

16 November 2022

ASX RELEASE

ANNUAL MEETING OF SHAREHOLDERS - CHAIR AND CEO ADDRESSES

Harmony Corp Limited (ASX/NZX: HMY; "Harmony" or "the Company") is pleased to provide copies of the following addresses for its 2022 annual meeting of shareholders, to be held online at **meetings.linkgroup.com/HMY22 on Wednesday 16 November 2022** at 1:00pm AEDT / 3:00pm NZDT.

Chairman's Address

Good morning and thank you for joining Harmony's 2022 Annual General meeting. My name is Paul Lahiff, and I am the Chair of Harmony.

I would like to start by introducing my fellow board members - Tracey Jones (Independent Director and Chair of the Audit and Risk Committee), Neil Roberts (Director & Founder), David Stevens (Managing Director and Chief Executive Officer), and our newest board members John Quirk (Independent Director) and Monique Cairns (Independent Director and Chair of the Remuneration and Nominations Committee), who joined us in July this year. We also have Simon Ward (Chief Financial Officer) and Rob Spring (PwC audit Partner) present with us this morning.

2022 has been an exciting year for Harmony. There is no doubt this year was a year of change, including the recent consolidation of our listing onto the ASX, as well as a year of achievement with significant milestones, including, importantly, reaching Cash NPAT profitability, underpinned by our incredible growth and our unique business model. I will get David to share more detail on these shortly.

Your board has confidence in Harmony's executive team, and we are proud of the strategic pathway we have taken. We have diverse funding facilities from 3 of the "big 4" Australian and New Zealand banks, we have grown a quality prime loan book, 100% direct to the consumer online. We expect these drivers will collectively continue to deliver long-term success for Harmony.

On behalf of the Board, I would like to thank my fellow board members, our CEO, David Stevens, and all of our Harmony employees for their contributions. I would also like to once again thank David Flacks, who retired from the board during the year after serving 8 years, including over 5 years as Chair. Finally, I would also like to thank our shareholders and fellow stakeholders for their continued support for Harmony. We look forward to further growth and another impressive year.

Let me now pass over to David who can talk in more detail about the operational achievements.

CEO's Address

Thank you, Paul and thank you everyone for attending our 2022 Annual General Meeting.

It has been a significant year for Harmony, as Paul mentioned, reaching Cash NPAT profitability, an important milestone for the group.

Our key differentiator as a business, as you know, is that we are a 100% consumer-direct personal lender, offering customers across Australia and New Zealand unsecured loans that are fast, easy to understand and 100% accessible online.

As we have shared previously our consumer-direct model avoids the need for intermediaries, and this cost-effective model ensures we are able to offer competitively priced solutions, while delivering impressive returns for our shareholders.

In this last financial year, we continued to deliver outstanding results, achieving Cash NPAT profitability, with pro forma revenue of NZ\$91 million and a growing our proforma loan book 37% to NZ\$685 million.

We continue to see tremendous growth in our business, especially in our rapidly growing Australian business, where total originations grew by 207% and the book has now surpassed New Zealand. Importantly, our Australian existing customer originations grew by 152% with Australian existing customer originations following the same pattern as New Zealand, where existing customer originations represented more than half of the total New Zealand FY22 originations. Existing customer originations drive higher returns as they incur next to no additional acquisition costs due to our consumer-direct relationship.

We have set ourselves apart from our peers by focusing on our consumer-direct model, underpinned by our technology, the Stellare® platform, and highly targeted and efficient marketing with Google.

Every month, we attract over 12,000 new customer accounts. This cohort represents a significant opportunity for the group as we seek to meet a broader range of their financial needs. Currently, around 1,000 of these new customer accounts become borrowers each month. Importantly, we classify half of the new customer accounts as bureau-qualified, and yet they are not served by our current product offerings. This represents a significant market opportunity for us to offer new products with new features. You can expect to hear more on this over the coming months as we release newly developed solutions to satisfy this market opportunity.

Further, the customer financial data we have built over the years enables us to refine and optimise our machine learning model, ensuring we continue to attract our preferred target customers, who are looking for our financial solutions, leading to a high-quality loan book.

Turning to some of the numbers. Reflective of our approach to risk, as at June 2022, our 90 day plus arrears were at 0.45%, with statutory credit losses of 2.5%. Our recent 1Q23 results release showed even lower 90 days arrears at 0.40%, and well below the market average of 1.4%. In terms of the makeup of our loan book, 40% are homeowners and 99% are regular employees or self-employed, with 74% in professional, office, or trade roles.

More recently there have been some concerns raised on the macroenvironment environment, with the change in the interest rates cycle and what this means for us as a business. We believe we are well placed, given the diversity of funding and our dynamic pricing model, and continue to see growth opportunity ahead. As a small player operating in a \$140B plus marketplace, the opportunity to take share from the larger banks and traditional lenders is significant.

We are continuing to see strong growth with near record quarterly originations in 1Q23, a typically seasonally lower quarter, and I am pleased to advise another record month of originations in October 2022. All other key financial metrics are in line with the 1Q23 trading update provided on 18 October 2022.

To support this growth, we have over A\$230 in undrawn warehouse funding. Our diversified funding base is supported by the 3 of the Big 4 Australian banks, and an ABS securitisation.

Finally, with over 94% of loans funded by warehouses at the end of FY22, from FY23 we are able to now take the step of simplifying our reporting by reporting solely on a statutory basis. With more than half our lending now in Australia, from FY23 we are also shifting our reporting currency to Australian dollars.

Looking ahead we see continued growth in our loan book, revenue and profitability, underpinned by market share gains, new product development and our consumer-direct model.

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

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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 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 NZ
- 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 no customer acquisition cost
- Harmony is comprised of a team of ~85 full-time employees predominantly based in NZ, half of whom comprise engineering, data science and product professionals
- Harmony has a highly diversified funding panel which includes warehouses being provided by three of the "Big-4" banks across Australia and New Zealand and in addition in October 2021 has issued its first asset backed securitisation which was publicly rated by Moody's.

For further information visit <https://www.harmony.co.nz/> or <https://www.harmony.com.au/>.