

# FY25 Investor Presentation

**ASX: HMY**

**David Stevens CEO and Managing Director**  
**Simon Ward CFO**

*All values are in \$AUD unless stated otherwise*



# Contents

- 1. FY25 Highlights**
  - 2. FY26 Profit guidance**
  - 3. About us**
  - 4. Financial results**
  - 5. Outlook**
- Appendix**

**Harmony**

# FY25 Highlights

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# FY25 Highlights vs FY24 (pcp)



## \$5.5m Statutory NPAT

\$18.7m increase, driven by underlying Cash NPAT result, with non-cash accounting adjustments largely neutral (-\$0.2m).



## \$5.7m Cash NPAT

Exceeding upgraded \$5.5m market guidance, with increasing scale and operating efficiency driving \$5.0m increase.



## 24% Cash RoE 4Q25

Achieved 24% cash return on equity in Q425, exceeding market guidance of 20% run-rate.



## Lending & book growth

Group loan book growth +9%. Australian new customer originations +40%. New Zealand new customer originations >50% in Jun-25 vs Jun-24 with Stellare 2.0 now deployed in both markets.



## 9.3% Portfolio NIM

Sustained new lending NIM >10% drove FY25 total loan book NIM to 9.3%, back within our 9%-10% target range.



## Low credit losses

Credit losses down to 3.7% (FY24: 4.1%) and 90+ day arrears remain low at 74bps, less than half the Australian market average.



## 19% Cost to income

Automation and increasing scale continue to drive efficiency gains, fuelling improved profitability as the loan book grows.

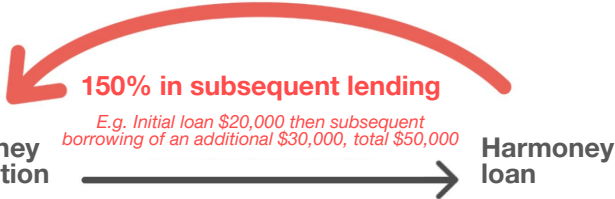
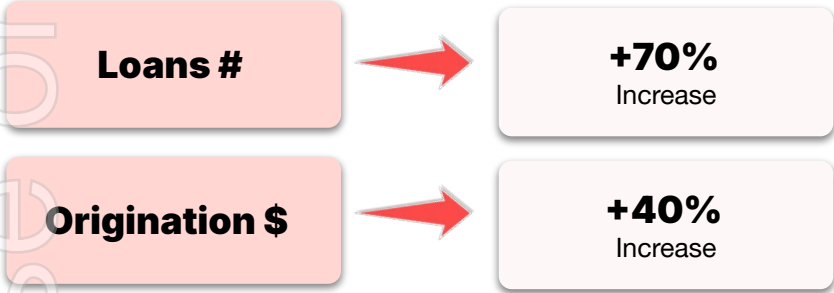


## Capacity for growth

Total warehouse capacity over \$1bn and \$23m in unrestricted cash, plus further \$14m in accessible cash (available to be drawn down from funders as unrestricted cash).

# Stellare 2.0 helps more customers than ever before

## Australian new originations FY25 vs FY24



## Stellare 2.0 boosts new lending by 40%

Stellare 2.0<sup>®</sup> targets the **same risk profile** but refined to better support a wider range of people, particularly smaller loan applications, resulting in safely making loans to 70% more new customers in FY25, boosting new customer lending by 40%.

This new customer growth boosts future lending growth, with proven annuity of customers enjoying the experience and returning for subsequent borrowing requirements.

# FY25 Upgraded Guidance Exceeded

	FY25 Guidance	FY25 Actual	
Cash NPAT	\$5.5m	\$5.7m	✓
Cash ROE	20% run-rate in 4Q25	24% for 4Q25	✓

## Cash NPAT achieved \$5.7m

- Stellare<sup>®</sup> 2.0 rollout now completed across both countries, setting up for significant growth in FY26 and beyond (**Guidance achieved**)
- Net interest margin: **9.3%** (**Guidance achieved: within target range 9%-10%**)
- Cash NPAT: **\$5.7m** (**Upgraded Guidance exceeded by \$0.2m**)
- Cash RoE of **24%** for 4Q25 (**Guidance exceeded by 400bps**)

**Harmony**

# FY26 Profit guidance

# FY26 Guidance: Cash NPAT \$12m, 111% increase on pcp

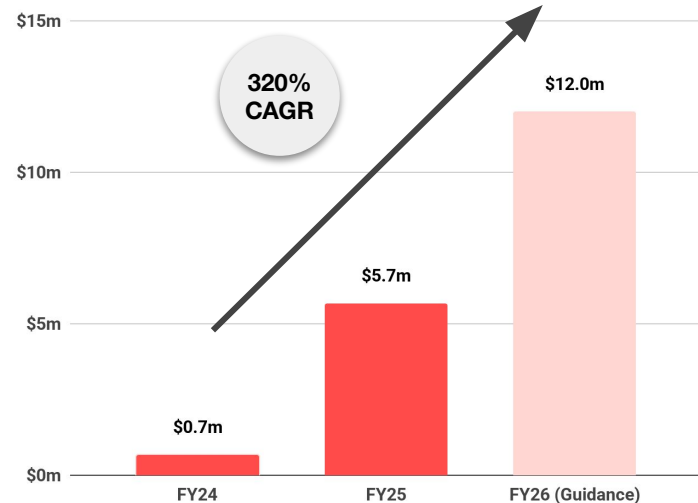
*Upgraded by 20% (+\$2m)*

	FY25 Actual	FY26 Guidance	Change
Cash NPAT	\$5.7m	\$12m <i>(previous target \$10m+)</i>	+111%

## FY26 Guidance: \$12m Cash NPAT

- Stellare<sup>®</sup> 2.0 driving year end loan book to \$900m+
- Net interest margin: 9%-10%
- Risk adjusted income: ~6%
- Cash NPAT: **\$12m** *(previous target \$10m+)*

## Cash NPAT



**Harmony**

# About us

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# What sets Harmony apart

## Consumer-direct lending, data driven automation

- AU & NZ's largest 100% consumer-direct online lender
- Market opportunity >\$150bn, current market share <1%
- Our algorithms partner with Google's to attract prime customers at low cost and our great customer experience sees them returning at near zero cost
- Deep first party data and AI models deliver prime loan book and 5.7% Risk Adjusted Income<sup>1</sup>
- Funded by 3 of the "big 4" Australian banks plus public securitisations
- Stellare<sup>®</sup> automation drives a low cost to income, 19% in FY25
- Cash return on equity of 24% in 4Q25

1. Risk adjusted income (RAI) is income after funding costs and actual credit losses.

## Fair, simple, personal loan



Loans up to **\$100,000**, average \$17,000



Personalised pricing  
**5.76% - 24.99%**



One establishment fee,  
**no other fees**



Up to **7 year loan** terms



**Secured and unsecured** options



Disbursements within **minutes**

### Typical uses:

Debt consolidation, home renovations, cars, weddings and other life events, education and travel.

# Data + AI + Automation

Every month, over **10,000 new customer applications** help us improve our AI and automation

2021 & 2023

— FINANCIAL REVIEW BOSS —

**MOST** INNOVATIVE  
COMPANIES

S T E L L A R E

High volumes of real-time consumer financial data – combined with our 11+ years of historic data – supercharges training of our AI models, helping us optimise for:

- Highly efficient marketing with Google delivering high volumes of desirable customers at low cost.
- Risk Adjusted Income of 5.7%, through more accurate assessment of customers.

Quality, first-party, consumer-direct data (e.g. bank statements, credit file, ID) to fuel our AI models has been a core feature of Harmony since inception.

# The Harmony business model maximises customer lifetime value

## Right customer

- Build reliable target customer models through AI and high quality first-party consumer data.
- Integrate models with large-scale platforms (e.g. Google, Microsoft Ads, Facebook) for cost-effective customer acquisition.
- Utilise direct customer relationships and segment fit to offer new products and services.



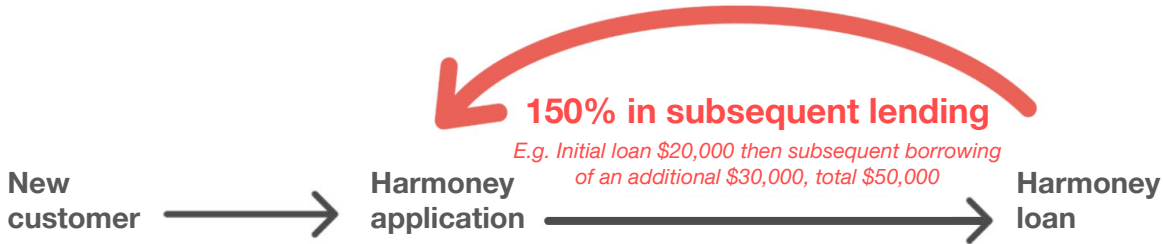
4.7/5 overall rating ~60,000 reviews

## Great experience

- First-class customer experience creates annuity revenue as customers return with minimal customer acquisition cost (CAC).
- Highly automated, streamlined and 100% online process.

## Massive scale

- Exploit tech to build scale, speed, and automation to decouple costs from growth. Harmony already has a market leading 19% cost to income ratio which continues to reduce.



# Experienced & shareholder aligned leadership team

Deep FinTech experience and large shareholding in Harmony (Board & Employees own ~30%).  
Long-term commitment with average tenure 7+ years across the leadership team.



**David Stevens**  
Chief Executive Officer

20+ years of experience in financial services. A highly experienced public company CEO specialising in consumer and commercial finance in Australia and NZ. Previously CEO of ASX listed Humm Group (FlexiGroup).



**Simon Ward**  
Chief Financial Officer

16+ years of CFO experience and 20+ years of experience in financial services across Australia, NZ and Europe.



**Brad Hagstrom**  
Chief Operating Officer

25+ years of financial services experience across Australia and NZ. Previously Operations Manager of ASX listed Humm Group (Flexigroup).



**Richard Wyke**  
Chief Digital Officer

18+ years of experience in financial services technology and software development in the UK and NZ.



**Glen MacKellaig**  
Chief Marketing Officer

15+ years of experience in financial services digital marketing in Australia, NZ, UK and Canada.

**Harmony**

# Financial results

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# Significant improvements across key metrics

	FY25	FY24	Change	
<b>Loan book</b>	\$829m	\$758m	9%	↑
<b>Revenue</b>	\$132m	\$123m	8%	↑
<b>Net interest income</b>	9.3%	8.8%	50bps improvement	↑
<b>Risk adjusted income</b> <sup>1</sup>	5.7%	4.8%	90bps improvement	↑
<b>Acquisition to originations ratio</b>	3.4%	3.2%	20bps increase	↑
<b>Cost to income ratio</b> <sup>2</sup>	19%	20%	100bps improvement	↓
<b>Statutory NPAT</b>	\$5.5m	\$(13.2m)	\$18.7m	↑
<b>Cash NPAT</b>	\$5.7m	\$0.7m	\$5.0m	↑
<b>Cash ROE</b>	(4Q25: 24%) 16.0%	1.5%	1,450bps improvement	↑

<sup>1</sup> Risk adjusted income (RAI) is income after funding costs and actual credit losses.

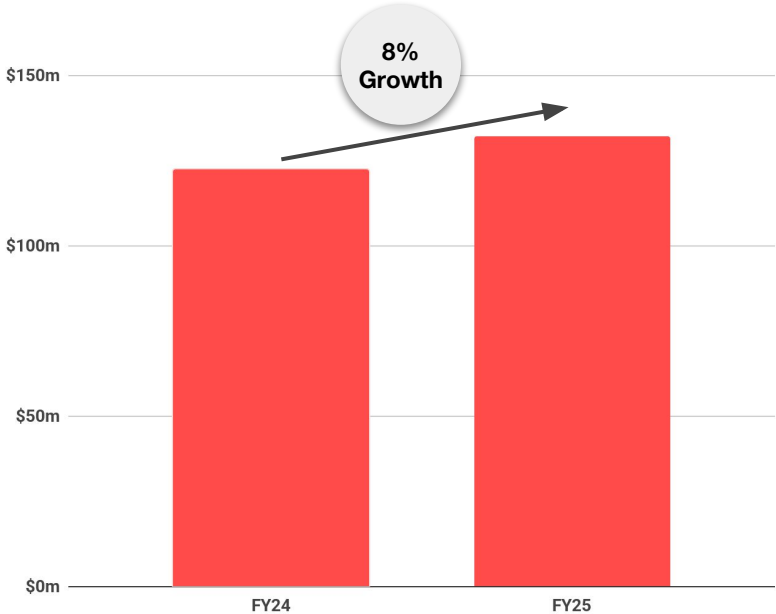
<sup>2</sup> To align Cost to income ratio costs with Cash NPAT, and with peer group ratios, non-cash share based payments and depreciation and amortisation costs are now excluded. Cost to income for FY25 including those costs is 21%, down from 24% pcp.

# Stellare 2.0 now driving growth in both markets

## Loan book growth of +9% on pcp

- Loan book growth +9%, with 65% in 2H25 as Stellare<sup>®</sup> 2.0 accelerated Australian growth and from 4Q25 began driving New Zealand growth.
- AU loan book up +19%, benefiting from a complete year of originations on Stellare<sup>®</sup> 2.0. Australia now 59% of Group loan book.
- NZ loan book down -2%, but following 4Q25 rollout of Stellare<sup>®</sup> 2.0, Jun-25 originations >50% on Jun-24.
- Revenue grew by \$10m to \$132m, up +8%, on loan book growth and a higher average portfolio interest rate of 16.9% (16.2% pcp).

## Revenue growth

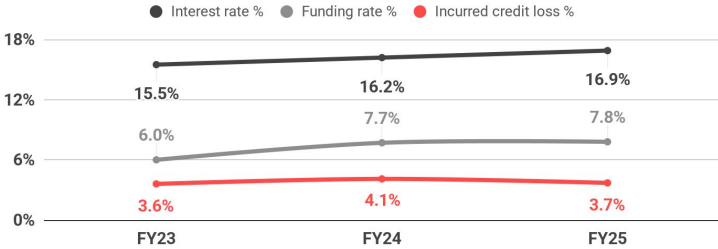


# Strong gains across key NIM, Losses and RAI measures

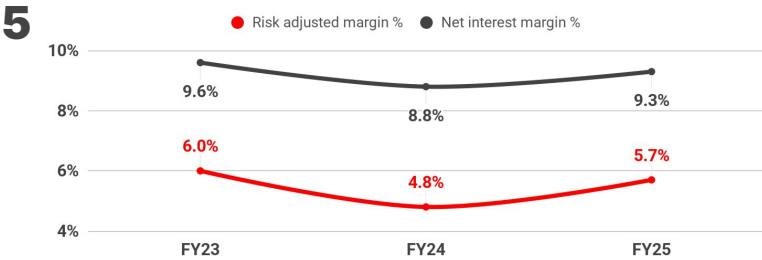
## Margin after credit losses 5.7%

- Interest rate on loan book up to 16.9%.
- Funding rate stable YoY at 7.8%.
- New lending NIM >10% drives loan book NIM 9.3%.
- Credit losses down to 3.7%, within our target 3%-4% range.
- Risk adjusted income (margin after credit losses) up 90bps to 5.7%.

## Margin drivers positive



## NIM 9.3%, Risk adjusted income

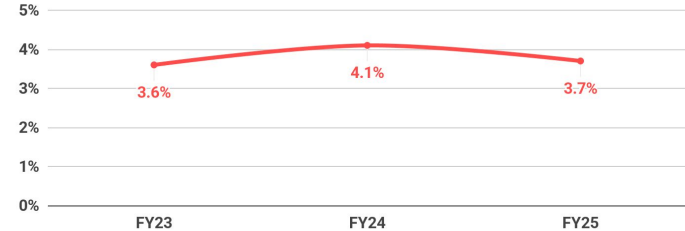


# Credit performance strengthening

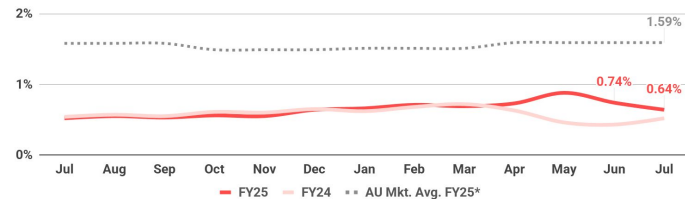
## Credit losses down 40bps

- Deep consumer-direct data and AI credit models delivering prime loan book.
- Prime portfolio with 72% employed in professional, office or trades roles and 87% aged 30+.
- Credit losses down 40bps from pcp to 3.7%, on improved Australian scorecard implemented in FY22 and continuing low New Zealand losses.
- 90+ day arrears 0.74% at 30 June 2025, remaining less than half Australian market average, despite temporary 4Q25 lift on operational migration impacts, July 2025 back on normal trend.

## Annualised loss rate



## Low 90+ day arrears



\*Source: Equifax Australian Consumer Credit Demand Index 2025 Q2, Personal Loan series.

# Stellare automation powers scalability

## Scalability drives profitability

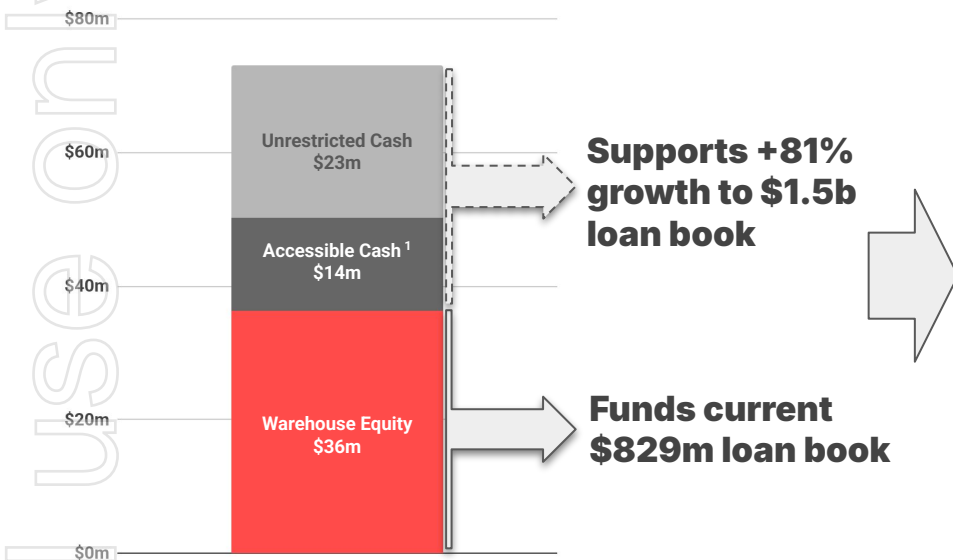
- Loan book up +9%, revenue up +8%, while cash operating costs up only 1%.
- Operational leverage delivered by highly automated Stellare® platform, further reducing cost to income ratio to 19%, down from 20% pcp.
- Delivering Statutory NPAT \$5.5m, Cash NPAT \$5.7m (+742%) and Cash return on equity (RoE) of 16%, with 24% RoE achieved in 4Q25.

## Cost to income ratio at 19%



# Harmony is capitalised for significant growth without raising any equity

## Current cash supports \$1.5b loan book



## Reinvested profits fund loan book growth beyond \$1.5b

- Growing profits fund future loan book growth, (i.e. \$1m profit funds \$25m loan book growth).
- FY25 profits funded loan book growth and improved funding advance rates grew cash reserves.
- Capital efficient with borrowings 96% of loan book.
- Diversified funding from 3 of Australia's "big-4" banks and an asset backed securitisation program.

<sup>1</sup> Accessible cash is loans funded by Harmony which are available to be drawn down from funders as Unrestricted Cash.

**Harmony**

# Outlook

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# Strategic Priorities

**Our Vision:** To evolve Harmony into a customer-centric financial ecosystem with powerful and inclusive products.



## Product Expansion

Secured Vehicle Loan

Revolving product



## AI Leadership

Agentic lending -  
personalisation at scale



## Customer Retention

Loyalty offers and rewards

Launch iOS/Android app  
Unlocking 1-click application

only  
use  
mal

# FY26 Product Focus

**Our Vision:** To evolve Harmony into a customer-centric financial ecosystem with powerful and inclusive products.

## Product Expansion - Auto



### Fast and effortless vehicle acquisition

Our ambition is to redefine auto finance by offering a seamless, integrated buying experience, not just a loan.

- **Differentiation:** No deposit, cash before you buy, compelling rates, money in seconds.
- **Value-Added Services:** Attract buyers with free vehicle reports and valuations to engage early in their journey.
- **Integrated Purchase Experience:** Our vision is a hyper-automated platform for effortless car transactions.

## Customer Retention



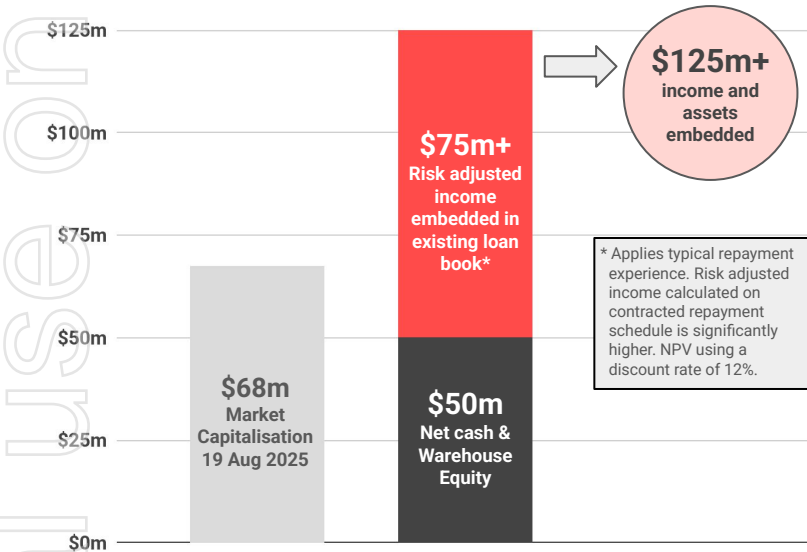
### From transactional to always on

We are evolving the experience for existing customers rewarding loyalty and driving repeat business.

- **Precision Personalisation:** Utilising dynamic, data-driven underwriting to provide highly relevant offers.
- **Instant Access:** One-click application and "always on" limits delivered instantly via a mobile app.
- **Rewarding Loyalty:** Loyalty scheme, features, and offers.

# Market Cap vs Business value

## Existing loan book value at 30 June 2025



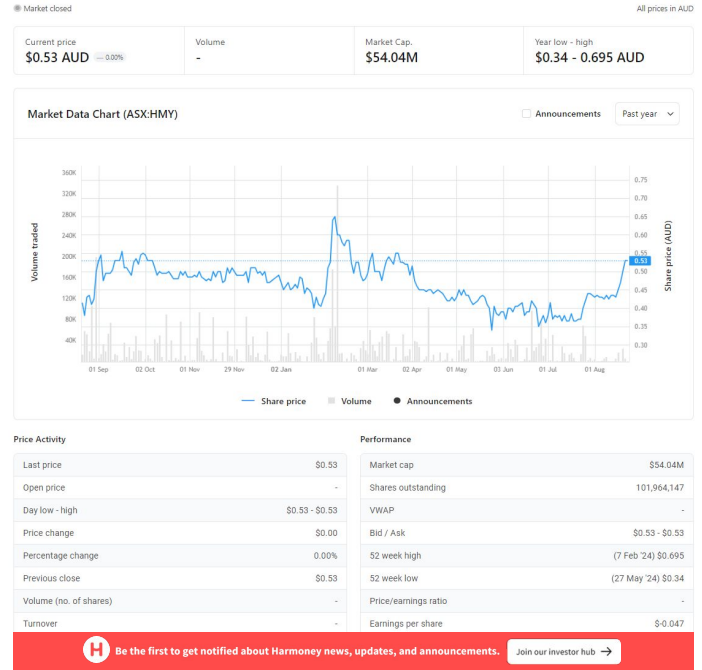
## + Business value

- Proprietary, highly automated Stellare<sup>®</sup> 2.0 customer acquisition and credit assessment engine. Over 10,000 new applicants create an account every month.
- Existing customer base return for 150% in additional lending, at near zero cost.
- Loan book growing at >10% NIM and >6% risk adjusted income (income after funding costs and credit losses).
- Proven scalability with 19% cost to income and falling.
- Diversified funding from 3 of the “big-4” Australian banks and an established asset backed securitisation program.

# Join our Investor Hub: [harmoney.com.au/invest](https://harmoney.com.au/invest)

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- Investor Hub is the best way to stay informed and connected with all things ASX: HMY.
- Comment and ask questions directly to Harmony's leadership team and see other investors questions and responses.
- See videos accompanying our ASX announcements, interviews, research reports, and webinars.
- Join our mailing list to receive the latest news and updates from Harmony by email.



# FY26 Guidance: Cash NPAT \$12m, 111% increase on pcp

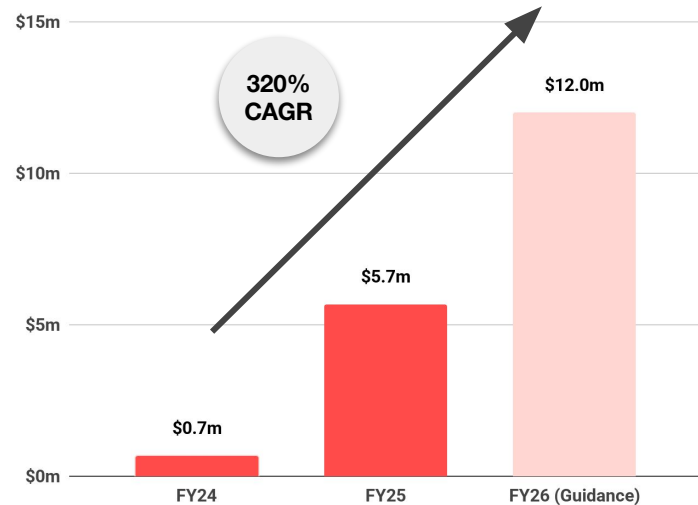
## FY26 Guidance: \$12m Cash NPAT

- Stellare<sup>®</sup> 2.0 driving year end loan book to \$900m+
- Net interest margin: 9%-10%
- Risk adjusted income: ~6%
- Cash NPAT: **\$12m** (previous target \$10m+)

## Share buy-back recommencing

- The Board and management continue to see significant value in Harmony's equity at current levels.
- From Friday 22 August 2025 recommencing on-market buy-back of shares announced on 29 April 2025, acquiring up to 5% of share capital.

## Cash NPAT



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# Appendix

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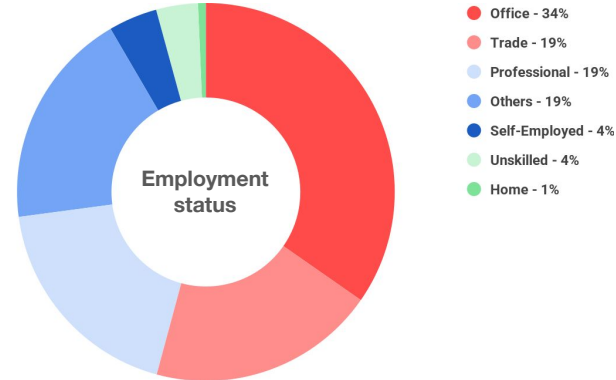
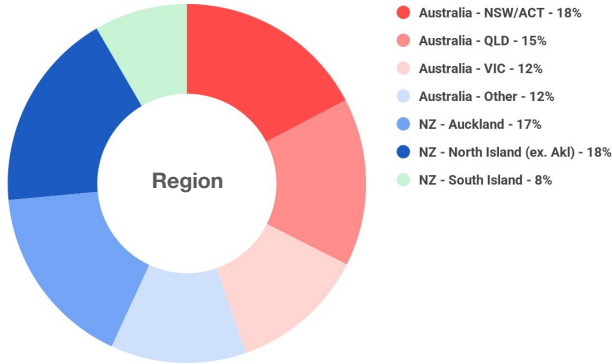
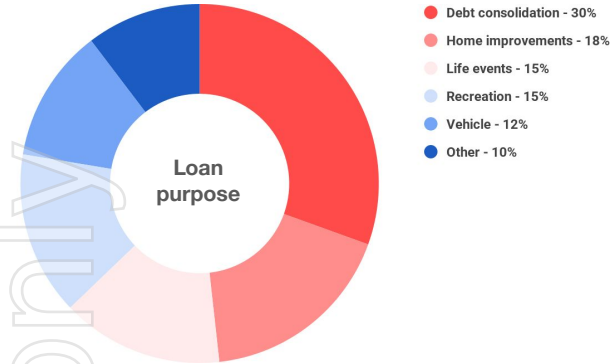


# \$829m Loan Book

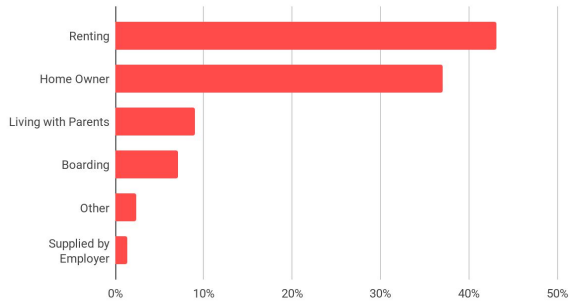
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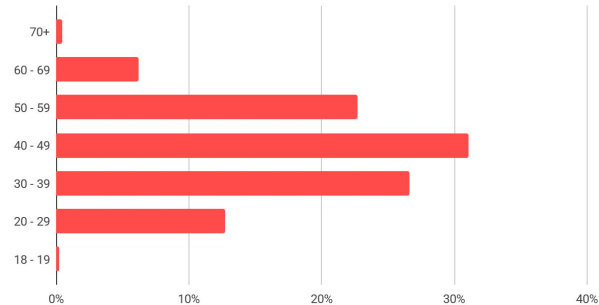
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**Residential Status**

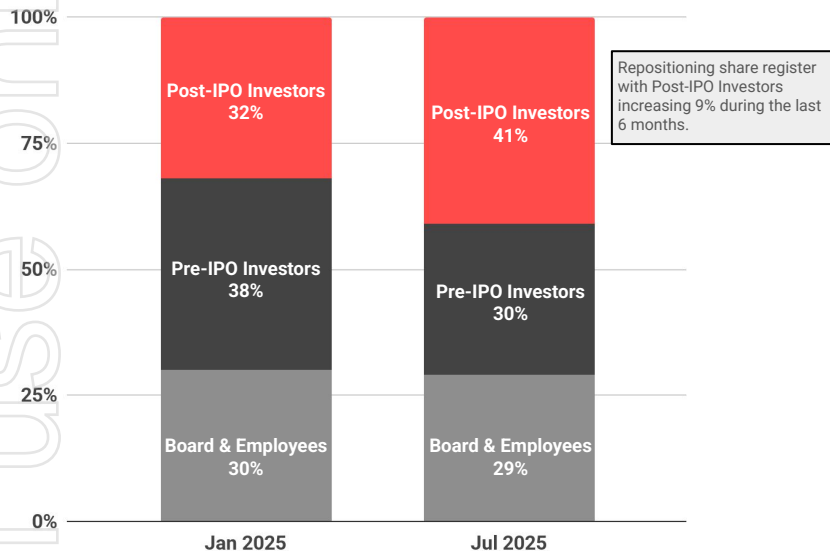


**Age of Customers**



# Shareholder composition: 29% Board and employee owned

## 29% Board and employee owned



## Long-term incentive share plan

- Long-term incentive share plan up to 10% of share capital.
- Targets to be aligned with long term shareholder growth at December 2025 AGM.

## Substantial shareholders (5%+)

At 31 July 2025

Neil Roberts	15.3%
Heartland Bank Ltd	9.8%
Lookman Family Trust	8.7%
Trade Me Limited	7.3%

# Profit and Loss

	Year ended 30 June 2025 \$'000	Year ended 30 June 2024 \$'000	Change \$'000	Change %
Interest income	131,828	121,768	10,060	8%
Other income	419	773	(354)	(46%)
<b>Total income</b>	<b>132,247</b>	<b>122,541</b>	<b>9,706</b>	<b>8%</b>
Interest expense	58,997	55,848	(3,149)	(6%)
Incurring credit losses	28,843	30,699	1,856	6%
<b>Risk adjusted income</b>	<b>44,407</b>	<b>35,994</b>	<b>8,413</b>	<b>23%</b>
Customer acquisition expenses	13,678	10,592	(3,086)	(29%)
<b>Net operating income</b>	<b>30,729</b>	<b>25,402</b>	<b>5,327</b>	<b>21%</b>
Personnel expenses	11,610	11,025	(585)	(5%)
Customer servicing expenses	5,967	5,918	(49)	(1%)
Technology expenses	4,936	4,954	18	0%
General and administrative expenses	2,539	2,831	292	10%
<b>Cash operating expenses</b>	<b>25,052</b>	<b>24,728</b>	<b>(324)</b>	<b>(1%)</b>
Income tax (expense) / benefit	-	-	-	0%
<b>Cash NPAT <sup>1</sup></b>	<b>5,677</b>	<b>674</b>	<b>5,003</b>	<b>&gt;500%</b>
<i>Non-cash adjustments</i>				
Movement in expected credit loss provision	(16)	202	(218)	n/a
Share based payment expenses	(724)	(1,488)	764	51%
Depreciation and amortisation expenses	(1,629)	(12,582)	10,953	87%
Movement in deferred tax asset	2,210	-	2,210	n/a
<b>Statutory profit / (loss) after income tax</b>	<b>5,518</b>	<b>(13,194)</b>	<b>18,712</b>	<b>n/a</b>

FY24 includes a one-off \$9.5m impairment of internally developed software, on the launch of Stellare® 2.0, and retirement of Stellare® 1.0, platforms

<sup>1</sup> Cash NPAT provides a more accurate representation of the underlying profitability of the business, adjusting for the impact of non-cash items, most significantly the movement in expected credit loss provision, which is a non-cash provision for credit losses that may occur in future financial years from the existing loan book. With GAAP requiring recognition of an expected credit loss provision expense immediately on origination of a new loan, without any indication of loan impairment and significantly ahead of recognition of the interest income priced to compensate for the expected level of credit loss risk, the expected credit loss provision expense will suppress statutory net profit during periods of loan book growth, all other things being equal.

# Key operating and financial metrics

	Year ended 30 June 2025	Year ended 30 June 2024	Change %
<b>Loan book value and growth</b>			
Total originations (\$'000)	398,845	327,209	22%
New customer originations (\$'000)	245,610	195,509	26%
Existing customer originations (\$'000)	153,235	131,700	16%
Loan book (period end) (\$'000)	828,692	758,129	9%
Loan book (average) (\$'000)	784,631	754,171	4%
Average interest rate (%)	16.9%	16.2%	70bps
Average funding rate (%)	7.8%	7.7%	(10bps)
Net interest income (%)	9.3%	8.8%	50bps
Risk adjusted income (%)	5.7%	4.8%	90bps
<b>Loan book quality</b>			
Incurred credit loss (\$'000)	28,843	30,699	6%
Incurred credit loss to average gross loans (%)	3.7%	4.1%	40bps
Provision rate (%)	4.4%	4.8%	40bps
<b>Productivity metrics</b>			
Customer acquisition to origination ratio	3.4%	3.2%	(20bps)
Costs to income ratio <sup>1</sup>	19%	20%	100bps

<sup>1</sup> To align Cost to income ratio costs with Cash NPAT, and with peer group ratios, non-cash share based payments and depreciation and amortisation costs are now excluded. Cost to income for FY25 including those costs is 21%, down from 24% pcp.

# Cash Flow

	Year ended 30 June 2025	Year ended 30 June 2024
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Interest received	131,179	119,123
Interest paid	(58,143)	(57,243)
Fee income rebated	132	(714)
Payments to suppliers and employees	(38,130)	(36,872)
<b>Net cash generated by operating activities</b>	<b>35,038</b>	<b>24,294</b>
<b>Cash flows from investing activities</b>		
Net advances to customers	(94,645)	(47,660)
Payments for software intangibles and equipment	(4,704)	(4,712)
<b>Net cash used in investing activities</b>	<b>(99,349)</b>	<b>(52,372)</b>
<b>Cash flows from financing activities</b>		
Proceeds from finance receivables borrowings	161,957	266,753
Repayments of finance receivables borrowings	(82,128)	(246,310)
Net proceeds from debt financing	-	2,500
Purchase of treasury shares	(127)	-
Principal element of lease payments	(562)	(517)
<b>Net cash generated by financing activities</b>	<b>79,140</b>	<b>22,426</b>
Cash and cash equivalents at the beginning of the period	37,744	43,454
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>14,829</b>	<b>(5,652)</b>
Effects of exchange rate changes on cash and cash equivalents	44	(58)
<b>Cash and cash equivalents at the end of the period</b>	<b>52,617</b>	<b>37,744</b>

# Balance Sheet

	30 June 2025	30 June 2024
	\$'000	\$'000
Cash and cash equivalents	52,617	37,744
Trade and other assets	3,592	2,959
Finance receivables	832,187	761,471
Expected credit loss provision	(36,812)	(36,646)
Property and equipment	2,339	2,938
Intangible assets	8,323	4,491
Deferred tax assets	15,600	10,633
Derivative financial instruments	-	525
<b>Total assets</b>	<b>877,846</b>	<b>784,115</b>
Payables and accruals	7,866	5,101
Borrowings	824,267	739,546
Lease liability	2,499	3,010
Derivative financial instruments	8,733	-
<b>Total liabilities</b>	<b>843,365</b>	<b>747,657</b>
<b>Net assets</b>	<b>34,481</b>	<b>36,458</b>
Share capital	127,473	124,561
Foreign currency translation reserve	-	(622)
Share based payment reserve	-	4,463
Cash flow hedge reserve	(6,217)	349
Accumulated losses	(86,775)	(92,293)
<b>Equity</b>	<b>34,481</b>	<b>36,458</b>

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