update business continuity management in areas of high natural disaster risk, such as business operations conducted out of the Philippines.

ColCap does not currently have dedicated employees managing its climate-related risk and opportunity management. Instead, ColCap relies on the current management structure as outlined in the Governance section to meet its climate-related obligations. To assist Management, external contractors and experts have been engaged to enable a better understanding of climate-related risks and opportunities and will continue to be engaged as ColCap further develops future climate-related strategies.

Climate-related risks and opportunities are factors integrated into our business and risk management frameworks but are not viewed as separate or stand-alone matters and are not expected to require significant additional resources.

GREENHOUSE GAS EMISSIONS

ColCap has undertaken an assessment of its greenhouse gas emissions across scope 1 (direct emissions) and scope 2 (indirect purchased energy) in accordance with the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) (GHG Protocol)*.

ColCap's process to calculate its greenhouse gas emissions uses Trace (Trace is Our Trace Pty Ltd ACN 63998799, a provider of climate related measurement and reporting services) carbon accounting methodology, which is built on the GHG Protocol and adheres to the core carbon accounting principles of relevance, completeness, consistency, transparency, and accuracy, and applies an operational-control boundary.

The GHG Protocol guidelines were developed by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD) in collaboration with governments, industry associations, NGOs and Corporations. Electricity emissions are calculated using the location-based method.

The below table represents the emissions for the Group (including all subsidiaries and operating locations).

	2025 Emissions (tCO_2e)
Scope 1 greenhouse gas emissions	60.3
Scope 2 greenhouse gas emissions (Location-based)	302.3

Scope 1 emissions methodology :
Is activity based and relates to fuel usage. The emission factor is obtained from the Department of Climate Change, Energy, the Environment and Water (DCCEEW) in Australia.

Scope 2 emissions methodology:
Is spend based and relates to electricity usage. The emission factor is obtained from the below respective geographical sources:

- Australia: The Department of Climate Change, Energy, the Environment and Water (DCCEEW);
- United Kingdom: The Department for Environment, Food and Rural Affairs (DEFRA); and
- Philippines: The Institute for Global Environmental Strategies (IGES).

Over time ColCap expect that our climate-related disclosures will change as new methodologies emerge, technologies change, and our stakeholders, including customers, suppliers and governments, improve measuring their emissions and understanding their own climate-related risks and opportunities.

ColCap has not set any quantitative or qualitative climate-related targets for FY2026 and as such has not linked any climate initiative or targets to remuneration.

ColCap has not set any quantitative or qualitative climate-related targets for FY2026 and as such has not linked any climate initiative or targets to remuneration.

CURRENT AND ANTICIPATED FINANCIAL EFFECTS

FY2025 – Current Financial Effects

Climate-related risks and opportunities have not had a significant impact on the entity's financial position, financial performance and cash flows for the reporting period.

ColCap has incurred some costs in terms of meeting additional compliance obligations and sourcing data. These costs, including people, contractors, suppliers, and additional subscriptions and are immaterial to the operation of the Group.

Financial Effects

ColCap considers short term (0-3 years), medium term (3-10 years) and long term (10+ years). ColCap does not expect the impact of climate-related risks or opportunities to increase the financial effect in the short or medium term.

This is on the basis that:

- The climate-related risks and opportunities identified are expected to be managed through integration into our ongoing business frameworks.
- Climate-related impacts on underlying assets will be managed through geographic diversification, with any direct physical costs being borne by the property owner or their insurance provider.
- The Group is not an intensive consumer of physical resources or a significant producer of greenhouse gas and any change to business operations will be a matter of ongoing "business as usual".
- The Group does not own its office locations and other physical assets are immaterial.
- The Group has no specific strategic plans for capital expenditure, major acquisitions and divestments, joint ventures, business transformation, or asset retirements which would give rise to climate-related risks or opportunities.

There may be increased revenue from products and services aligned with a lower-carbon economy from time to time, however ColCap's business strategy is not focused on such products, and any such revenues are not currently quantifiable. Any decision to implement such strategies will need to be a sustainable proposition, including analysis of potential revenues and costs.

ColCap does expect increasing costs in terms of regulatory compliance and accessing data, however these are not expected to be material and are likely to be in accordance with costs during FY2025.

Financial Impacts

ColCap has not performed detailed quantification of the current or anticipated financial effect of each individual climate-related risk detailed in section 3. The risks all have low ratings and are not expected to have a material financial impact to the Group (that is, in accordance with ColCap's Risk Framework, that any loss associated with the risk will be less than $2m).

ColCap has not yet decided to pursue climate-related opportunities other than the opportunities set out in in the section titled 'Strategy' and does not currently calculate the cost of carbon usage in decision making.

ColCap Financial

CLIMATE RESILIENCE | SCENARIO ANALYSIS

ColCap has undertaken climate-related scenario analysis in 2025/2026 to better understand the resilience of our strategy and business model to climate-related changes, developments and uncertainties.

ColCap considers that it is exposed to few, and relatively less severe climate-related risks.

Management has determined that the area of climate-related risk which will be of interest to users of this report is the impact of physical risks from global warming and associated weather events on the underlying properties supporting our loan portfolios in Australia.

Analysis has focused on weather events (rainfall and storms), as most of its loan portfolio is situated in developed towns and cities along the coasts of Australia. At this stage, ColCap has not conducted specific analysis on bushfire events due to high levels of geographic diversification and limited exposure to properties outside of metropolitan areas. ColCap monitors the level of non-metro exposure as part of its risk management strategy.

ColCap expects to undertake further analysis in future, targeting other key risks to the business, as further information on climate-related risks in property lending becomes available.

ColCap engaged Climate Mapping Services Pty Ltd (CMS) to undertake a climate change scenario analysis on ColCap's behalf. Two climate scenarios were selected, which reflect the trajectory of climate change and utilising underlying data supplied by JBA Risk Management Limited an analysis was conducted for ColCap's Australian portfolio of loans.

Initial Climate Scenario Analysis

CMS undertook a scenario analysis exercise based on ColCap's underlying Australian property portfolio as at 31 December 2025 and the postcode-level baseline flood data for river, surface water and coastal hazards.

Postcode Application

The proportion of the buffered area affected by flooding is used to estimate the proportion of ColCap's exposures impacted within that postcode. For example, if 50% of Postcode A is identified as flood-affected, then 50% of ColCap's exposures in that postcode are assumed to be subject to flooding. This approach is likely to overestimate than underestimate flood risk, particularly in larger postcodes that contain extensive floodplains with limited residential development.

To estimate potential flood damage for ColCap's exposures assumed to be flooded, the analysis has applied the mean flood depth provided by JBA Risk Management for each postcode. This mean depth is then matched to the damage index derived from the NSW Department of Planning and Environment's Flood Damage Assessment Tool. For simplicity, ColCap has assumed that all properties are single-storey dwellings and apply the default (mean size) damage curve.

Scenarios

Current baseline estimations compared to an increase in global average temperatures of 1.5° C and 2.5° C scenarios, based on climate projections to 2100 supplied by JBA Risk Management. Forecast changes in temperatures under each scenario are shown in the table below.

The change in global mean surface temperature (GMST) relative to the pre-industrial in Meteorological Research Institute Earth System Model, Version 2.0, Meteorological Research Institute (MRI), Japan (MRI-ESM2-0).

° C change in GMST	2030	2040	2050	2060	2080	2100
1.5° C scenario	1.5	1.7	1.8	1.8	1.9	1.7
2.5° C scenario	1.5	1.7	2.0	2.3	2.6	2.8

Scenarios have been based on events of varying severity, including:

1 in 20 (1:20) year events
1 in 100 (1:100) year events
1 in 1,500 (1:1,500) year events

High level conclusions from this analysis are illustrated below.

Risk Level

To understand the level of risk in each of the scenarios, a flood score has been created based on the % of the properties within a postcode that are likely to flood in each scenario. The scores are derived using a stochastic model that runs 10,000 scenarios run by JBA Management, which are then aggregated into a single flood score.

Low Risk	0-4%
Moderate Risk	5-10%
High Risk	16-30%
Very High Risk	>30%

CLIMATE RESILIENCE | SCENARIO ANALYSIS

River Flooding

River flooding risk is the risk to properties exposed to rivers. The following table looks at a 1.5° C and 2.5° C warming scenario to determine the level of risk at each.

ColCap considers that it is exposed to few, and relatively less severe climate-related risks.

	1.5° C Scenario	2.5° C Scenario
	% of AU Loan Book (rounded)	
Low risk	64.5%	65.0%
Moderate Risk	32.2%	32.0%
High Risk	3.2%	3.0%
Very High Risk	0.0%	0.0%

Properties Impacted by River Flooding – 2030 ('000)

	1.5° C Scenario		2.5° C Scenario	
	# of properties	Approximate loss per property	# of properties	Approximate loss per property
1:20 year event	6.1	$56.8	6.1	$56.9
1:100 year event	8.1	$73.2	8.1	$73.2
1:1,500 year event	11.2	$95.2	11.2	$95.2

Properties Impacted by River Flooding – 2050 ('000)

	1.5° C Scenario		2.5° C Scenario	
	# of properties	Approximate loss per property	# of properties	Approximate loss per property
1:20 year event	6.0	$56.4	6.0	$56.2
1:100 year event	8.1	$73.1	8.1	$73.1
1:1,500 year event	11.2	$95.1	11.1	$95.1

Impacted properties at a 1:1,500 year event in 2050 equate to 25% of ColCap's Australian loan portfolio and given properties are dispersed across Australia, it is likely that a flood event would not impact all rivers and therefore all properties at the same time or to the same extent. The tables above therefore represent a worst-case scenario.

The risk is mitigated by the requirement for clients to hold appropriate insurance. If this insurance is not maintained after the loan has been taken out, ColCap has insurance to cover any such loss it may incur if the property is repossessed and sold below the loan value.

CLIMATE RESILIENCE | SCENARIO ANALYSIS

Surface Water Flooding

Surface water flooding is caused by heavy rains and is often exacerbated by inadequate drainage systems that cannot process the level of rain fall. The following table looks at a 1.5° C and 2.5° C warming scenario to determine the level of risk at each.

	1.5° C Scenario	2.5° C Scenario
	% of AU Loan Book (rounded)	
Low risk	96.7%	96.7%
Moderate Risk	3.3%	3.3%
High Risk	0%	0%
Very High Risk	0%	0%

Properties Impacted by Surface Water Flooding – 2030 ('000)

	1.5° C Scenario		2.5° C Scenario	
	# of properties	Approximate loss per property	# of properties	Approximate loss per property
1:20 year event	1.5	$12.1	1.5	$12.1
1:100 year event	2.6	$19.0	2.6	$19.0
1:1,500 year event	4.7	$27.2	4.7	$27.1

Properties Impacted by Surface Water Flooding – 2050 ('000)

	1.5° C Scenario		2.5° C Scenario	
	# of properties	Approximate loss per property	# of properties	Approximate loss per property
1:20 year event	1.6	$12.0	1.6	$12.0
1:100 year event	2.6	$19.0	2.7	$19.1
1:1,500 year event	4.7	$27.3	4.7	$27.5

Impacted properties at a 1:1,500 year event equate to less than 11% of ColCap's Australian loan portfolio and given properties are dispersed across Australia, it is likely that a surface water event would not impact all postcode locations and therefore all properties at the same time or to the same extent. The tables above therefore represent a worst-case scenario.

The risk is mitigated by the requirement for clients to hold appropriate insurance. If this insurance is not maintained after the loan has been taken out, ColCap has insurance to cover any such loss it may incur if the property is repossessed and sold below the loan value.

Conclusion

While there are risks associated with climate, these are not significantly increasing and are not material to the ColCap business. The scenario analysis represents a worst-case scenario which is mitigated by:

- Monitoring and maintaining geographical diversification of properties.
- Requiring adequate insurance coverage by owners.
- Maintaining mortgage insurance to cover loss in the event a client has inadequate insurance.

Any individual event would be responded to initially by the loan holder, who can claim for losses under their insurance policy. Should the loan holder not have appropriate insurance and be unable to make repayments such that the property falls into arrears, ColCap's standard procedure to repossess and dispose of the property would apply. Should the property, when sold, be of insufficient value to pay off the client's loan, ColCap will consider whether it covers the loss from its own financial resources, or whether to make a claim through the insurance it holds.

ColCap expects to continue to assess resilience and concentration risk within the portfolio during 2026 but does not consider that it needs to adjust or adapt its strategy and business model to climate change over the short term.

DIRECTOR'S DECLARATION

Director's Declaration

In the opinion of the directors of ColCap Financial Ltd (the Group), I state that the Company has taken reasonable steps to ensure that the substantive provisions of the Sustainability Report of the Company and its subsidiaries (collectively ColCap) for the year ended 31 December 2025, as presented on pages 1 to 13, are in accordance with the Corporations Act 2001, including:

a) Complying with Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures and any further requirements determined under section 296C(2) of the Corporations Act 2001; and

b) Containing the climate statement disclosures required by section 296D of the Corporations Act 2001.

Made in accordance with a resolution of the directors of ColCap Financial Ltd pursuant to section 296A(6) of the Corporations Act 2001, as modified by section 1707C(2) of the Corporations Act 2001.

On behalf of the Board

J A Tongs

Jane Tongs,
Chair
Sydney
27 February 2026

AUDITOR'S REPORT

Building a better working world

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Independent auditor's review report to the members of ColCap Financial Limited

Conclusion

We have conducted a review of the following information in the Sustainability Report of ColCap Financial Limited (the Company) and its subsidiaries (collectively the Group) for the year ended 31 December 2025 (the 'selective sustainability information') as required by Australian Standard on Sustainability Assurance ASSA 5010 Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001 issued by the Auditing and Assurance Standards Board (AUASB):

Selective sustainability information	Criteria: Reporting requirement of AASB S2 Climate-related Disclosures (AASB S2) (including related general disclosures required by Appendix D)	Location in Sustainability Report
Governance	Paragraph 6	"Governance" section on pages 4 to 5
Strategy (risk and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	"Risk of Exposure" and "Strategy and opportunities" section on pages 6 to 8
Scope 1 and 2 emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	"Greenhouse Gas Emission" section on page 9

The requirements of AASB S2 identified in the table above form the criteria relevant to the selective sustainability information and apply under Division 1 of Part 2M.3 of the Corporations Act 2001 (the Act).

We have not become aware of any matter in the course of our review that makes us believe that the selective sustainability information specified in the table above does not comply with Division 1 of Part 2M.3 of the Corporations Act 2001.

Basis for conclusion

Our review has been conducted in accordance with Australian Standard on Sustainability Assurance ASSA 5000 General Requirements for Sustainability Assurance Engagements (ASSA 5000) issued by the AUASB. Our review includes obtaining limited assurance about whether the selective sustainability information is free from material misstatement.

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In applying the relevant criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the Summary of the Work performed section of our report.

Our responsibilities under ASSA 5000 are further described in the Auditor’s responsibilities section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the Act and the ethical requirements of APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all amendments to June 2024) (the Code) that are relevant to our review of the selective sustainability information in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code.

Our firm applies Australian Standard on Quality Management ASQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other information

The directors of the Company are responsible for the other information. The other information comprises the Company’s Annual Report, including the Financial Report and the Sustainability Report, but does not include the selective sustainability information and our review report thereon.

Our conclusion on the selective sustainability information does not cover the other information and we do not express any form of assurance conclusion thereon.

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In connection with our review of the selective sustainability information, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the selective sustainability information, or our knowledge obtained when conducting the review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities for the selective sustainability information

The directors of the Company are responsible for:

- The preparation of the selective sustainability information in accordance with the Act; and
- Designing, implementing and maintaining such internal control necessary to enable the preparation of the selective sustainability information, in accordance with the Act that is free from material misstatement, whether due to fraud or error.

Inherent limitations

As discussed on page 2 of the Report, climate-related risk management is an emerging area, and often uses data and methodologies that are developing and uncertain. The Report contains forward looking statements, including climate-related scenarios, targets, assumptions, climate projections, forecasts, statements of future intentions and estimates and judgements that have not yet occurred and may never occur. We do not provide assurance on the achievability of this prospective information.

Greenhouse gas emissions quantification is subject to significant measurement uncertainty, which arises because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. The comparability of sustainability information between entities and over time may be affected by inconsistencies in the methods to estimate or measure those emissions, due to different, but acceptable, methods applied.

Auditor's responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the selective sustainability information, defined in the Conclusion section of our report, is free from material misstatement, whether due to fraud or error, and to issue a review report that includes our

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conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the selective sustainability information.

As part of a review in accordance with ASSA 5000, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the selective sustainability information. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error.

In conducting our review, the procedures we performed included, but were not limited to:

- Considered the completeness of the Group's assessment of climate-related risks and opportunities
- Conducted interviews with key personnel to understand the process for collecting, collating and reporting the selective sustainability information during the reporting period
- Read minutes of relevant committees to understand matters discussed and decisions made with respect to climate-related disclosures
- Assessed the appropriateness of the reporting boundaries applied

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- Undertook analytical review procedures to support the reasonableness of the selective sustainability information
- Evaluated the appropriateness of emission factors applied in the greenhouse gas emission processes
- Agreed the selective sustainability information disclosures made in the report with the underlying records
- Evaluated the presentation and disclosure of the selective sustainability information against the requirements of AASB S2

Ernst & Young

Michael Byrne
Partner
Sydney
27 February 2026