



30 October 2025

ASX ANNOUNCEMENT

Reaffirmed FY26 Guidance of \$12m Cash NPAT Loan Book Growth in Both Countries with Widening Risk Adjusted Margin Secured Vehicle Loan Product Launched

Harmony Corp Limited (ASX: HMY) ("Harmony" or the "Company") is pleased to provide an update on its performance for the 3 months ended 30 September 2025 ("1Q26"), including reaffirming its profit guidance for the current financial year ("FY26").

FY26 Profit guidance reaffirmed at \$12M

With both loan book growth and risk adjusted margins (margin after funding costs and credit losses) growing in line with expectations, Harmony reaffirms its market guidance of FY26 Cash NPAT of \$12m, representing a 111% increase on FY25.

1Q26 Highlights vs prior comparative period ("pcp"), being the 3 months ended 30 September 2024 ("1Q25"):

- Loan book **growth of 8%** on pcp to **\$833m**, with the New Zealand loan book now also delivering strong local currency growth through the quarter.
- Loan originations **increased by 15% in Australia** and by **>50% in New Zealand** with New Zealand now also benefiting from Stellare[®] 2.0 following its implementation in June 2025.
- **Net interest margin** ("NIM") on the loan book has **increased to 10.3%** from 8.9%, with **new lending NIM continuing at >10%**.
- Credit losses remain stable at **3.8%**. 90+ day arrears rose slightly from the 0.64% reported for 31 July 2025 to 0.77% at 30 September 2025.
- **Risk-adjusted income increased 130bps to 6.5%** from 5.2%, driven by widening NIM together with stable credit losses.
- **Secured car loan launched** direct online, empowering customers to become cash buyers, enabled by Stellare[®] 2.0's "money in seconds" technology, no longer dependent on dealer finance options.
- **Cost to income ratio of 19%**, in line with 19% for FY25, continues to be a stand out feature of Harmony's business model, due to its highly automated Stellare 2.0 platform.
- **Available cash reserves currently of \$35m** from unrestricted cash and loans available for sale into warehouses. Expecting to complete refinancing of existing \$22.5m corporate debt facility in December 2025, on materially improved terms, including reducing corporate debt by \$7.5m.
- Total **Warehouse credit capacity ~\$1b**, providing funding headroom for growth.
- **Further active investment funds joined the register, replacing an early series investor**, with Post-IPO investors now over 50% of the register.



Financial Highlights	1Q26	1Q25	Change (pcp)
Loan Book (\$m)	833 ¹	769	+8%
<i>Australian Loan Book (\$m)</i>	502	426	+18%
<i>New Zealand Loan Book (NZ\$m)</i>	378	373	+1%
Net Interest Margin (%)	10.3	8.9	140bps improvement
Credit Losses (%)	3.8	3.7	10bps increase
90+ Day Arrears (%)	0.77	0.53	24bps increase
Risk Adjusted Income (%)	6.5	5.2	130bps improvement
Cost to Income Ratio (%)	19	18	100bps increase

¹. Group loan book growth in A\$ is suppressed by NZ\$ weakening during 1Q26 from \$0.93 at 30 June 2025 to \$0.88 at 30 Sept 2025, reducing the Group loan book by A\$19m. This will not have a material impact on FY26 Cash NPAT. Cash NPAT Guidance of \$12m has been affirmed.

Commenting on 1Q26, Harmony's CEO & Managing Director David Stevens said:

"Harmony remains well on track to achieve our guidance of \$12m Cash NPAT for the year with strong lending growth across both our Australian and New Zealand markets, with Australian originations up 15% on pcp and New Zealand originations up over 50% on pcp. It is particularly pleasing to see such growth return to our New Zealand loan book, with the full implementation of Stellare® 2.0 in that market during the final quarter of FY25 providing immediate benefits.

While the New Zealand loan book growth on pcp at 1% may look unimpressive, it is suppressed by the contraction that occurred during the first three quarters of FY25. The annualised run-rate growth that has returned to New Zealand this quarter on last quarter (4Q25) is now back over 10%.

A key strategic driver for implementing Stellare® 2.0, on top of enabling us to make viable offers to more customers, was to provide a modern, agile platform to accelerate our product innovation. So I'm pleased to announce that this quarter, only one quarter after completing our Stellare® 2.0 rollout and migration, we have already launched our secured car loan product, leveraging Stellare® 2.0's "money in seconds" capabilities to provide customers with the flexibility to become a cash buyer, shopping with a competitive pre-approved secured credit line, not dependent on dealer finance options. It is gaining significant customer interest and I look forward to updating you on progress through the year as we expand our educational marketing explaining the benefits of this innovative product to more customers.

Net interest margin across the loan book has continued to expand, now at 10.3%, up from 8.9% pcp, as lending originated at a net interest margin of over 10% continues to grow as a share of the overall loan book. Our new lending margin has continued above 10% through the quarter.

Credit losses were 3.8%, up 10bps on pcp, with New Zealand credit losses up slightly from a historically low base, but expected to flatten over the remainder of the year, particularly with Stellare® 2.0 now operating in New Zealand, already delivering lower credit losses in Australia where it has now been operating for well over a year.



90+ day arrears are also up slightly to 0.77%, but remain very low at less than half the Australian market average of 1.59%.

Cost management combined with our high levels of automation have enabled us to maintain our exceptional cost to income ratio of 19% alongside loan book growth in both markets.

Harmony remains extremely well-capitalised, with \$35m of available cash reserves from unrestricted cash and loans available for sale into warehouses, and has a total warehouse credit capacity of ~\$1b, providing plenty of funding headroom for growth. In December 2025 we expect to apply \$7.5m of these available cash reserves to refinancing our existing \$22.5m corporate debt facility, and reducing the drawn balance to \$15m, on materially improved terms.

And finally, following on from our guidance-beating FY25 result and market confidence in our prospects for FY26 and beyond, I'm delighted that during the quarter further new active investment funds have now joined Harmony's share register, replacing another pre-IPO investor, with post-IPO investors now comprising over 50% of the share register."

This release was authorised by the Board of Harmony Corp Limited.

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INVESTOR HUB

Harmony's Investor Hub is a platform for investors to learn about Harmony and engage with its leadership. It has our ASX announcements, plus additional content like videos, interviews, research reports, and webinars. Existing shareholders can also link their shareholdings.

Submit questions about this announcement at <https://investorhub.harmony.com.au/link/rkDQLP>.

Create an account at investorhub.harmony.com.au/auth/signup or scan the QR code in the header.

INVESTOR RELATIONS

For corporate queries, please contact Michael Pegum of Ethicus Advisory Partners via:

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ABOUT HARMONEY

Harmony is the only 100% consumer-direct personal lender operating across Australia and New Zealand. Harmony provides customers with unsecured and secured personal loans that are fast, easy, competitively priced (using risk-adjusted interest rates) and accessed 100% online. Harmony's purpose is to help people achieve their goals through financial products that are fair, friendly, and simple to use.

Harmony's proprietary digital lending platform, Stellare® is the power behind the platform. Stellare® can process, approve and fund loan applications within minutes. Stellare® also replaces the traditional industry credit scorecard with a predictive behavioural analytics engine which uses machine learning



to analyse our rich, direct consumer data to deliver automated credit decisioning and superior risk-based pricing.

For further information visit [harmony.com.au](https://www.harmony.com.au).

BUSINESS FUNDAMENTALS

- Harmony provides risk based priced unsecured and secured personal loans of up to \$100,000 to consumers across Australia and New Zealand.
- Its 100% consumer-direct model and automated loan approval system is underpinned by Harmony's scalable Stellare® proprietary technology platform.
- A large percentage of Harmony's originations come from existing customers with minimal customer acquisition cost.
- Harmony is a team of 80 full-time employees predominantly based in Auckland, New Zealand, approximately half of whom comprise engineering, data science and product professionals.
- Harmony has a highly diversified funding panel with warehouses being provided by three of the "Big 4" banks across Australia and New Zealand. Harmony issued its first asset backed securitisation in 2021, followed up with a \$200m New Zealand asset backed securitisation in August 2023, both being publicly rated by Moody's.

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