

4 March 2022

## ASX / NZX Release

### Harmony to present at ConsumerOpps 2022 virtual investment conference

Harmony Corp Limited (ASX/NZX: HMY; “Harmony”) advises that CEO and Managing Director, David Stevens, will be presenting at Market Eye’s ConsumerOpps 2022 virtual conference on Tuesday, 5 April 2022.

The conference will be run over two days on the 5-6 April, with some of Australasia’s leading businesspeople in the consumer industry explaining how they are changing the way consumers shop, buy and engage with brands on a daily basis.

The Keynote speaker for the event is Paul Zahra, CEO of the Australian Retailers Association.

Attendance is free and takes place online. To register for the event and view the full program please go to: [www.consumeropps.com](http://www.consumeropps.com)

Harmony will be presenting at 5:00pm AEST on Tuesday, 5 April 2022.

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

-END-

### For queries, please contact:

**Corporate/Investors**  
David Stevens  
CEO & Managing Director  
[investors@harmony.co.nz](mailto:investors@harmony.co.nz)

**Investors/Media**  
Adrian Mulcahy  
Investor Relations  
[adrian.mulcahy@marketeye.com.au](mailto:adrian.mulcahy@marketeye.com.au)  
+61 438 630 422

### About Harmony

Harmony is the only 100% consumer-direct personal lender operating across Australia and New Zealand. Harmony provides customers with unsecured 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 most loan applications within 24 hours. Stellare® also



replaces the traditional industry credit scorecard with Libra™, our predictive behavioural analytics engine. Libra™ uses machine learning to analyse our rich, direct consumer data to deliver automated credit decisioning and superior risk-based pricing.

## **Business fundamentals**

- Harmony provides risk based priced unsecured personal loans of up to \$70,000 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 meeting the evolving needs of existing or returning customers.
- Harmony is comprised of a team of ~80 full-time employees predominantly based in NZ, half of whom comprise engineering, data science and product professionals.
- Harmony is funded by a number of sources including three "Big-4" bank warehouse programs across Australia and New Zealand and, in addition, in October 2021 Harmony issued its first asset backed securitisation which was publicly rated by Moody's.

For further information visit [www.harmony.co.nz](http://www.harmony.co.nz) or [www.harmony.com.au](http://www.harmony.com.au)

# ConsumerOpps

**David Stevens**  
**CEO & Managing Director**

All values in \$NZD unless stated otherwise

# Important notice and disclaimer

The material in this presentation is provided for general information purposes only and is current as at the date of this presentation. It is not a prospectus or product disclosure statement, financial product or investment advice or a recommendation or offer to acquire Harmony shares or other securities. It is not intended to be relied upon as advice to investors and does not take into account the investment objectives, financial situation or needs of any particular investor. Investors should assess their own financial circumstances and seek professional legal, tax, business and/or financial advice before making any investment decision. The information in this presentation does not purport to be complete. It should be read in conjunction with Harmony's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange and New Zealand's Exchange, which are available at [www.asx.com.au](http://www.asx.com.au) and [www.nzx.com](http://www.nzx.com) respectively.

This presentation may contain forward looking statements including statements regarding our intent, belief or current expectations with respect to Harmony Group's business and operations, market conditions, results of operations and financial condition, specific provisions and risk management practices. Such forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of Harmony Group and which may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements. Readers are cautioned not to place undue reliance on these forward looking statements, which speak only as of the date thereof. Past performance is not indicative of future performance.

No representation or warranty, express or implied, is made as to the fairness, completeness, accuracy, adequacy or reliability of information, opinions or conclusions in this presentation, including the financial information. To the maximum extent permitted by law, none of Harmony or its related bodies corporate or their respective, its directors, officers, employees or contractors or agents do not accept liability or responsibility for any loss or damage resulting from the use or reliance on this presentation or its contents or otherwise arising in connection with it by any person, including, without limitation, any liability from fault or negligence.

The financial information in this presentation has not been audited in accordance with Australian Auditing Standards.

This presentation contains certain non-IFRS measures that Harmony believes are relevant and appropriate to understanding its business. Investors should refer to the Half Year FY22 Results for further details.

All values are expressed in New Zealand currency unless otherwise stated. All intellectual property rights in this presentation are owned by Harmony.

# About Harmony (ASX & NZX: HMY)

## Largest 100% online consumer-direct lender across Australia & NZ

1



### Compelling Fundamentals

Attractive revenue profile, loan book, track record of origination growth, and high margins

2



### Strong Market Position

Established presence in New Zealand and Australia, and experienced high growth phase in Australia

3



### Credit Product Innovation

Opportunities to expand product offerings by leveraging deep consumer data in our Libra platform

4



### Warehousing & Securitisation

Major bank warehouses with three Big 4 Banks plus ABS program in place

5



### Technology Empowered

Proprietary technology, Stellare® enables automation, machine learning, data utilisation and direct marketing

6



### Operating Leverage

Stellare® enhances customer lifetime value and minimises origination costs, facilitating scale and efficiency

7



### Strong Customer Retention

High customer satisfaction and personalised product offering drive strong growth from existing and returning customers

8



### Experienced Team

Highly experienced management team with a proven track record of success in consumer finance

# The growing Stellare<sup>®</sup> platform

## Deep data in the Stellare Platform

**7 yrs**

Rich customer application history

**769k**

People have joined Harmony

**\$7.6b**

Personal lending enquiry

**\$2.5b**

Funded loans

**Billions**

Of data points

**0.46%**

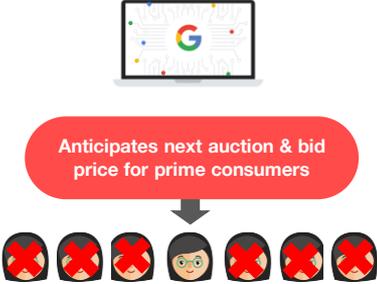
31 Dec 21 90+ days arrears

## Proven acquisition model

- The Stellare<sup>®</sup> marketing model outbids competitors for target consumers, real-time feedback refines targeting, driving down CAC.
- The consumer-direct relationship drives CAC lower as existing customers return for future needs

## Stellare<sup>®</sup> integration with Google

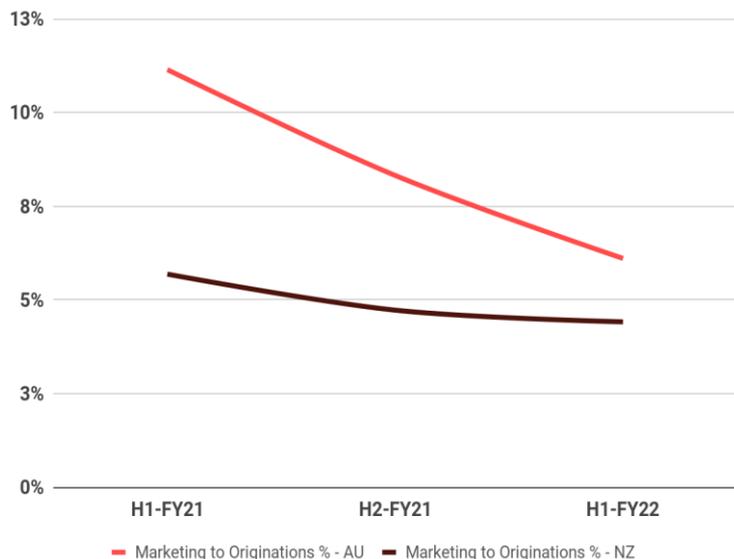
- Integrating with Google's smart bidding algorithm. Harmony's advertising is seen by targeted high-value consumers



\*CAC = Customer Acquisition Costs

# Stellare® delivers scalability and reduced CAC

## CAC reducing over time



## Automated loan application facilitates scalability and reduced CAC

- Originations have grown **300%** with 6 credit officers
- Automation driving operating cost efficiencies – **66%** of loan applications (6-month avg to Dec 2021)

## Refines Libra® scorecards and creates a credit decision engine

- Libra learns from data acquired through completed loan applications.
- Group arrears of **0.46%** (90 days plus) and losses of **3.8%** as at 31 Dec 2021 (% of avg principal) at historical lows
- Further performance improvements with future Libra releases

# 1HFY22 Financial Highlights

## The 100% direct difference

Group loan book

**\$557m**

+19% (Dec 2020 \$468m)



AU loan book (A\$)

**\$185m**

+83% (Dec 2020 \$101m)



Cash NPAT

**\$1m**

Consistency (\$1m Dec 2020)



Net Interest Margin

**13.1%**

+220bps (Dec 2020 10.9%)



Net Lending Margin

**9.3%**

+210bps (Dec 2020 7.2%)



Group 90+ day arrears

**0.46%**

-14bps (Dec 2020 0.60%)



**Harmony**

**Q&A**