APPENDIX 4E

21 August 2024

RESULTS FOR ANNOUNCEMENT TO THE MARKET

humm Group Limited (ASX: HUM) and its controlled entities (also referred to as the "Group" or "**humm**group") results for announcement to the market are detailed below:

Key information	Year ended 30 June 2024 $m	Year ended 30 June 2023 $m	Change on previous period $m	Change on previous period %
Revenue from ordinary activities	619.3	510.4	108.9	21%
Net profit from ordinary activities after tax attributable to shareholders of humm Group Limited	7.1	2.9	4.2	145%
Net profit for the year attributable to shareholders of humm Group Limited	7.1	2.9	4.2	145%

Dividends	Amount per security	Franked amount per security
Current period: 2024		
Final dividend: payable on 3 October 2024	1.25 cents	100%
Interim dividend: paid on 3 April 2024	0.75 cent	100%
Previous corresponding period: 2023		
Final dividend: payable on 9 October 2023	1.0 cent	100%
Interim dividend: paid on 11 April 2023	1.0 cent	100%

Record Date for Determining Entitlement to the Dividends

28 August 2024 for final FY24 dividend.

Dividend Details

Our final ordinary dividend in respect of the year ended 30 June 2024 will have a record date of 28 August 2024 with payment to be made on 03 October 2024. The Board has determined that the dividend reinvestment plan will not operate in relation to this dividend.

Dividend or Distribution Reinvestment Plan Details

The terms of the Dividend Reinvestment Plan were lodged with ASX on 26 August 2022 and can be found at https://investors.humm-group.com/investor-centre/?page=asx-announcements-HUM.

Brief Explanation on Results

Please refer to the 2024 Annual Report – Review of Operations on pages 12 to 27.

Net Tangible Assets Per Security

	Year ended 30 June 2024 $	Year ended 30 June 2023 $
Ordinary shares	91 cents	98 cents

Control Gained or Lost Over Entities in the Financial Year

Name of entities where control was gained in the financial year	Date control gained
Bidfin Pty Ltd	10 April 2024
Bidfin Capital Pty Ltd	10 April 2024

Name of entities where control was lost in the financial year	Date control lost
Nil	N/A

Investment in Associates and Joint Ventures

Nil.

Other Information

Nil.

2024 ANNUAL REPORT

HUMM GROUP LIMITED

FOR THE YEAR ENDED 30 JUNE 2024

humm Group Limited
ABN 75 122 574 583

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CHAIRMAN'S LETTER

Dear Shareholders

Following a challenging period of high interest rates and inflation, I am pleased to see **humm**group deliver a solid result, which sets a strong foundation for the coming year.

With a strong performance in the second half of the year, the company delivered a solid set of results, including a $4.2m increase in statutory profit to $7.1m for the year and Normalised Cash Profit of $60.6m.

While some of our competitors have struggled for funding, our differentiated funding platform continues to successfully access funds in a range of market conditions. Hence capital is available for continued investment in our business and allowed us to grow market share in a difficult environment.

Loan growth across all our core products has delivered a record of $5.0bn in receivables at 30 June 2024.

A more stable net interest margin, record low credit losses and cost savings delivered strong second half performance and with significant reductions in suspended product costs within our Consumer business, we head into the coming year confident of delivering increased shareholder returns.

Regulation

With a long history of managing regulated products, we are looking forward to our **humm** "buy now pay later" product becoming regulated in FY25. Credit checks have already been implemented within our existing systems to ensure we are well-placed to succeed.

We pride ourselves on responsible lending and support any changes that improve outcomes for consumers.

Furthermore, we are introducing a new regulated hybrid loan product to the Australian market in early FY25. It is designed to deliver higher return metrics and profitability for the business while ensuring the appropriate levels of protection are in place for customers.

Capital Management

Over the last 12 months, we have successfully completed our $10.0m on market share buy back and purchased additional shares to settle our long-term incentive programs ("LTI"). This represents a total of 6% of shares on issue with no dilution, in the current year, for shareholders in respect of our executive LTI program.

In partnership with MA Financial Group, we have implemented a new platform to fund the next phase of growth for the Commercial business. The new platform further differentiates **humm**group from other lenders by allowing **flexicommercial** to originate, credit assess and service receivables through its existing broker network with no capital requirement and does not expose the company to direct credit losses. It's a market leading structure that will deliver incremental growth to return on equity over the medium term.

We also executed a $185.0m asset-backed securities ("ABS") funding transaction by way of private placement to support the continued growth of our solar portfolio. While we regularly issue ABS notes to fund our Australian solar receivables book, this was **humm**'s first entirely solar deal with all the issued notes being certified by the Climate Bonds Initiative.

Shareholder Dividend

We are proposing a final fully franked dividend of 1.25c per share for FY24 bringing total dividends for the year to 2.0c per share. This represents a post-tax return of 6.02% to shareholders.

Our dividend position underlines the strength of our FY24 result, supported by a balance sheet with unrestricted cash position of $125.1m as of 30 June 2024.

Outlook

hummgroup is a market leader with a differentiated offering aligned to the needs of our customers. Our FY24 results have ensured we are well positioned to service growing demand for flexible finance options across a range of sectors. Our experience operating within regulated environments setting us apart from many of our competitors.

My belief in this business is resolute and it is demonstrated by a shareholding that has increased to 26.2% in the last 12 months.

Given the stabilisation that happened in the second half of 2024, I am optimistic about the future growth opportunities for the business. We move into the coming year with renewed momentum, a clear focus and funding to invest in the areas that will deliver profitable growth.

On behalf of the Board, I want to thank our Shareholders for your continued support and recognise our team for their enduring commitment to growing this business and servicing our customers.

Andrew Abercrombie
Chairman

21 August 2024

CHIEF EXECUTIVE'S REPORT

Dear Shareholders

I am very grateful to have had the opportunity to lead **humm**group over the past 12 months, completing my first full year as CEO. It is pleasing to deliver a solid result for the 2024 financial year.

The first half of the year was negatively impacted by the inflationary environment and heightened interest rates being felt through all the businesses. The second half of the year saw the positive impacts from management initiatives, implemented in the first half of the year, take effect with improved contributions from all businesses.

The second half of the year produced a more stable Net Interest Margin and $13.6m in cost savings, and when coupled with historically low loss rates resulted in a Statutory net profit (after tax) of $7.1m up 145% on prior year. Of particular note was a $19.1m turnaround from the first half Statutory loss of $6.0m.

Our Normalised cash profit (after tax) result of $60.6m was down on the prior year, reflecting the impact of the cost pressures alluded to above. However, we saw a second half improvement in Normalised cash profit (after tax), from the first half, representing a positive outcome from the execution of initiatives of management.

hummgroup finished the financial year in a strong financial position with $125.1m in unrestricted cash and $0.7b of warehouse headroom for future growth, having reached a milestone of passing $5.0b in loans and advances to customers.

The final fully franked dividend of 1.25c per share brings total dividends to 2.0c per share for the year and represents a pre-tax return of 6.02% return to shareholders (based on the average share price for the year).

In the last 12 months we have established a more diversified funding platform to support our future growth, completed a private solar placement that was well supported by our funders, and reduced suspended product costs by $17.3m with no further significant costs expected.

It is recognised that a number of our shareholders are not used to the disclosures around "Normalised" profits. Accordingly, going into the new financial year, we will be eliminating the Normalised cash profit (after tax) metric and reporting on Cash Profit (after tax).

FY24 Performance

Our **Commercial** business remains a leading provider of specialist asset finance, with continued strong growth driven by a differentiated service proposition supported by two key elements in speed to decision and speed to cash settlement.

Commercial receivables of $3.0b were up 26% on the prior year (FY23: $2.4b) and it is remarkable to reflect that in 2021 the receivables balance was only $0.7b. Consistently low loss rates across the portfolio were the result of robust credit decisioning and our strong asset diversification that delivered net credit loss to average net receivables of 0.7%.

Volumes for Commercial AU increased by $45.6m for the year, after record volumes in the prior year that was supported by the Government instant asset write-off benefit. As expected, volumes for Commercial NZ reduced by $75.6m following the decision to stop direct acquisition and align the New Zealand business with the successful Australian operating model focused on brokers.

Gross income[1] grew 45%, with normalised operating expenses up only 4% over the same period, demonstrating the operating leverage of the Commercial business.

Continued growth in receivables along with pricing changes helped to offset increased interest rates, credit spreads and higher leverage to deliver Normalised cash profit (after tax) of $42.8m.

1. Gross income includes interest income and fee and other income.

Our **Consumer** business delivered volumes from continuing products of $2.3b in FY24 up 12% on the prior year driven by growth in **humm**® AU and our global businesses, Ireland in particular. Total receivables of $2.0b grew by 8% on the prior year balance of $1.8b, which was a welcome return to growth after three years of remaining stagnant at $1.8b in receivables.

Normalised cash profit (after tax) for the year of $17.8m represented a reduction of 46% on the prior year. However, a strong second half delivered Normalised cash profit (after tax) of $11.3m, a 74% improvement on the first half; the result of the positive impact of pricing initiatives executed in 1H24, lower losses and efficient cost management.

Management Uplift

Over the last 12 months we have welcomed new Executive Leaders to **humm**group who are driving progress toward strategic goals, particularly within the critical areas of People and Culture, Technology and Operations. This has helped accelerate our progress toward transforming the business, uplifted capability and continuing to enhance the culture of the organisation.

Future Focus

As we head into the new financial year, management will be focused on modernising the technology platforms and automating inefficient processes to deliver better customer and merchant experiences across the portfolios.

In the Commercial business, a focus on targeted growth opportunities including increasing our business with repeat customers, investing in new geographies and regional areas, increasing focus on new sectors such as agriculture and medical, as well as assessing inorganic opportunities in new sectors that leverage our current strength in the broker channel.

For the Consumer business the launch of regulated hybrid loan product in Australia in 1H25 will deliver tailored offerings to new and existing merchants, open new channels and increase profitability. In New Zealand, the popular Q Brand will be refreshed to leverage its strength in market and reach new customers. Internationally we will continue to leverage the growth opportunities available to us where our capabilities are aligned to profitable outcomes.

Management will continue to drive operational efficiencies and cost savings that will free up capital to reinvest in the business. The continued relentless focus on customers and risk will remain at the forefront of everything we do as we seek to further differentiate ourselves from our peers and drive profitability across all areas of the business.

Conclusion

Following the conclusion of my first full year, I am pleased to see the business successfully overcome the challenges that we experienced over the past few periods. Sometimes change can be confronting however the people we have in the organisation have risen to the challenge and delivered a compelling platform from which to grow.

We remain focused on profitable growth opportunities in the financial year ahead including the targeted expansion of our Commercial business, continued improvements to pricing in our Consumer business and the launch of a regulated hybrid loan product in Australia.

Following the exit of suspended products and simplification of our Consumer business, we are ideally positioned to build scale with an efficient cost base that will deliver long-term value to our shareholders.

I would like to thank our shareholders for your support and trust. I also want to acknowledge the **humm**group team for their commitment to our customers, brokers and merchants.

I look forward to updating shareholders on our progress in more detail at the upcoming Annual General Meeting in November.

Stuart Grimshaw
Chief Executive Officer

21 August 2024

THE BOARD OF DIRECTORS

ANDREW ABERCROMBIE
LLB, BEc, MBA

Chair,
Non-Independent,
Non-Executive

Appointed November 2006

Andrew Abercrombie was a founding director of the original FlexiRent business in 1991 and CEO until 2003. Andrew has been a non-executive director since November 2006.

Andrew is an experienced commercial and tax lawyer and was a founding partner in a legal firm operating in both Sydney and Melbourne. Andrew left law to complete an MBA at IMD in Switzerland. Following time abroad he returned to Australia and became involved in property investment and tax consulting. Andrew is currently involved in several philanthropic and think-tank ventures, together with private interests.

STUART GRIMSHAW
BComm, MBA

Chief Executive Officer
and Managing Director

Appointed 30 June 2022

Stuart Grimshaw joined the Board in June 2022 and was appointed Managing Director and Chief Executive Officer in June 2023. Stuart has over 35 years experience in financial services. Stuart was a director at Millennium Services Group Ltd (ASX: MIL) (from November 2020 – June 2023) and Raiz Invest Limited (ASX: RZI) (from December 2021 – May 2023).

Stuart has extensive senior leadership experience, having been CEO and Board Member of EZCORP, a Nasdaq listed company, and Managing Director and CEO of Bank of Queensland Limited (ASX: BOQ). Stuart has also held a wide variety of senior executive roles at various financial services entities including Caledonia Investments Pty Ltd, Commonwealth Bank of Australia, National Australia Bank and the ANZ Bank.

TERESA (TERRY) FLEMING
BA, AITI

Independent,
Non-Executive

Appointed 30 June 2022

Terry Fleming has chaired the Group's Irish business since 2016 where she has overseen its growth and success in the Irish market and the expansion of **humm**group into the UK.

Since 2005 she has acted as a non-executive director for a number of international and Irish companies across a range of industries including pharmaceuticals, infrastructure, medical research and e-commerce. She has extensive experience as a non-executive director with deep knowledge of corporate governance and regulatory environments. She has also served on an Irish State Board. Terry's background is in corporate tax consultancy with PWC Ireland.

ANTHONY THOMSON

Independent,
Non-Executive

Appointed
29 September 2022

Anthony Thomson joined the Board in September 2022. He has a deep and extensive background in financial services in both Australia and the United Kingdom, most notably as Co-founder and Chairman of neo bank 86 400. In 2008 he founded and chaired Metro Bank, the first new High Street Bank in the UK for over 150 years, stepping down from this role in 2012. Following this, he founded and chaired Europe's first mobile-only bank, Atom Bank PLC.

Anthony is an independent non-executive director of Wio, a digital bank based in the UAE. He is the former Chairman of Zip Co's UK business.

ROBERT HINES
B.Fin.Admin,
Grad.Dip.Adv.Acc,
Grad Dip App Fin, FAICD,
SF Fin, FCPA, FCA

Independent,
Non-Executive

Appointed
29 September 2022

Robert Hines joined the Board in September 2022 with over 35 years' experience in banking, finance and funds management services, agriculture and energy sectors and senior executive roles in finance, retail and operations. He has held executive positions of Chief Financial Officer and Chief Operating Officer at some of Australia's leading companies including Queensland Sugar Limited, Queensland Investment Corporation, Bank of Queensland Limited and Suncorp Group Limited.

Robert is a non-executive director of Cash Converters International Limited (ASX: CCV) (since November 2020), Mackay Sugar Limited and Raiz Investment Limited (ASX: RZI) (since November 2023).

THE EXECUTIVE LEADERSHIP TEAM

STUART GRIMSHAW

Chief Executive Officer and Managing Director

Appointed 30 June 2022

Stuart Grimshaw joined the Board in June 2022 and was appointed Managing Director and Chief Executive Officer in June 2023. Stuart has over 35 years experience in financial services. Stuart was a director at Millennium Services Group Ltd (ASX: MIL) (from November 2020 – June 2023) and Raiz Invest Limited (ASX: RZI) (from December 2021 – May 2023).

Stuart has extensive senior leadership experience, having been CEO and Board Member of EZCORP, a Nasdaq listed company, and Managing Director and CEO of Bank of Queensland Limited (ASX: BOQ). Stuart has also held a wide variety of senior executive roles at various financial services entities including Caledonia Investments Pty Ltd, Commonwealth Bank of Australia, National Australia Bank and the ANZ Bank.

ADRIAN FISK

Chief Financial Officer

Adrian joined **humm**group in July 2021. Prior to joining **humm**group Adrian was CFO and Head of Partnerships at Willow, a data technology business and a partner at KPMG for 17 years where he worked with financial institutions and was the National Leader for KPMG's Financial Services practice, working with banks, fintech, wealth, insurance and PE firms.

He has served in Board roles including with 86 400 an Australian neo bank and is a non-executive director of Spriggy, an educational family money app.

CHRISTINA SEPPELT

Chief Legal & Commercial Officer, Company Secretary

Christina joined the **humm** Executive team in March.

Christina has extensive experience in financial services and other highly regulated industries, having worked in managed investment schemes, regulated capital raising, retail banking and secured credit facilities during her career. She has also successfully built strong and productive working relationships with regulators and public agencies including ASX, ASIC and APRA.

Christina's background also includes senior leadership roles at ASX listed financial services companies and a leading commercial law practice.

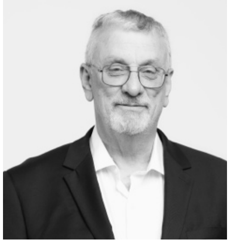
TIM LORD

Group Chief Risk Officer

Tim has an extensive background in credit and collections having spent 20 years with Dun & Bradstreet (D&B) where he held a number of leadership roles, including President Australia/New Zealand.

After finishing with D&B in 2014, Tim formed Anteris Consulting, a specialist agency with a primary focus on credit risk. During his time consulting, Tim undertook numerous assignments for publicly listed companies and government agencies. He joined **humm**group in July 2018.

As GCRO, Tim is responsible for the identification, assessment, and mitigation of risks across the Group.



ROB WRIGHT

Group Executive – Consumer AU

Rob joined **humm**group in 2016 and has held many roles including Group Executive – Commercial, before moving to Group Executive – Consumer AU in 2023.

With a career that spans the international banking sector, Rob held senior management roles at St George Banking Group, National Australia Bank, Commonwealth Bank of Australia and Westpac prior to joining **humm**group. He is a fellow of the Australian Institute of Banking and Finance, Australian Institute of Management and Institute of Public Accountants.

BRENDAN WHITE

Group Executive – Commercial

Brendan is an experienced business executive having worked across a number of institutions including Commonwealth Bank, Bank of Queensland and British Petroleum successfully leading multiple client facing business and product segments. He has developed a strong reputation for leading business and cultural transformation by building high-performing teams and businesses through a strong focus on people, culture, leadership, and the customer experience.

ANDREW MURRELL

CEO Consumer NZ

Andrew has more than 20 years' experience in financial services and government sectors in Australia and New Zealand including digital, brand and communications roles at Bank of Queensland, Commonwealth Bank and within the New Zealand Government.

With significant experience in leading strategic projects – particularly those focused on customer experience and digital innovation – Andrew joined **humm**group in 2019 and is responsible for Consumer NZ business.

CHANNELLE JACOB

Chief People Officer

Channelle is an experienced HR executive who has built an exceptional international career through her work at UBS and JP Morgan in Asia and the United States. She has also held leadership roles at Citibank and AMP.

With a breadth of experience across HR, learning and development, and organisational design, Channelle is passionate about driving a strong people agenda that supports business plans, establishes positive cultural behaviours and nurtures talent.

ANGELO DEMASI

Group Executive – Digital and Transformation

Angelo is a strategic global executive leader with experience delivering transformative digital growth outcomes across complex, customer-centric organisations in Australia, Asia, North America and Latin America. He joined **humm** from Canstar where he was the Chief Product and Technology Officer responsible for innovation, product management and development, customer design, IT architecture and delivery as well as cyber security.

Prior to joining Canstar, he worked as Chief Transformation and Digital Ventures Officer at EZCORP Inc, a US listed company, where he was responsible for strategy, transformation initiatives, and the creation of a new digital venture company leveraging the customer base of EZCORP.

Angelo has also served as a Partner and Managing Director with BCG Digital Ventures, the corporate innovation and business-building arm of Boston Consulting Group.

In his role at **humm**, Angelo focuses on the customer experience and evolution of the way customers interact with our products.

CARL BROADBRIDGE

Chief Operating Officer

A strategic technology and operations executive, Carl has extensive experience within large, complex settings including retail, telecommunications and financial organisations.

Carl delivers robust strategic plans and drives change to optimise operational performance. Most recently GM Strategy and Execution at ANZ, Carl was integral in improving the NZ technology function and workforce capability. He was also involved in career building and planning initiatives that supported the development of talent pipelines.

At **humm** he is responsible for positioning the business for the future by optimising technology systems, business operational practices and external partner relationships to drive more efficient and scalable customer-focused outcomes.

VAUGHAN DIXON

Chief Information Officer

Resigned June 2024.

Vaughan joined **humm**group in February 2021 as Chief Information Officer, bringing over 25 years' industry experience with credit risk, decisioning, technology and credit bureaus.

Prior to joining **humm**group, Vaughan spent over a decade at Dun & Bradstreet (D&B) and the rebranded Illion business in a number of leadership roles including Chief Technology Officer. He was also one of the founders that successfully launched the Decision Intellect fintech and guided that business from its infancy through high growth into a profitable provider of credit technology processing millions of mission critical credit decisions annually.

Vaughan was a principal for Comprehensive Credit Decisions, a consultancy specialising in credit and technology. Prior to that he was a product consultant for ANZi, the corporate venture capital arm of ANZ, where he led the product strategy, direction and build for a new venture they were incubating.

COUNTRY HEADS

PJ BYRNE
QFA, IOD

Chief Executive Officer at **humm**group UK & Ireland

With a distinguished career spanning over two decades in the financial sector, PJ has established himself as a visionary leader known for his strategic acumen and commitment to driving growth.

PJ's journey with **humm** began with shaping the company's expansion strategy across the UK and Ireland markets. Under his leadership, **humm** has experienced exponential growth, cementing its position as a trusted partner for consumers seeking flexible payment solutions.

Prior to his role as CEO, PJ held several key leadership positions within the financial services sector. He is a staunch advocate for driving positive change within the financial industry and is actively involved in philanthropic initiatives aimed at supporting local communities and promoting financial literacy.

Educated at Waterford Institute of Technology, UCD and the Law Society of Ireland, PJ holds qualifications in engineering, financial advisory and law.

TIM MOULTON

Canadian Country Head

Tim Moulton has more than 20 years' experience growing businesses in Canada across a broad range of sectors such as financial services, travel, loyalty, emerging payments and Point of Sale finance.

Tim has worked as an in-house executive consultant for fintech Brim Financial as the CCO. He also represented RBC and RBC Ventures, Canada's largest bank, to lead strategic partnerships and business development where he acquired numerous merchant partners including Apple, Indigo, Saks 5th Avenue and Walmart.

Tim has been instrumental in bringing a full digital solution to merchants that continue to drive strong growth at **humm** Canada.

COMPANY SECRETARIES

CHRISTINA SEPPELT
BEcon, LLB, MLM

Chief Legal & Commercial Officer, Company Secretary

Christina joined the **humm** Executive team in March.

Christina has extensive experience in financial services and other highly regulated industries, having worked in managed investment schemes, regulated capital raising, retail banking and secured credit facilities during her career. She has also successfully built strong and productive working relationships with regulators and public agencies including ASX, ASIC and APRA.

Christina's background also includes senior leadership roles at ASX listed financial services companies and a leading commercial law practice.

LISA-ANNE CAREY
LLB, Grad.Dip.Corp.Gov

Company Secretary & Senior Legal Counsel

Lisa-Anne joined **humm**group in September 2022.

Lisa-Anne's experience extends over 20 years in ASX-listed in-house legal and private practice roles in the property and finance sectors.

REVIEW OF OPERATIONS

1. HEADLINE RESULT

For the year ended 30 June 2024, the Group reported a Normalised cash profit (after tax)[1] of $60.6m and a Statutory net profit (after tax) of $7.1m.

The second half of the financial year delivered an improved financial result with Normalised cash profit (after tax) of $32.5m, up 16% on the first half result of $28.1m. 2H24 Statutory profit of $13.1m represents a turnaround of $19.1m from 1H24 Statutory loss of ($6.0m), resulting in Statutory profit of $7.1m for the year, a 145% improvement on the $2.9m at the same time last year.

A$m	1H24	2H24	Change %	FY23	FY24	Change %
Interest income	*254.8*	*276.2*	*8%*	413.7	531.0	28%
Interest expense	*(132.1)*	*(147.5)*	*12%*	(168.1)	(279.6)	66%
Net interest income	***122.7***	***128.7***	***5%***	**245.6**	**251.4**	**2%**
Fee and other income	*43.9*	*44.4*	*1%*	96.7	88.3	(9%)
Cost of origination	*(14.0)*	*(14.6)*	*4%*	(33.5)	(28.6)	(15%)
Net operating income	***152.6***	***158.5***	***4%***	**308.8**	**311.1**	**1%**
Credit impairment charge	*(48.0)*	*(48.0)*	–	(94.3)	(96.0)	2%
Operating expenses	*(97.4)*	*(83.8)*	*(14%)*	(188.5)	(181.2)	(4%)
Depreciation and amortisation expenses	*(10.8)*	*(10.2)*	*(6%)*	(21.0)	(21.0)	0%
(Impairment)/reversal of other intangibles	*(5.2)*	*0.5*	*(110%)*	(4.2)	(4.7)	12%
Statutory (loss)/profit before income tax	***(8.8)***	***17.0***	***293%***	**0.8**	**8.2**	**925%**
Income tax benefit/(expense)	*2.8*	*(3.9)*	*(239%)*	2.1	(1.1)	(152%)
Statutory (loss)/profit for the year	***(6.0)***	***13.1***	***318%***	**2.9**	**7.1**	**145%**
Non-cash items	*19.6*	*9.2*	*(53%)*	25.8	28.8	12%
Suspended products and related costs[2]	*8.2*	*7.7*	*(6%)*	*33.2*	*15.9*	(52%)
Other material items[4]	*6.3*	*2.5*	*(60%)*	13.1	8.8	(33%)
Normalised cash profit (after tax)[1]	***28.1***	***32.5***	***16%***	**75.0**	**60.6**	**(19%)**
Volume	***1,959.9***	***1,897.8***	***(3%)***	**3,979.8**	**3,857.7**	**(3%)**
Closing loans and advances[3]	***4,650.8***	***5,017.3***	***8%***	**4,261.7**	**5,017.3**	**18%**

1. Normalised cash profit (after tax) is calculated as Statutory profit adjusted for material infrequent items (such as legal provisions, transaction costs, restructure and redundancy costs) that were previously adjusted for in Cash net profit after tax ("Cash NPAT") and operating losses of suspended products. Also excluded from Normalised cash profit (after tax) is non-cash depreciation and AASB 9 provision movement, with actual credit losses remaining in the result. This result enables users to better assess **humm**group's current and future profitability.
2. Suspended products include **bundll**®, **humm**® UK, BPAY and 'Little Things' (within Point of Sale Payment Plans ("PosPP") – **humm**® AU), **humm**® NZ and **humm**®pro.
3. Excludes other debtors, provision for impairment losses, contract liabilities and unamortised direct transaction costs.
4. Includes onerous contract provision, redundancy, remediation and prior period tax adjustments

Growth continues

Volumes for continuing products increased by 6% compared to prior year, driving 18% growth in loans and advances to a record balance of $5.0b at 30 June 2024. Gross yields increased by 50bps from 11.1% to 11.6% for the year, with 2H24 Gross yield of 12.0%.

NIM stabilisation in second half

Net Interest Margin ("NIM") stabilised in the second half of the year following unprecedented rate rises in FY22, which resulted in a 2% increase in Net interest income for the year. 2H24 interest income increased 8% compared to 1H24, while interest expense increased by 12%. Interest expense grew at a higher rate than interest income in the second half of the year because of greater capital efficiency across the business, that contributed to an increase in second half return on equity by 160bps from 10.0% in 1H24 to 11.6% for the second half.

Net loss remaining at record lows

Net loss to Average Net Receivables ("ANR") across the Group remained at historical lows of 1.8% (FY23: 1.8%). The stable net loss during a strong growth environment demonstrates the credit quality, credit control processes and settings, and portfolio diversification of the business.

Strong cost savings in second-half of the year

A total of $13.2m in cost savings were delivered during FY24, which brings savings from inception of the cost saving program that commenced in FY23 to a total of $31.8m. These savings offset cost increases from the higher inflationary environment and the targeted investment in customer facing capability and investment in the Global businesses, which contributed to a 14% reduction in operating expenses from $97.4m in 1H24 to $83.8m for the second half of the year. Further, origination costs reduced by 15% or $4.9m during the year.

Strong and stable financial position

The Group continued to deliver strong receivables growth of 18%, bringing gross loans and advances to record levels of $5.0b as of 30 June 2024. At balance sheet date, the Group had $5.4b of wholesale debt facilities, with $720.0m of undrawn warehouse capacity and $125.1m of unrestricted cash.

New funding platform for future growth

Subsequent to year end, the company entered into a Forward Flow Program to fund the next phase of growth for the Commercial business. Under the program, **humm**group has entered into a partnership agreement to originate and service loans and advances using a funding platform sponsored by MA Financial Group.

This enhancement to our funding platform is a relatively new structure to the Australian market and differentiates **humm**group from its competitors in that it allows **flexicommercial** to continue to originate, credit assess and service receivables through its existing broker network with no capital requirement and does not expose the company to direct credit losses.

Under the terms of the agreement, **flexicommercial** is expected to de-recognise from its balance sheet assets funded by the new platform and receive a reimbursement of origination fees, together with a servicing fee and a share of the excess return from the Forward Flow Program. **humm**group will not be exposed to any losses on assets transferred into the program or any residual losses of the platform should they arise.

This innovative platform not only provides a funding facility but it also introduces a new dimension to the Commercial business by introducing new revenue and service propositions to our funders that will be incremental to the current business over the medium term.

Final dividend of 1.25 cents per share

A final fully franked dividend of 1.25 cents per share brings total dividends for the year to 2.0 cents per share delivering a return of 6.02%[1] to shareholders.

1. On a fully franked basis using an average share price of 47.5 cents per share for the year.

2. KEY PERFORMANCE METRICS

Transaction volume

Full-year to 30 June

A$m	2023	2024	Change %
Continuing products	3,588.8	3,799.0	6%
Suspended products[1]	391.0	58.7	(85%)
Total volumes	**3,979.8**	**3,857.7**	**(3%)**

1. Suspended products include **bundll**, **humm** UK, BPAY and 'Little Things' (within PosPP – **humm** AU), **humm** NZ and **humm**pro.

New business volumes for continuing products increased 6% on the prior year, leading to $5.0b in loans and advances on 30 June 2024 which were up 18% for the year.

Volumes for Commercial AU increased by $45.6m for FY24, following record volumes in FY23 due to changes in the Government supported instant asset write–off. Volumes for Commercial NZ were $75.6m lower following the decision to refocus the New Zealand business as an extension of the Commercial AU business. The Commercial business continued to show strong growth in loans and advances, increasing 26% on the prior year, demonstrating the business' competitive service offering and strong market position with small and medium enterprises ("SME").

Growth across domestic Consumer products was impacted by the run-down of suspended products, however volumes from continuing products (**humm** AU, Cards AU and Cards NZ) grew by 8%. Strong growth was recorded from **humm** AU 'Big Things' which grew 17% on prior year across the key verticals of solar, health and home improvement. Volumes in the Cards AU business decreased by 4% while volumes for the Cards NZ business increased 9% over the prior year.

Global businesses volumes increased by 55% off a small base and are starting to deliver growth in loans and receivables.

Gross loans and advances[1]

Full-year to 30 June

A$m	2023	2024	Change %
Gross loans and advances	4,261.7	5,017.3	18%

1. Excludes other debtors, provision for impairment losses, contract liabilities and unamortised direct transaction costs.

Gross loans and advances increased 18% from $4.3b as at 30 June 2023 to $5.0bn as at 30 June 2024.

Growth in Commercial loans and advances of 26% was driven by Commercial AU, with a small reduction in Commercial NZ in response to refocusing the business in the period. Commercial continues to leverage its position in the SME lending market with its superior instant credit decisioning and speed to cash settlement to drive growth in the broker led SME Australian business.

Growth in total PosPP loans and advances of 22% was driven by strong volumes across **humm** AU, **humm** Ireland and **humm** Canada offset by the run-down of 'Little Things', which is now complete.

Cards NZ grew by 3%, the result of 9% higher volumes being partially offset with higher repayments and an increase in revolve rates (percentage of interest-bearing balances) increasing from 57.7% to 60.6%. Growth in Cards NZ offsets the 3% decline in loans and advances for Cards AU which benefited from an increase in revolve rates which grew from 53.4% to 57.2%.

Net interest income

Full-year to 30 June

A$m	1H24	2H24	Change %	2023	2024	Change %
Interest income	*254.8*	*276.2*	*8%*	413.7	531.0	28%
Interest expense	*(132.1)*	*(147.5)*	*12%*	(168.1)	(279.6)	66%
Net interest income	***122.7***	***128.7***	***5%***	**245.6**	**251.4**	**2%**

Average Net Receivables	*4,413.3*	*4,595.2*	*4%*	3,736.8	4,595.2	23%
Gross yield[1]	***11.5%***	***12.0%***	***50bps***	**11.1%**	**11.6%**	**50bps**
Net Interest Margin[2]	***5.6%***	***5.5%***	***(10bps)***	**6.6%**	**5.5%**	**(110bps)**

1. Gross yield is calculated by interest income divided by Average Net Receivables.
2. Net Interest Margin is calculated by net interest income divided by Average Net Receivables.

In the second half of the year NIM stabilised with a 10bps reduction from 5.6% in 1H24 to 5.5% for the second half. Minimal NIM compression in the second half of the year was the result of active management of front book pricing and base rates stabilising with higher interest costs from greater capital efficiency, which over time will contribute to improved return on equity.

Net interest income increased by 2%, from $245.6m to $251.4m, for the year. This was driven by $15.3m increase from portfolio growth, offset by $5.8m higher interest expense from greater capital efficiency and $3.7m margin compression. The margin compression arose from assets written at lower margins for a short period of time in FY22, when base interest rates increased rapidly, and credit spreads widened, which took time to pass on to customers.

Interest income increased by $117.3m over the prior year, driven by $104.5m increase from portfolio growth and $12.8m improvement to pricing across all books. Interest expense increased by $111.5m due to $89.2m from portfolio growth, $16.5m effect of swap roll-off, and $5.8m from greater capital efficiency. Swap roll-off relates to funding of assets that were written prior to 2022/2023 in a lower interest rate environment. These swaps matured in the current year (as the assets were paid down) and have been replaced by new swaps on new assets written at current (higher) interest rates.

Gross yield increased by 50bps to 11.6%, the result of front book pricing initiatives implemented in the prior and current year. 110bps NIM reduction consisted of 60bps additional interest expense from greater capital efficiency and 50bps margin compression. Margin compression was the result of the pay down of assets and funding written prior to 2022/2023 which have been replaced by new assets written.

Greater capital efficiency was the result of planned strategic initiatives to optimise the use of capital by introducing additional mezzanine funding into the warehouse facilities, thereby releasing capital to fund growth in loans and advances. This strategy results in higher funding costs through an increase in debt funding to fund growth, while improving return on equity for shareholders as the capital freed up is deployed to fund new assets.

Credit impairment charge

Full-year to 30 June

A$m	2023	2024	Change %
Net losses	85.1	81.4	(4%)
Macro provision	2.6	3.1	19%
Provision for Commercial product overlay	–	(4.0)	(100%)
Other movement in AASB9 provision	6.6	15.5	135%
Credit impairment charge	**94.3**	**96.0**	**2%**
Net loss to ANR[1]	**1.8%**	**1.8%**	**-**

1. Net loss to ANR from continuing products, exclude suspended products.

Net credit loss to ANR has been maintained at 1.8% for the period. The credit performance demonstrates the strong credit quality, credit control processes and settings, and portfolio diversification of the underlying business.

Credit impairment charge increased 2% to $96.0m primarily driven by the increase of AASB9 provisions following higher loans and advances, especially in the Commercial business.

Consumer net loss to ANR decreased by 20bps from 3.5% to 3.3% as the result of tighter credit settings and the exit of suspended products. Commercial net loss to ANR ratio increased by 20bps from 0.5% to 0.7%, which represents the normalisation of losses on prior growth within the portfolio.

Macro provision increased 19% compared to prior year to reflect the macroeconomic forward-looking. The provision for Commercial product overlay was provided for uncertainties during COVID and has been reversed in the current year.

30+ days arrears

Full-year to 30 June

Percent	2023	2024	Change %
30+ days arrears	1.7%	2.0%	30bps

30+ day arrears increased by 30bps from 1.7% at 30 June 2023 to 2.0% for the current year.

Commercial arrears were up to 1.1% on the prior year due to more challenging macroeconomic conditions affecting the Commercial NZ portfolio and Australian arrears returning to normalised pre-COVID levels following a period of historical lows. This increase in arrears has not meaningfully impacted net losses with overall credit quality of the Commercial book remaining high due the credit quality of new originations supported by the strength of the existing portfolio.

Arrears across the Consumer portfolio saw an improvement in FY24, despite the more challenging macro-economic environment. This was largely due to a tightening of credit risk settings in the first half of the year with the benefit flowing through in the second half of the year.

Operating expenses[1]

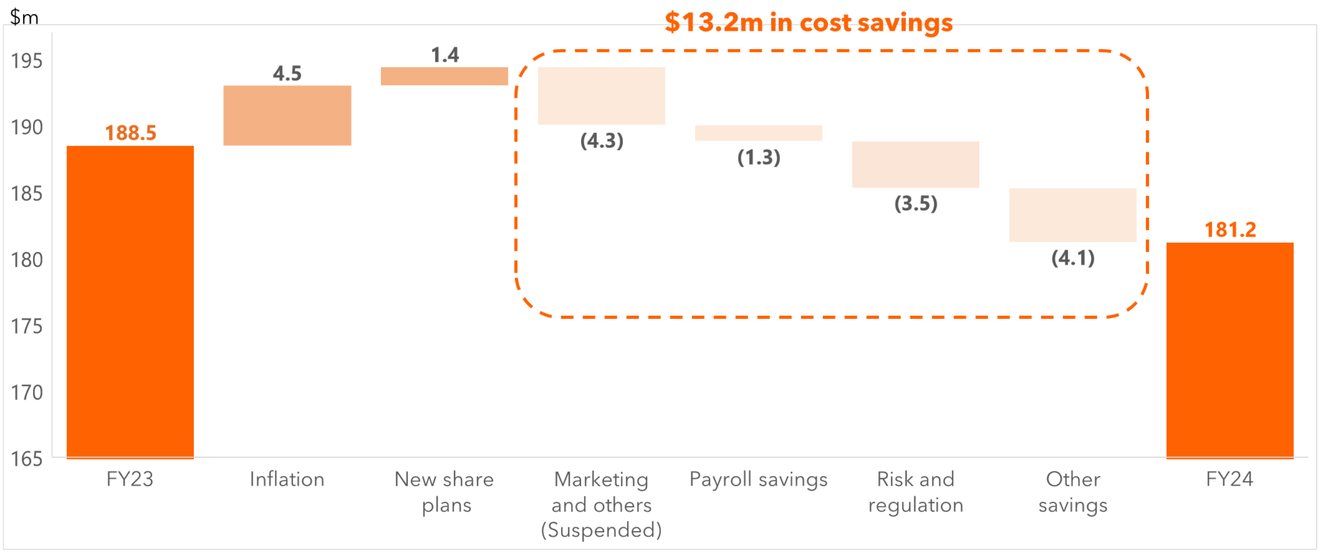
Full-year to 30 June

A$m	1H24	2H24	Change %	2023	2024	Change %
Operating expenses	*88.8*	*81.0*	*(9%)*	172.0	169.8	1%
Other material items[2]	*8.6*	*2.8*	*(67%)*	16.5	11.4	(31%)
Statutory operating expenses	*97.4*	*83.8*	*(14%)*	**188.5**	**181.2**	**(4%)**

1. Operating expenses exclude depreciation and amortisation expenses.
2. Other material items include material infrequent items, such as legal provisions, transaction costs, restructure and redundancy costs that were adjusted in Normalised cash profit (after tax).

Operating expenses in the second half of the year decreased by 14% or $13.6m as renewed cost savings initiatives that commenced at the start year began to take effect.

The chart below sets out the key areas driving the $13.2m in cost for the year:



Statutory operating expenses were down 4% from $188.5m to $181.2m. This was driven by lower marketing spend and other operating expenses for suspended products totalling $4.3m, employment cost savings of $1.3m, lower insurance and remediation costs of $3.5m, and other savings initiatives (vendor and technology cost savings) across business totalling $4.1m.

Cost to income ratio ("CTI")[1]

Full-year to 30 June

Percent	1H24	2H24	Change %	2023	2024	Change %
Cost to income ratio	*64.0%*	*53.0%*	*(1,100bps)*	61.0%	58.2%	(280bps)

1. Cost to income ratio is calculated on a Cash NPAT basis by dividing total costs by Net Operating Income ("NOI").

Cost savings from targeted initiatives across the Group have delivered 280bps improvement to CTI despite inflation, investment in delivery uplift of customer facing capability, and growth in the Global businesses. CTI improved by 1,100bps compared to 1H24 as cost savings initiatives that commenced in the first half began to take effect in the second half of year.

3. SEGMENT PERFORMANCE

The Directors have identified four reportable segments:

- Commercial (consisting of Australia and New Zealand Commercial lending businesses);
- PosPP (a consolidation of **humm** Australia, Canada and Ireland). Note that strategic decisions were taken to discontinue **bundll**, **humm** NZ, **humm** UK, **humm**pro and BPAY (within **humm** Australia) and to re-align 'Little Things' as a companion product to the core 'Big Things' product;
- New Zealand Cards (including Farmers Finance Card, Farmers Mastercard®, Q Card, Q Mastercard® and Flight Centre Mastercard®); and
- Australia Cards **humm**90 and Lombard. Noting that the Once portfolio was disposed of in the current year following the run-down of receivables.

hummgroup's Normalised cash profit (after tax) performance for its four operating segments is summarised in the table below:

A$m	1H24	2H24	Change %	FY23	FY24	Change %
Commercial	*21.6*	*21.2*	*(2%)*	42.3	42.8	1%
PosPP	*(5.0)*	*0.7*	*(114%)*	6.7	(4.3)	(164%)
Cards NZ	*7.8*	*8.8*	*13%*	20.6	16.6	(19%)
Cards AU	*3.7*	*1.8*	*(51%)*	5.4	5.5	2%
Normalised cash profit/(loss) (after tax)	***28.1***	***32.5***	***16%***	**75.0**	**60.6**	**(19%)**

SEGMENT ANALYSIS

Commercial

A$m	1H24	2H24	Change %	FY23	FY24	Change %
Interest income	*123.5*	*136.4*	*10%*	170.7	259.9	52%
Interest expense	*(78.3)*	*(87.8)*	*12%*	(92.1)	(166.1)	80%
Net interest income	***45.2***	***48.6***	***8%***	**78.6**	**93.8**	**19%**
Fee and other income	*9.3*	*10.8*	*16%*	23.0	20.1	(13%)
Net operating income	***54.5***	***59.4***	***9%***	**101.6**	**113.9**	**12%**
Credit impairment charge	*(14.8)*	*(13.6)*	*(8%)*	(15.3)	(28.4)	86%
Operating expenses	*(20.7)*	*(17.4)*	*(16%)*	(36.5)	(38.1)	4%
Depreciation and amortisation expenses	*(1.7)*	*(1.6)*	*(6%)*	(2.6)	(3.3)	27%
Statutory profit before income tax	***17.3***	***26.8***	***55%***	**47.2**	**44.1**	**(7%)**
Income tax expense	*(4.8)*	*(7.7)*	*60%*	(13.0)	(12.5)	(4%)
Statutory profit for the year	***12.5***	***19.1***	***53%***	**34.2**	**31.6**	**(8%)**
Non-cash items	*7.2*	*2.1*	*(71%)*	6.3	9.3	48%
Suspended products and related costs	–	–	–	1.0	–	(100%)
Other material items	*1.9*	–	*(100%)*	0.8	1.9	138%
Normalised cash profit (after tax)	***21.6***	***21.2***	***(2%)***	**42.3**	**42.8**	**1%**
Volume	***761.5***	***772.9***	***1%***	**1,564.4**	**1,534.4**	**(2%)**
Closing loans and advances	***2,702.2***	***2,987.7***	***11%***	**2,380.3**	**2,987.7**	**26%**

Commercial delivered Normalised cash profit (after tax) of $42.8m in FY24, up $0.5m on prior year.

The performance of Commercial was impacted in the year by a $9.5m catch up in losses as Net Losses/ANR normalised from 0.5% in the prior period to 0.7% at the end of the current year. This was the result of higher volume growth in prior periods that caught up with more normalised growth in loans and advances balances in the current year. Overall credit quality of the Commercial book remains high driven by the credit quality of new originations supported by the strong credit behaviour of the existing portfolio.

The focus on premium assets (**flexi**premium) which targets higher quality, lower yield and lower loss transactions contributed to recent margin compression with reduced losses expected in future periods. In addition, the restructure of the Commercial NZ business resulted in a pause to profit and loss growth for that business.

Greater capital efficiency of the Commercial segment resulted in an increase in interest expense of $2.4m year on year, which at the same time contributed to an improvement in return on cash equity by 260 bps from 16.9% to 19.5%.

The FY24 performance is attributable to:

- Net interest income increased by 19% (or $15.2m) for the year from $78.6m in FY23 to $93.8m for the current year. This was driven by $18.8m increase from portfolio growth, offset by $2.4m higher interest expense from greater capital efficiency and $1.2m margin compression. The margin compression arose from assets written at lower margins for a short period of time in FY22, when base interest rates increased rapidly, and credit spreads widened, which took time to pass on to customers.
- Interest income increased by $89.2m over the prior year, driven by $84.1m increase from portfolio growth and $5.1m improvement to pricing across all books. Interest expense increased by $74.0m due to $65.3m from portfolio growth, $6.3m effect of swap roll-off, and $2.4m from greater capital efficiency.

Commercial (continued)

- The swap roll-off relates to funding of assets that were written prior to 2022/2023 in a lower interest rate environment that matured in the current year (as the assets were paid down). This funding has been replaced by new swaps on new assets written at current (higher) interest rates.
- Fee and other income, primarily revenue from early contract terminations, decreased by 13% on prior year as fewer customers terminated fixed rate loans in the current environment of higher interest rates.
- Credit impairment charge increased 86% (or $13.1m) from $15.3m in FY23 to $28.4m for the current year. $9.5m of the increase relates to net losses from higher volume growth in 2022/2023 that has now caught up with more stable growth in receivables balances. The remaining $3.6m relates to AASB9 and other provision movements.
- Net loss as a percentage of ANR increased to 0.7% following periods of high volume and receivables growth that have now stabilised. Credit quality of the portfolio continues to remain strong with areas of improvement from the focus on premium assets that targets higher quality, lower yield assets which have lower losses in future periods.
- Operating expenses were broadly in line with prior year. Notably 2H24 operating costs were $3.3m lower than 1H24, the result of savings from the restructures to the New Zealand business.
- New business volumes of $1.5b were delivered in a more competitive environment following the changes to the Government supported Instant Asset Write-off. Loans and advances grew by 26% on prior year as business continue to grow market share, diversify business and improve credit quality.

PosPP[1]

A$m	1H24	2H24	Change %	FY23	FY24	Change %
Interest income	*48.0*	*53.6*	*12%*	85.8	101.6	18%
Interest expense	*(24.5)*	*(26.2)*	*7%*	(29.1)	(50.7)	74%
Net interest income	***23.5***	***27.4***	***17%***	**56.7**	**50.9**	**(10%)**
Fee and other income	*14.4*	*13.2*	*(8%)*	34.1	27.6	(19%)
Cost of origination	*(5.2)*	*(4.3)*	*(17%)*	(11.8)	(9.5)	(20%)
Net operating income	***32.7***	***36.3***	***11%***	**79.0**	**69.0**	**(13%)**
Credit impairment charge	*(12.7)*	*(16.1)*	*27%*	(42.1)	(28.8)	(32%)
Operating expenses	*(43.3)*	*(36.2)*	*(16%)*	(88.1)	(79.5)	(10%)
Depreciation and amortisation expenses	*(1.7)*	*(2.4)*	*41%*	(3.4)	(4.1)	21%
Impairment of other intangibles	*(4.3)*	*0.3*	*(107%)*	(1.9)	(4.0)	111%
Statutory loss before income tax	***(29.3)***	***(18.1)***	***(38%)***	**(56.5)**	**(47.4)**	**(16%)**
Income tax benefit	*8.5*	*6.2*	*(27%)*	16.9	14.7	(13%)
Statutory loss for the year	***(20.8)***	***(11.9)***	***(43%)***	**(39.6)**	**(32.7)**	**(17%)**
Non-cash items	*4.3*	*0.8*	*(81%)*	3.8	5.1	34%
Suspended products and related costs	*8.2*	*7.5*	*(9%)*	32.2	15.7	(51%)
Other material items	*3.3*	*4.3*	*30%*	10.3	7.6	(26%)
Normalised cash (loss)/profit (after tax)	***(5.0)***	***0.7***	***(114%)***	**6.7**	**(4.3)**	**(164%)**
Volume	***512.4***	***497.6***	***(3%)***	**1,152.9**	**1,010.0**	**(12%)**
Closing loans and advances	***885.0***	***997.4***	***13%***	**820.2**	**997.4**	**22%**

1. PosPP comprises the combined results of **humm** AU, **humm** Ireland, **humm** UK, **humm** Canada, and suspended products businesses. The suspended products were included in Statutory loss and taken out from Normalised cash (loss)/profit (after tax).

PosPP delivered a Normalised cash loss (after tax) of $4.3m for the year which was down on the previous year. However, the second half of the year returned a positive Normalised cash profit (after tax).

The FY24 performance is attributable to:

- NIM stabilising in the second half of the year as interest income increased by 12% offset by a 7% increase in interest expenses, leading to a net 17% improvement in net interest income compared to 1H24.
- For the year, Net interest income decreased by 10% (or $5.8m) driven by a significant increase in interest expense. This reduction was driven by $3.3m increase from portfolio growth which was offset by $2.7m higher interest expense from greater capital efficiency and $6.4m higher interest expense from swap roll-off.
- The swap roll-off related to loans that were written in lower interest rate environments that paid down as assets matured. Subsequently, this funding was replaced by new borrowings written at current (higher) interest rate levels.
- Interest income increased by $15.8m over the prior year, driven by $12.6m increase from portfolio growth and $3.2m improvement to pricing across all books. Interest expense increased by $21.6m due to $9.3m from portfolio growth, $9.6m effect of swap roll-off, and $2.7m from greater capital efficiency.
- Management will continue to reprice merchants where appropriate. The launch of **humm**'s Hybrid Loan Product later in the year will provide an opportunity to expand tailored merchant specific offerings, open new channels and create greater merchant opportunities and while improving return metrics and delivering increased profitability for the Consumer business.
- Fee and other income decreased by 19% following the closure of 'Little Things' and BPAY, which typically attracted a higher percentage of transaction and establishment fees which have been offset by 32% lower credit impairment charges.

PosPP (continued)

- Origination costs decreased 20% on prior year, the result of costs savings initiatives and the insourcing of the Queensland sales and distribution team which is delivering improved sales results.
- Credit impairment charges comprise net credit losses and movements in AASB9 provisions. Net loss was down $16.0m on prior year, with Net loss to ANR ratio improved to 3.1%. This improvement was predominantly driven by **humm** AU and is a direct result of tighter credit settings and continued collections focus by management.
- Operating expenses were down 10% on the prior year as the business focused on cost management and removal of costs relating to suspended products. Most notably operating expenses of $36.2m in 2H24 were down $7.1m on 1H24.
- Volumes from continuing products grew 22% for the year with total volumes down 12% on the prior year (following the closure of 'Little Things' and the exit of suspended products).
- Closing loans and advances up 22% on prior year mainly due to more volumes from longer term products within the solar, home improvement and health verticals.

Cards NZ

A$m	1H24	2H24	Change %	FY23	FY24	Change %
Interest income	*52.2*	*55.1*	*6%*	98.2	107.3	9%
Interest expense	*(18.4)*	*(20.8)*	*13%*	(28.3)	(39.2)	39%
Net interest income	***33.8***	***34.3***	***1%***	**69.9**	**68.1**	**(3%)**
Fee and other income	*9.4*	*9.2*	*(2%)*	18.4	18.6	1%
Cost of origination	*(5.9)*	*(5.8)*	*(2%)*	(10.1)	(11.7)	16%
Net operating income	***37.3***	***37.7***	***1%***	**78.2**	**75.0**	**(4%)**
Credit impairment charge	*(10.4)*	*(10.4)*	*(0%)*	(20.0)	(20.8)	4%
Operating expenses	*(18.4)*	*(15.1)*	*(18%)*	(34.3)	(33.5)	(2%)
Depreciation and amortisation expenses	*(5.7)*	*(4.4)*	*(23%)*	(12.2)	(10.1)	(17%)
Impairment of other intangibles	*(0.9)*	*0.2*	*(122%)*	(2.3)	(0.7)	(70%)
Statutory profit before income tax	***1.9***	***8.0***	***321%***	**9.4**	**9.9**	**5%**
Income tax (expense)	*(0.4)*	*(2.0)*	*400%*	(1.9)	(2.4)	26%
Statutory profit for the year	***1.5***	***6.0***	***300%***	**7.5**	**7.5**	**(0%)**
Non-cash items	*6.0*	*1.8*	*(70%)*	12.6	7.8	(38%)
Other material items	*0.3*	*1.0*	*233%*	0.5	1.3	160%
Normalised cash profit (after tax)	***7.8***	***8.8***	***13%***	**20.6**	**16.6**	**(19%)**
Volume	***432.0***	***385.8***	***(11%)***	**747.6**	**817.8**	**9%**
Closing loans and advances	***634.5***	***612.2***	***(4%)***	**595.1**	**612.2**	**3%**

Cards NZ delivered Normalised cash profit (after tax) of $16.6m in FY24, down 19% on prior year mainly driven by higher funding costs following the run-off of favourable hedges executed in 2019 and increase in cost of origination following the growth in core Q Card product volume.

The focus for the Cards NZ business was to improve the customer value proposition while improving unit economics and delivering improved profitability. 2H24 delivered on this refocus with the business delivering a Normalised cash profit (after tax) of $8.8m for the half. This was a 13% improvement on 1H24 as the result of right sizing the team and streamlining operating expenses.

The FY24 performance is attributable to:

- NIM stabilised in second half of the year with net interest income increasing by 1%. This result was negatively impacted by the run-off of 2019 favourable hedges in the second half of the year. Net interest income decreased by $1.8m for the year which was due to a $1.4m increase in net interest income from portfolio growth and higher revolve rates, offset by $0.5m higher interest expense from greater capital efficiency and $2.7m run-off of favourable hedges.
- 9% growth in interest income for FY24 which was the result of improved customer pricing, volume growth (primarily in core Q Card products) and higher revolve rates (normalisation from the lower levels post COVID). 2H24 interest income benefitted from the full impact of pricing initiatives made in January 2024.
- Interest expense increased 39% on prior year due to higher base rates and credit spread, greater capital efficiency and the run-off of favourable hedges that were executed in 2019 and progressively matured during the year.
- Origination costs increased 16% on prior year due to increases in card scheme fees, reward programs and dealer promotions, consistent with growth in core Q Card product volumes.
- Net credit losses as a percentage of ANR remaining stable at around 3.3%.
- 2H24 operating expenses of $15.1m were down $3.3m on 1H24, the result of streamlining operations.

Cards NZ (continued)

- Volume was up 9% on prior year with spend volumes and Long-term Interest Free ("LTIF") balances growing consistently over the year. Management continues to review and reprice existing merchants providing LTIF products and, where necessary, exit unprofitable relationships to deliver improved profitability.
- Closing loans and advances were 3% higher on prior year with higher revolve rates, resulting in higher interest-bearing balances.

Cards AU

A$m	1H24	2H24	Change %	FY23	FY24	Change %
Interest income	*31.1*	*31.1*	*-*	59.0	62.2	5%
Interest expense	*(10.9)*	*(12.7)*	*17%*	(18.6)	(23.6)	27%
Net interest income	***20.2***	***18.4***	***(9%)***	**40.4**	**38.6**	**(5%)**
Fees and other income	*10.8*	*10.6*	*(2%)*	21.2	21.4	1%
Cost of origination	*(2.9)*	*(3.9)*	*34%*	(11.6)	(6.8)	(41%)
Net operating income	***28.1***	***25.1***	***(11%)***	**50.0**	**53.2**	**6%**
Credit impairment charge	*(10.1)*	*(7.9)*	*(22%)*	(16.9)	(18.0)	7%
Operating expenses	*(15.0)*	*(15.1)*	*1%*	(29.6)	(30.1)	2%
Depreciation and amortisation expenses	*(1.7)*	*(1.8)*	*6%*	(2.8)	(3.5)	25%
Statutory profit before income tax	***1.3***	***0.3***	***(77%)***	**0.7**	**1.6**	**129%**
Income (expense)/benefit	*(0.5)*	*(0.4)*	*(20%)*	0.1	(0.9)	LRG
Statutory profit/(loss) for the year	***0.8***	***(0.1)***	***(113%)***	**0.8**	**0.7**	**(13%)**
Non-cash items	*2.1*	*1.0*	*(52%)*	3.1	3.1	0%
Other material items	*0.8*	*0.9*	*13%*	1.5	1.7	13%
Normalised cash profit (after tax)	***3.7***	***1.8***	***(51%)***	**5.4**	**5.5**	**2%**
Volume	***254.0***	***241.5***	***(5%)***	**514.9**	**495.5**	**(4%)**
Closing loans and advances	***429.1***	***420.0***	***(2%)***	**434.2**	**420.0**	**(3%)**

Cards AU delivered Normalised cash profit (after tax) of $5.5m, up 2% on prior year.

Management slowed growth on the Cards AU platform while the rebuild of the Consumer AU business takes effect. At the same time credit settings were tightened in the first half of the year, resulting in a 22% reduction to credit impairment charges for the second half of the year. This has resulted in volumes of $495.5m for the current year being down 4% on prior year (FY23: $514.9m), as the business plans to commence re-platforming the underlying card system in FY25.

The FY24 performance is attributable to:

- Net interest income decreased by $1.8m for the year. This was driven by $3.1m impact from the run-off of favourable hedges and $0.4m higher interest expense from greater capital efficiency being offset by the $1.7m full year impact of improved customer pricing in the prior year.
- 5% growth in interest income was the result of higher gross yields, which were driven by the full year impact of improved customer rate pricing in the prior year and higher revolve rates. Interest expense increased 27% on prior year due to higher base rates, improved capital efficiency and the run-off of favourable hedges that were executed in 2019 and progressively matured during the year.
- Origination costs decreased 41% on prior year due to cost saving initiatives executed by management and marginally lower volumes for the **humm**90 card, with the first half benefiting from one-off reversals of accruals recognised in prior periods.
- Credit impairment charges comprise of net loss and movements in AASB9 provisions. Net losses were up $1.6m on prior year, with net loss as a percentage of ANR increasing by 40bps (from 3.6% to 4.0%), returning to more normalised historic levels.
- The tightening of credit settings in the first half of the year resulted in a 22% reduction to credit impairment charges for the second half of the year.
- Closing loans and advances were 3% lower than prior year, albeit with higher revolve rates across the portfolio which increased the percentage of interest-bearing balances.

4. FUNDING AND CAPITAL

hummgroup maintains a well-established, mature funding platform designed to support the Group's growth and capital strategy. **humm**group's funding strategy is focused on building and maintaining a committed, capital efficient and cost-effective suite of funding facilities that supports product growth and further strengthens **humm**group's debt capital markets presence through regular issuance.

The Group accesses funding from and through large local and international banks and wholesale fund managers across the capital structure. **humm**group is also supported by large number of domestic and offshore institutional investors through its well-established asset-backed securities ("ABS") programs in Australia and New Zealand. **humm**group issued over $2.0b of ABS during FY24, in both public and private placement format, with further diversification introduced across its institutional investor base.

At balance sheet date, the Group had $5,366.0m of wholesale debt facilities, with $720.0m of facilities undrawn. The wholesale debt facilities include both public and private debt facilities which are secured against underlying pools of loans and advances including finance lease receivables, chattel loans and customer loans.

All facilities provide for the ultimate repayment of outstanding debt through collections received in respect of the relevant loans and advances. In some cases, the Group's wholesale debt facilities are structured to include a revolving period during which time committed limits can be continually drawn and collections can be used to fund originations of new loans and advances, ahead of repayment of outstanding borrowings. The balance of facilities provides for repayment of outstanding borrowings in line with repayment of the underlying loans and advances.

The Group continues to optimise its capital structure to maximise shareholder value with prudent management of liquidity and funding facilities, complemented by opportunistically accessing debt capital markets to increase funding capacity across its wholesale debt facilities whilst lowering costs.

In FY24, the Group repaid $15.0m of its corporate debt facility. The facility provides funding of up to $150.0m with an initial activated commitment of $75.0m. The corporate debt facility can be applied to manage cash flow needs and towards higher growth capital requirements in connection with the Group's growing book of loans and advances including finance lease receivables, chattel loans and customer loans.

As of 30 June 2024, the Group had $61.7m outstanding under the corporate debt facility, including $1.7m of accrued interest capitalised.

Wholesale debt and corporate borrowings

As at 30 June

A$m	2023	2024	Change %
Secured loans	3,940.5	4,646.1	18%
Corporate debt	75.7	61.7	(19%)
Total	**4,016.2**	**4,707.8**	**17%**

Secured debt facilities increased 18% reflecting an increase in loans and advances, while introducing new funding to improve capital efficiency across the portfolios.

Normalised Return on Cash equity ("ROCE")[1]

Full-year to 30 June

Percent	1H24	2H24	Change %	2023	2024	Change %
ROCE	***10.0%***	***11.6%***	***160bps***	**13.0%**	**10.8%**	**(220bps)**

1. ROCE is calculated as Normalised cash profit (after tax) in the year divided by average total cash equity (Total Equity excl Reserves).

ROCE improved by 160bps in the second half of the year driven by growth in loans and advances, NIM stabilisation and cost savings across business.

ROCE decreased 220bps compared to the prior year. The lower ROCE in the current year reflects the 19% reduction in Normalised cash profit (after tax) for the year from $75.0m in FY23 to $60.6m in FY24, particularly the impact of higher funding costs.

This impact was partially offset by lower capital as the result of the share buyback during the year.

Shareholder Returns

	2020	2021	2022	2023	2024
Dividends per share (cents)	3.85	–	3.10	2.00	2.00
Share price (high)	$2.47	$1.35	$1.08	$0.68	$0.73
Share price (low)	$0.46	$0.87	$0.40	$0.39	$0.39
Share price (close)	$1.13	$0.99	$0.41	$0.47	$0.41

Earnings Per Share

Cents per share	Year ended 30 June 2023 Cents	Year ended 30 June 2024 Cents
Basic earnings per share	(0.4)	0.4
Diluted earnings per share	(0.4)	0.4
Normalised cash earnings per share[1]	13.7	11.0

1. Normalised cash earnings per share is used for vesting of Long-term Incentive Plan grants and is calculated as Normalised cash profit (after tax) as percentage of weighted average total number of shares on issue.

Dividends on Ordinary Shares

	2023		2024	
	Cents	**$m**	**Cents**	**$m**
Interim dividend	1.00	5.0	0.75	3.8
Final dividend	1.00	5.0	1.25	6.2
Total	**2.00**	**10.0**	**2.00**	10.0

REMUNERATION REPORT

The Remuneration Report for the year ended 30 June 2024 (2024 Financial Year or FY24) forms part of the Directors' Report. It has been prepared in accordance with the *Corporations Act 2001* (Cth) (the "Act"), Corporations Regulation 2M.3.03, in compliance with AASB124 Related Party Disclosures, and audited as required by section 308(3C) of the Act. It also includes additional information and disclosures that are intended to support a deeper understanding for shareholders of remuneration governance and practices, where appropriate.

1. PEOPLE COVERED BY THIS REPORT

This report covers Key Management Personnel ("KMP") which are defined as those who have the authority and responsibility for planning, directing and controlling the activities of **humm**group.

NAME	ROLE AT YEAR-END	APPOINTED	COMMITTEE MEMBERSHIP		
			AUDIT, RISK & COMPLIANCE COMMITTEE	PEOPLE & REMUNERATION COMMITTEE	NOMINATION COMMITTEE
NON-EXECUTIVE KMP					
Andrew Abercrombie	Non-Executive Director Board Chair	14/11/2006	-	-	C
Anthony Thomson	Independent Non-Executive Director	29/09/2022	✓	C	✓
Robert Hines	Independent Non-Executive Director	29/09/2022	C	✓	-
Teresa Fleming	Independent Non-Executive Director	30/06/2022	✓	✓	✓
EXECUTIVE KMP					
Stuart Grimshaw [1]	Managing Director and Chief Executive Officer ("MD and CEO")	01/06/2023	N/A	N/A	N/A
Adrian Fisk	Chief Financial Officer	13/07/2021	N/A	N/A	N/A

✓ = Member C = Chair

1. Mr Grimshaw was appointed as a Non-Executive Director of the Company effective 30 June 2022 and as Managing Director and CEO effective 1 June 2023.

2. REMUNERATION OVERVIEW

2.1 Executive Remuneration Structure

The FY24 executive remuneration plan is provided in the table below.

ELEMENT	FIXED REMUNERATION ("FR")	SHORT TERM INCENTIVE PLAN ("STI")	LONG TERM INCENTIVE PLAN ("LTI")
PURPOSE	To attract and retain an appropriate calibre of executive talent in a way that positions Fixed Remuneration in the market in a manner comparable to peers, while representing a reasonable cost for shareholders.	STI is a form of short term variable remuneration that recognises that executives should share risk and success with shareholders. Short term incentives are partly at-risk (the portion up to Target) and partly an incentive (from Target to Stretch), with the exception of the MD and CEO's deferred equity opportunity which has no stretch opportunity. STI is intended to align performance with reward over a financial year and aligned with the annual planning cycle.	LTI is a form of long term variable remuneration that recognises that executives should share risk and success with shareholders. Long term incentives are intended to align performance with reward over a multi-year period, and aligned with long term, strategic planning cycles.
DELIVERY	FR consists of base salary, superannuation and allowances (where applicable).	An STI Award, should it become payable, may be partly settled in cash and partly settled in equity. The intention of partial equity delivery is to reduce cash costs, support the building up of "skin in the game", manage the risk of short-termism inherent to STI structures, and to enable malus and clawback should it be necessary to activate these policies.	LTI is granted in the form of Performance Rights with a nil exercise price, which is an entitlement to a share. Such equity instruments may be subject to performance and service conditions intended to align vesting with long term objectives of the Company, and with the outcomes of shareholders.
STATUS	This aspect is unlikely to change, however, consideration is being given to formalising several aspects of FR relevant policy.	The STI Plan is currently under review, in partnership with an independent expert advisor. It is expected that additional formalisation of the approach, and improved alignment with the current business strategy will result.	The LTI is currently under review, in partnership with an independent expert advisor. The review has been undertaken to align LTI with the long term business strategy, improved taxation outcomes and compliance with the new ESS regulatory framework.

2.2 FY24 Company Performance At-A-Glance

Statutory Performance Disclosure

FY END DATE	NORMALISED CASH PROFIT AFTER TAX[1] ($M)	NORMALISED CASH EPS[1]	NORMALISED RETURN ON CASH EQUITY[1]	NET PROFIT AFTER TAX ($M)	SHARE PRICE (BEGINNING OF PERIOD)	SHARE PRICE (END OF PERIOD)	CHANGE IN SHARE PRICE	DIVIDENDS PER SHARE (PAID DURING PERIOD)
30/06/2024	$60.6	$0.110	10.8%	$7.1	$0.47	$0.41	($0.06)	$0.018
30/06/2023	$75.0	$0.137	13.0%	$2.9	$0.41	$0.47	$0.06	$0.024
30/06/2022	N/A	N/A	N/A	($170.3)	$0.99	$0.41	($0.58)	$0.017
30/06/2021	N/A	N/A	N/A	$60.1	$1.13	$0.99	($0.14)	$0.039
30/06/2020	N/A	N/A	N/A	$23.1	$1.63	$1.13	($0.50)	$0.039

1. To better reflect the underlaying performance of the business, **humm**group introduced Normalised cash profit (after tax) during FY23 to replace previous result measure Cash NPAT. Normalised cash profit is calculated as statutory profit adjusted for material infrequent items (such as legal provisions, transaction costs, restructure and redundancy costs) that were previously adjusted for in cash net profit (after tax) ("Cash NPAT") and operating losses of suspended products. Also excluded from normalised cash profit (after tax) is non-cash depreciation and AASB 9 provision movement, with actual credit losses remaining in the result. This result enables users to better assess **humm**group's current and future profitability.

2.3 KMP Remuneration Governance Considerations and Changes

FY24 and FY25 Considerations

The following summarises the key remuneration governance matters that were the focus of considerations in FY24:

- Review of existing variable remuneration design elements (cash STI, deferred STI and LTI) with a view to further align executive performance to the company's strategic objectives, values, risk management framework and shareholder expectations.
- Regulatory frameworks around equity-based remuneration (legal and tax frameworks) have changed substantially in recent periods, prompting review and potential replacement of existing equity approaches.
- Review and development of key management personnel ("KMP") remuneration governance structures, frameworks, and policies.
- **humm**group has engaged remuneration advisory firm Godfrey Remuneration Group ("GRG") to provide specialist capabilities, market information and independent recommendations. Details of that engagement are disclosed in section 5.5.3.

3. THE HUMMGROUP REMUNERATION POLICY AND FRAMEWORK

3.1 Executive Remuneration – Fixed Remuneration ("FR"), Total Remuneration Package ("TRP") and the Variable Remuneration Framework

hummgroup's remuneration framework is underpinned by the following core principles as outlined in the Group Remuneration Policy:

- Our people are rewarded appropriately for their contribution and performance.
- Remuneration structures are linked to our business strategy and aligned with our values, risk appetite and long-term interests.
- Remuneration programs are competitive so that we can attract, retain and engage the best people.
- Decisions regarding remuneration variations are ethical, commercially responsible, and considerate of budget and business requirements.

Elements of executive remuneration arrangements are designed to attract, retain and motivate high quality senior Executives and to align their interests with **humm**group's values, principles and the creation of long-term shareholder value.

Fixed Remuneration

Fixed Remuneration ("FR") comprises of base salary plus any other fixed elements such as superannuation and allowances. The Board intends to review Fixed Remuneration annually which may have flow-on implications for variable remuneration which is expressed as a percentage of Fixed Remuneration.

Variable Remuneration and Total Remuneration Package

Total Remuneration Package ("TRP") is intended to be composed of an appropriate mix of remuneration elements including Fixed Remuneration, short term incentives ("STI") and long term incentives ("LTI"). Variable remuneration is intended to balance financial, risk and strategic or operational outcomes, using a blend of 'at-risk' remuneration and incentives. Metrics selected are intended to be linked to the primary drivers of value creation for stakeholders, and successful implementation of the long term strategy over both the short and long term. Target is intended to be challenging but realistically achievable objective. Stretch on the other hand is designed to be exceptionally challenging.

3.2 FY24 Short Term Incentive ("STI") Plan

A description of the STI plan is set out below:

<table>
<tr><td>PURPOSE</td><td>To provide at-risk remuneration and incentives that rewards executives for performance against annual objectives set by the Board at the beginning of the financial year. Objectives selected are designed to support long term value creation for shareholders, regulatory compliance and link to hummgroup's strategy on an annual basis.</td></tr>
<tr><td>MEASUREMENT PERIOD</td><td>The Financial Year of the Company (1 July – 30 June).</td></tr>
<tr><td>OPPORTUNITY</td><td>Opportunity as % of Fixed Remuneration:
<table>
<tr><th></th><th>Target</th><th>Stretch</th></tr>
<tr><td>MD and CEO</td><td>95%[1]</td><td>120%[1]</td></tr>
<tr><td>Chief Financial Officer</td><td>50%</td><td>63%</td></tr>
</table>
1. The STI award for the MD and CEO is comprised of an on-target cash award of 30% of fixed remuneration (up to a maximum of 55% at stretch) and a deferred STI opportunity of $700,000 in the form of equity, which is equivalent to 65% of fixed remuneration and represents tranche 1 of the $3,500,000 STI granted at the AGM in November 2023. Remaining deferred STIs totalling $2,800,000 relate to the FY25 to FY28 performance periods, to vest in equal tranches, subject to service and performance conditions and is not considered as part of the target and stretch of FY24 mentioned in the above table.</td></tr>
</table>

METRICS, GATE AND MODIFIERS	Annual STI outcomes are dependent on the achievement of a range of both financial and non-financial KPIs which are determined by the Board each year. Metrics that were selected have strong links to long term sustainable financial health and performance, and to long term sustainable growth. Gateway hurdles are set annually by the Board and trigger payments of the STI plan. If the minimum gateway hurdles are not achieved, no payments will be made unless the Board exercises its discretion. Two gateway hurdles were set for the FY24 STI awards: 1) Risk Gateway – no material regulatory breaches, no material breaches of Delegation of Authority, completion of mandatory personal and department compliance training. 2) Culture – no material breaches of policies and aligned with the Company's 'how we humm' values. After the assessment of gateway hurdles, participants performance will be reviewed against performance measures. FY24 STI performance is measured against a mix of corporate measures (60% weighting) and personal measures (40% weighting). The corporate measures include a Company level financial metric being Normalised cash profit (after tax) (50%) and two Company operational measures, being Customer Net Promoter Score ("NPS") (25%), and an Employee Engagement Score (25%). Further, three to five personal objectives are set for each Executive KMP, related to major initiatives to drive business performance. A modifier is then applied to determine the final STI outcome to be submitted for Board approval. An individual performance rating scorecard has been used as the FY24 STI modifier, which has the ability to scale the award outcome between 0% and 125%. The People & Remuneration Committee ("PRC") reviews and recommends the final performance and remuneration outcomes.
STI OUTCOME FORMULA	The following formula is used to determine the STI outcomes for FY24: STI Outcome = STI Target % x (Corporate + Personal measures) x Individual Modifier
STI DEFERRAL	The Board has formed a strategic agreement with the MD and CEO with regards to STI payment for the period of the turnaround strategy to provide superior alignment with shareholders during this period. Deferred STI for the MD and CEO is in the form of Performance Rights with a nil exercise price which are subject to performance and service conditions and a 12-month restriction period after vesting. STI deferral awards for all other KMP are in the form of Service Rights which are subject to a 12-month service condition and a 12-month restriction period. The upfront grant of Performance Rights for the MD and CEO's Deferred STI award was approved under ASX listing rule 10.14 at the Annual General Meeting on 16 November 2023 and governed by the **humm**group STI Plan Rules. The number of performance rights granted has been calculated by dividing the face value of the grant (being A$3,500,000) by the volume-weighted average price ("VWAP") of **humm**group's shares traded on the ASX in the 5 trading days up to and including 1 June 2023, which was $0.4246, and is subject to annual testing against achievement of STI targets over a 5-year period in equal tranches. If performance conditions are not achieved then the Performance Rights will lapse. All other KMP have 25% of their STI award deferred in the form of Service Rights with a nil exercise price which will vest once a 12-month service period has been completed and will be subject to an additional 12-month restriction period.
AWARD SETTLEMENT	Awards will be calculated following the audit of accounts and will be settled in the forms of cash or shares which may have service or disposal restrictions. Any Rights that do not vest will lapse.
CESSATION OF EMPLOYMENT	Treatment for a STI payment on cessation of employment will vary depending on the circumstances. Generally, employees who have ceased employment with **humm**group prior to payment date will not be eligible for any STI payment. In limited circumstances, including for example retirement or redundancy, the Board may exercise its discretion to determine the treatment of unvested performance rights. For any shares held on trust for the MD and CEO, the Restriction Period will end on cessation of employment and those shares will then be transferred to him.
MALUS AND CLAWBACK	In addition to retaining an overarching discretion in respect of award outcomes, the Board will have the power to trigger forfeiture of unpaid awards (i.e., malus) and or deferred equity subject to restrictions (i.e. clawback). Malus and Clawback events may occur in multiple circumstances, including where a participant has engaged in fraud, dishonesty or misconduct, breach of duty or breach of terms of the employment contract, or where the financial results that led to the restricted shares being granted are subsequently shown to be materially misstated.

<table>
<tr><td>BOARD DISCRETION</td><td>The Board has discretion to vary awards upwards or downwards, including to nil, in the circumstance that the award would otherwise be likely to be viewed as inappropriate given the circumstances that prevailed over the Measurement Period (such as in the case of harm to the Company's stakeholders for which participants are accountable).</td></tr>
</table>

3.3 FY24 Long Term Incentive ("LTI") Plan

A description of the LTI plan, which is operated under the **humm**group Senior Executive Long Term Incentive ("LTI") Plan and applied to FY24, is set out below:

<table>
<tr><td>PURPOSE</td><td>The purpose of the LTI Plan is to create a strong link between performance and reward for senior executives over the long term and to align the interests of participants with key stakeholders, including customers, people and shareholders through share ownership and performance testing.</td></tr>
<tr><td>MEASUREMENT PERIOD</td><td>MD and CEO - FY24 LTI Plan
1 July 2023 to 30 September 2026 (service condition)
1 July 2023 to 30 June 2024 (performance conditions for FY24 tranche)

CFO - FY23 LTI Plan*
1 July 2022 to 30 September 2025 (service condition)
1 July 2023 to 30 June 2024 (performance conditions for FY24 tranche)</td></tr>
<tr><td>GRANT CALCULATION</td><td>The number of rights in a tranche of LTI to be granted are calculated by dividing the face value of the grant by the volume-weighted average price ("VWAP") of the Company's shares traded on the ASX in the 5 trading days up to the grant date.</td></tr>
<tr><td>OPPORTUNITY</td><td>Opportunity as % of Fixed Remuneration:
<table>
<tr><td>Chief Executive Officer</td><td>150%[1]</td></tr>
<tr><td>Chief Financial Officer</td><td>125%*</td></tr>
</table>
1. For the 2024 financial year (LTI tranche 1), Mr Grimshaw was granted 7,883,668 performance rights, equivalent to $3,500,000 (AUD), subject to a 3-year service condition and performance hurdles. This was approved under ASX listing rule 10.14 at the Annual General Meeting on the 16 November 2023.
Based on a Value per Performance Right at the grant date of $0.444 the maximum level of grants made to KMP disclosed in this report respect of FY24 LTI were as follows:
• For the MD and CEO, Stuart Grimshaw: $3,500,000 (FY24 only).
• For the CFO, Adrian Fisk: $788,194.</td></tr>
<tr><td>INSTRUMENT</td><td>The LTI is in the form of Performance Rights with a nil Exercise Price, which are subject to performance and service vesting conditions. Any Rights that do not vest will lapse.</td></tr>
<tr><td>PERFORMANCE METRIC, WEIGHTINGS AND VESTING SCALE</td><td>The Board has discretion to set vesting conditions for each tranche of each LTI Invitation. Vesting is tested independently for each performance measure, and achievement of one performance measure does not impact vesting relating to the other performance measure.
For the FY24 LTI grants, vesting of Performance Rights are subject to two performance conditions which are equally weighted and mutually exclusive:
1. Earnings Per Share ("EPS") hurdle: Normalised cash profit (after tax) divided by Average Number of shares on issue for the period subject to the following vesting scale:
<table>
<tr><th>Earnings Per Share ("EPS")</th><th>% of Tranche Vesting at Stretch</th></tr>
<tr><td>>Target EPS</td><td>100%</td></tr>
<tr><td>85% - 100% of Target EPS</td><td>Sliding scale for vesting from 50% to 100%</td></tr>
<tr><td><85% of target EPS</td><td>Nil</td></tr>
</table>
Return on Cash Equity ("RoCE") hurdle: Normalised cash profit (after tax) divided by Average Cash Equity for the period, subject to the following vesting scale:
<table>
<tr><th>Return on Cash Equity ("RoCE")</th><th>% of Tranche Vesting at Stretch</th></tr>
<tr><td>>Target ROCE</td><td>100%</td></tr>
<tr><td>85% - 100% of Target ROCE</td><td>Sliding scale for vesting from 50% to 100%</td></tr>
<tr><td><85% of target ROCE</td><td>Nil</td></tr>
</table>
These metrics were selected because they have strong links to long term sustainable financial health and performance, and to long term sustainable growth.</td></tr>
</table>

SERVICE CONDITION	Awards under the LTI will be subject to continued employment with **humm**group until the Vesting Date.
SETTLEMENT	The Performance Rights are settled in the form of Company Shares, upon valid exercise.
TERM AND LAPSE	Rights that vest are automatically exercised into shares subject to fulfilment of the service and performance conditions. Rights that do not vest automatically lapse.
TERMINATION OF EMPLOYMENT	In circumstances of redundancy, retirement or where a participant is absent from work for an approved period of unpaid parental leave or personal (sick or carer's) leave of more than nine months, any unvested Rights will remain on foot pro-rata to the proportion (if any) of the Performance Period that has elapsed at the date of cessation of employment. Alternatively, unvested Rights will lapse unless otherwise determined by the Board.
RETESTING	No retesting facility is available under the Rights Plan Rules.
CHANGE OF CONTROL	Unvested Rights will automatically vest and self-exercise, unless the Board determines otherwise and exercises discretion, depending on the circumstances surrounding the change of control event.
BOARD DISCRETION	The Board has discretion to vary vesting upwards or downwards, including to nil, in the circumstance that the outcome would otherwise be likely to be viewed as inappropriate given the circumstances that prevailed over the Measurement Period (such as in the case of harm to **humm**group's stakeholders for which participants are accountable).
DISPOSAL RESTRICTIONS	There are no disposal or sale restrictions on Shares received by a participant when Rights vest, other than to comply with **humm**group securities trading policy.
MALUS AND CLAWBACK	In addition to retaining an overarching discretion in respect of vesting outcomes, the Board has the power to trigger forfeiture of unvested equity (i.e., malus) and or the participant's requirement to repay back to the Company as a debt any value of vested equity issues under the LTI Plan and or return shares subject to restriction (clawback). Malus and Clawback events may occur in multiple circumstances, including where a participant has engaged in fraud, dishonesty or misconduct, convicted of an offence, contributed to material reputational damage to any Group Company, or where the financial results that led to grants which are subsequently shown to be materially misstated.

* The CFO's LTIP was granted in FY24 under FY23's LTIP.

3.4 Other LTIs granted in FY24

MD and CEO

On 17 November 2023, the MD and CEO was granted 3,133,416 performance rights in relation to FY25 performance period and 3,133,416 performance rights in relation to FY26 performance period, with both tranches vesting on 30 September 2026 subject to meeting the relevant service and performance conditions.

CFO

On 29 September 2023, the CFO was additionally granted 1,775,387 performance rights in relation to FY25 performance period. All performance rights relating to the FY23-25 performance period will vest on 30 September 2025 subject to meeting the relevant service and performance conditions.

All other terms and conditions remain consistent as per FY24 LTI disclosure in section 3.3.

3.5 FY24 Non-Executive Director ("NED") Fees

The following outlines the principles that **humm**group applies to governing NED remuneration:

<table>
<tr><td>PRINCIPLE</td><td>
Non-executive Directors' fees are recommended by the People and Remuneration Committee and determined by the Board. Fees and payments to Non-Executive Directors reflect the demands that are made on, and the responsibilities of, the Non-Executive Directors. External advice may be sought to assist the Board in making informative decisions and to ensure such decisions are supported by independent market data.
The following outlines the Board Fees that were applicable in FY24:
<table>
<tr><th>Role</th><th>Main Board</th><th>Audit, Risk & Compliance Committee</th><th>People & Remuneration Committee</th><th>Nomination</th></tr>
<tr><td>Chair</td><td>$150,000</td><td>$20,000</td><td>$20,000</td><td>-</td></tr>
<tr><td>Non-Executive Director</td><td>$100,000</td><td>$10,000</td><td>$10,000</td><td>$10,000</td></tr>
</table>
Fees are exclusive of superannuation. The Chair of the Nomination Committee does not receive a separate fee for chairing the Committee. Teresa Fleming will be paid in Euros through the relevant Irish subsidiary, converted from AUD to EUR at an exchange rate of 0.6196.
In addition to the above fees, Directors also receive compulsory superannuation contributions and are entitled to reimbursement for reasonable travel, accommodation and other expenses in attending meetings and carrying out their duties. Under clause 10.10 of the Company's constitution, subject to the ASX Listing Rules and the Corporations Act, a Director at the request of the other Directors may be remunerated for performing additional or special duties for the Company.
</td></tr>
<tr><td>AGGREGATE BOARD FEES</td><td>The total amount of fees paid to Non-executive Directors in the year ended 30 June 2024 is within the aggregate amount of $1,200,000 per year (as approved by shareholders in 2006). Grants of equity (if any) approved by shareholders are excluded from counting towards the aggregate fee limit, in accordance with the ASX Listing Rules.</td></tr>
<tr><td>NON-EXECUTIVE RETIREMENT</td><td>Under clause 10.11 of the Company's constitution, subject to the Listing Rules and the Corporations Act, the Company may pay a former Director, or the personal representatives of a Director who dies in office, a retirement benefit in recognition of past services of an amount determined by the Directors. The Company may also enter into a contract with a Director providing for payment of the retiring benefit. No such contracts have been entered into to date.</td></tr>
<tr><td>EQUITY</td><td>Despite having this clause in the Company's constitution, the Company does not intend to pay such benefits to Directors Non-executive Directors may not receive Performance Rights.</td></tr>
<tr><td>MINIMUM SHAREHOLDING REQUIREMENTS</td><td>There is no minimum shareholding requirement for Non-Executive Directors.</td></tr>
</table>

4. THE LINK BETWEEN PERFORMANCE AND REWARD IN FY24

The Board views the outcomes of remuneration for FY24 performance as appropriately aligned to stakeholder interests generally, given the group and individual performance against annual objectives, and progress towards strategic objectives made by the executive team.

4.1 FY24 STI Outcomes

The STI plan is designed to reward executives for the achievement against net profit targets as well as annual performance objectives set by the Board at the beginning of the performance period. The payment of an STI is dependent on delivery of performance against a range of outcome metrics. The performance metrics and outcomes of assessment against those metrics are summarised below:

Gateway

Two gateway hurdles were set for the FY24 STI awards:

1) Risk Gateway – no material regulatory breaches, no material breaches of Delegation of Authority, completion of mandatory personal and department compliance training.
2) Culture – no material breaches of policies and aligned with the Company's 'how we humm' values.

Performance Measures

The MD & CEO and Chief Financial Officer STI is measured against a mix of performance metrics set by the Board, with a 60% weighting of shared corporate measures and a 40% weighting related to individual performance measures relevant to their role.

Corporate Performance Metrics

CORPORATE MEASURES 60%	WEIGHTING	OUTCOME
Normalised cash profit (after tax)	50%	Achieved
Customer Net Promoter Score	25%	Achieved
Employee Engagement Score	25%	Achieved

STI Outcomes

NAME	ROLE	YEAR	CASH STI AWARD ($)	STI AWARD VALUE THAT IS SUBJECT TO DEFERRAL FOLLOWING YEAR END[1] ($)
Stuart Grimshaw[2]	Chief Executive Officer	2024	460,000	674,859[3]
	Chief Executive Officer	2023	N/A	N/A
Adrian Fisk	Chief Financial Officer	2024	189,166	63,055
	Chief Financial Officer	2023	242,370	80,790

1. This is the value as at time of the calculation of the grant of the deferred STI (i.e. the value of previously awarded STI that was deferred).
2. Mr Grimshaw commenced as MD and CEO effective from 1 June 2023.
3. Consistent with the amount approved in AGM on 16 November 2023, based on fair value at grant.

4.2 LTI Outcomes (related to FY22 LTI Grant)

The LTI structure that was eligible to vest in relation to the completion of FY24 is described below:

<table>
<tr><td>INSTRUMENT</td><td>Rights (referred to interchangeably as options, being options with a nil exercise price), which are subject to performance and service vesting conditions.</td></tr>
<tr><td>MEASUREMENT PERIOD</td><td>1 July 2022 to 30 June 2024.</td></tr>
<tr><td>PERFORMANCE METRICS AND WEIGHTINGS</td><td>For the FY22 LTI grant, the vesting of Options/Rights was subject to two performance conditions which are equally weighted and mutually exclusive:
Tranche 1. Share Price Hurdle
<table>
<tr><th>Share Price at the end of the Performance Period</th><th>Vesting Schedule</th></tr>
<tr><td><$1.25</td><td>Nil</td></tr>
<tr><td>$1.25 to $2.25</td><td>Straight line vesting between 33% – 100%</td></tr>
<tr><td>>$2.25</td><td>100%</td></tr>
</table>
Tranche 2. EPS Hurdle
<table>
<tr><th>EPS CAGR at the end of the Performance Period</th><th>Vesting Schedule</th></tr>
<tr><td><15%</td><td>Nil</td></tr>
<tr><td>15% - 25%</td><td>Straight line vesting between 33% – 100%</td></tr>
<tr><td>>25%</td><td>100%</td></tr>
</table>
EPS CAGR is calculated based on the compound annual growth in Earnings Per Share (“EPS”) from 30 June 2021 to 30 June 2024. EPS is determined on a Cash NPAT basis, derived from Statutory net profit (after tax) adjusting for the amortisation of acquired intangibles and material infrequent items. EPS is calculated as Cash NPAT divided by the weighted average number of shares on issue.
These metrics were selected because they have strong links to long term sustainable financial health and performance, and to long term sustainable growth.</td></tr>
<tr><td>PERFORMANCE OUTCOME AND VESTING DETERMINATION</td><td>The Board has assessed that the performance vesting conditions have not been met, and as a result, no vesting applies in respect of the completed FY24 reporting period for participants that held unvested FY22 Options at the Vesting Date.</td></tr>
<tr><td>BOARD DISCRETIONS APPLIED</td><td>The Board did not apply any discretionary adjustments to the performance assessment or vesting.</td></tr>
<tr><td>SETTLEMENT</td><td>Any options that do not vest following testing will lapse immediately.</td></tr>
</table>

4.3 Use of Board Discretion

During the financial year and to date of this report, the Board did not exercise any discretion available to it to modify STI or LTI outcomes, vesting or awards for KMP.

5. STATUTORY TABLES AND SUPPORTING DISCLOSURES

5.1 Executive KMP Statutory Remuneration for FY24

The following table outlines the statutory remuneration of executive KMP:

Statutory Executive Remuneration

	FIXED REMUNERATION					VARIABLE REMUNERATION						
YEAR	SALARY	EQUITY (AS PART OF FIXED REMUNERATION)	SUPER	BENEFITS[1]	TOTAL FIXED PAY	CASH STI[2]	DEFERRED STI[3]	LTI[3]	OTHER BENEFITS[4]	CHANGE IN ACCRUED LEAVE	TRP	VARIABLE REMUNERATION AS % OF TRP
Stuart Grimshaw[5], Chief Executive Officer and Managing Director												
2024	$1,022,692	–	$27,399	$30,278	$1,080,369	$345,000	$582,692	$882,163	–	$36,159	$2,926,383	62%
2023	$65,385	–	$2,972	–	$68,357	–	$59,049	–	$150,000	$7,011	$284,417	21%
Stuart Grimshaw[5], Non-Executive Director												
2023	$104,231	–	$10,903	–	$115,134	–	–	–	–	–	$115,134	0%
Rebecca James[6], Chief Executive Officer												
2023	$766,155	–	$27,658	–	$793,813	–	–	$114,100	$330,186	$47,209	1,285,308	9%
Adrian Fisk, Chief Financial Officer												
2024	$603,156	–	$27,399	–	$630,555	$202,467	$25,376	$465,977	–	$6,263	$1,330,638	52%
2023	$603,130	–	$25,292	–	$628,422	$242,370	$25,683	$123,418	$200,000	$44,051	$1,263,944	31%

1. Benefits include such as car parking, car allowances, General Employee Share Scheme, FBT, insurance, etc.
2. Note that the cash STI value reported in this table is the STI that was accrued for during the reporting period.
3. Note that the defined STI and LTI values reported in this table is the amortised accounting charge of all grants that have not lapsed or vested as at the start of the reporting period. Where a market-based measure of performance is used, no adjustments can be made to reflect actual STI and LTI vesting.
4. Other benefits relate to a cash sign-on bonus of $150,000 paid to Mr Grimshaw cash, a retention bonus of $200,000 paid to Mr Fisk, a termination payment of $250,000 and a retention bonus of $80,186 paid to Ms James in FY23.
5. Mr Grimshaw was appointed as a Non-Executive Director of the Company effective 30 June 2022 and as Managing Director and CEO effective 1 June 2023. Mr Grimshaw received director fees until 26 November 2023.
6. Ms James ceased as CEO effective 31 May 2023.

5.2 Non-Executive Director ("NED") KMP Statutory Remuneration for FY24

The following table outlines the statutory remuneration of NEDs:

Statutory Non-Executive Director Remuneration

NAME	ROLE(S)	YEAR	BOARD FEES	COMMITTEE FEES	SUPER	OTHER BENEFITS	EQUITY GRANTS	TERMINATION BENEFITS	TOTAL
Andrew Abercrombie	Chair, Non-Executive Director	2024	$150,000	–	$16,500	–	–	–	$166,500
	Chair, Non-Executive Director	2023	$149,654	$385	$15,445	–	–	–	$165,484
Stuart Grimshaw[1]	Independent, Non-Executive Director	2023	$92,308	$11,923	$10,903	–	–	–	$115,134
Teresa Fleming	Independent, Non-Executive Director	2024	$115,483	$31,348	$16,225	–	–	–	$163,056
	Independent, Non-Executive Director	2023	$107,979	$22,651	$14,391	–	–	–	$145,021
Anthony Thomson	Independent, Non-Executive Director	2024	$100,000	$40,000	$15,400	–	–	–	$155,400
	Independent, Non-Executive Director	2023	$85,384	$9,885	$10,003	–	–	–	$105,272
Robert Hines	Independent, Non-Executive Director	2024	$100,000	$30,000	$14,808	–	–	–	$144,808
	Independent, Non-Executive Director	2023	$73,847	$15,038	$9,333	–	–	–	$98,218

1. Mr Grimshaw was appointed as a Non-Executive Director of the Company effective 30 June 2022 and as Managing Director and CEO effective 1 June 2023.

5.3 KMP Equity Interests and Changes During FY24

Movements in equity interests held by executive KMP during the reporting period, including their related parties, are set out below:

KMP – 2024

		NUMBER HELD AT OPEN	GRANTED		FORFEITED/ CANCELLED DURING THE YEAR	VESTED DURING THE YEAR	EXERCISED (OR SHARES RECEIVED FROM EXERCISING)	PURCHASED /OTHER	SOLD	NUMBER HELD AT CLOSE
NAME	INSTRUMENT	NO.	DATE GRANTED[4]	NO.	NO.	NO.	NO.	NO.	NO.	NO.
Stuart Grimshaw	Shares	–	–	–	–	–	–	–	–	–
	Vested Rights	–	–	–	–	–	–	–	–	–
	Unvested Rights	–	17/11/2023	22,366,460[1]	–	–	–	–	–	22,366,460
	Options	–	–	–	–	–	–	–	–	–
Adrian Fisk	Shares	200,000	–	–	–	–	–	7,005	–	207,005
	Vested Rights	–	–	–	–	–	–	–	–	–
	Unvested Rights	1,984,387[2]	29/09/2023	3,550,774[3]	–	–	–	–	–	5,535,161
	Options	950,000	–	–	(712,500)	–	–	–	–	237,500

1. For the MD and CEO, the amount granted in FY24 includes LTI amounts relating to FY24, FY25 and FY26 performance period, which will vest on 30 September 2026 subject to meeting the relevant performance and service conditions.
2. The opening rights in FY23 is adjusted due to the grant date being changed to 17 July 2023 affecting the number of shares granted.
3. For the CFO, the amount granted in FY24 includes LTI amounts relating to FY24 and FY25 performance period, which will vest on 30 September 2025 subject to meeting the relevant performance and service conditions.
4. The grant date represents the legal grant date.

KMP – 2023

NAME	INSTRUMENT	NUMBER HELD AT OPEN	GRANTED		FORFEITED/ CANCELLED DURING THE YEAR	VESTED DURING THE YEAR	EXERCISED (OR SHARES RECEIVED FROM EXERCISING)	PURCHASED /OTHER	SOLD	NUMBER HELD AT CLOSE
		NO.	DATE GRANTED[4]	NO.	NO.	NO.	NO.	NO.	NO.	NO.
Stuart Grimshaw[1]	Shares	–	–	–	–	–	–	–	–	–
	Vested Rights	–	–	–	–	–	–	–	–	–
	Unvested Rights	–	–	–	–	–	–	–	–	–
	Options	–	–	–	–	–	–	–	–	–
Rebecca James[2]	Shares	40,000	–	188,834	–	–	–	888	–	229,722
	Vested Rights	188,834	–	–	–	–	(188,834)	–	–	–
	Unvested Rights	528,846	–	–	(528,846)	–	–	–	–	–
	Options	4,000,000	–	–	(4,000,000)	–	–	–	–	–
Adrian Fisk	Shares	100,000	–	–	–	–	–	100,000	–	200,000
	Vested Rights	–	–	–	–	–	–	–	–	–
	Unvested Rights	–	17/07/2023[5]	1,963,581[3]	–	–	–	–	–	1,963,581
	Options	950,000	–	–	–	–	–	–	–	950,000

1. Mr Grimshaw was appointed as a Non-Executive Director of the Company effective 30 June 2022 and as Managing Director and CEO effective 1 June 2023.
2. Ms James ceased as Group Chief Executive Office effective 31 May 2023. Closing balance is 30 June 2023.
3. Relates to Performance Rights granted under FY23 LTI and deferred FY23 STI.
4. The grant date represents the legal grant date.
5. FY23 grant date is changed to 17 July 2023.

Movements in equity interests held by non-executive KMP during the reporting period, including their related parties, are set out below:

Non-Executive Directors – 2024

NAME	INSTRUMENT	NUMBER HELD AT OPEN	GRANTED		FORFEITED DURING THE YEAR	VESTED DURING THE YEAR	EXERCISED (OR SHARES RECEIVED FROM EXERCISING)	NET PURCHASED/ (SOLD)	NUMBER HELD AT CLOSE
		NO.	DATE GRANTED	NO.	NO.	NO.	NO.	NO.	NO.
Andrew Abercrombie	Shares	126,442,060	–	–	–	–	–	4,809,897	131,251,957
	Vested Rights	–	–	–	–	–	–	–	–
	Unvested Rights	–	–	–	–	–	–	–	–
	Options	–	–	–	–	–	–	–	–
Teresa Fleming	Shares	–	–	–	–	–	–	–	–
	Vested Rights	–	–	–	–	–	–	–	–
	Unvested Rights	–	–	–	–	–	–	–	–
	Options	–	–	–	–	–	–	–	–
Anthony Thomson	Shares	–	–	–	–	–	–	–	–
	Vested Rights	–	–	–	–	–	–	–	–
	Unvested Rights	–	–	–	–	–	–	–	–
	Options	–	–	–	–	–	–	–	–
Robert Hines	Shares	200,000	–	–	–	–	–	–	200,000
	Vested Rights	–	–	–	–	–	–	–	–
	Unvested Rights	–	–	–	–	–	–	–	–
	Options	–	–	–	–	–	–	–	–
TOTALS		**126,642,060**	**-**	**-**	**-**	**-**	**-**	**4,809,897**	**131,451,957**

Non-Executive Directors – 2023

NAME	INSTRUMENT	NUMBER HELD AT OPEN	GRANTED		FORFEITED DURING THE YEAR	VESTED DURING THE YEAR	EXERCISED (OR SHARES RECEIVED FROM EXERCISING)	NET PURCHASED/ (SOLD)	NUMBER HELD AT CLOSE
		NO.	DATE GRANTED	NO.	NO.	NO.	NO.	NO.	NO.
Andrew Abercrombie	Shares	115,333,228	–	–	–	–	–	11,108,832	126,442,060
	Vested Rights	–	–	–	–	–	–	–	–
	Unvested Rights	–	–	–	–	–	–	–	–
	Options	–	–	–	–	–	–	–	–
Teresa Fleming	Shares	–	–	–	–	–	–	–	–
	Vested Rights	–	–	–	–	–	–	–	–
	Unvested Rights	–	–	–	–	–	–	–	–
	Options	–	–	–	–	–	–	–	–
Anthony Thomson	Shares	–	–	–	–	–	–	–	–
	Vested Rights	–	–	–	–	–	–	–	–
	Unvested Rights	–	–	–	–	–	–	–	–
	Options	–	–	–	–	–	–	–	–
Robert Hines	Shares	200,000	–	–	–	–	–	–	200,000
	Vested Rights	–	–	–	–	–	–	–	–
	Unvested Rights	–	–	–	–	–	–	–	–
	Options	–	–	–	–	–	–	–	–
TOTALS		**115,533,228**	**-**	**-**	**-**	**-**	**-**	**11,108,832**	**126,642,060**

The following outlines the accounting values and potential future costs of equity remuneration granted during FY24 for executive KMP.

KMP

2024 EQUITY GRANTS								
NAME	TRANCHE	GRANT TYPE	VESTING CONDITIONS	GRANT DATE[1]	TOTAL FAIR VALUE OF PERFORMANCE RIGHTS ($)	FAIR VALUE OF PERFORMANCE RIGHTS PER UNIT AT GRANT DATE ($)	VALUE EXPENSED IN FY24 ($)	MAXIMUM VALUE TO BE EXPENSED IN FUTURE YEARS ($)
Key Management Personnel								
Stuart Grimshaw	FY24-28 Deferred STI	Deferred STI	Corporate Hurdles (60%) Personal hurdles as determined by the Board (40%)	17/11/2023	3,033,990[2]	0.3693	582,692	2,451,298
	FY24 LTI Performance Rights	LTI	EPS & ROCE	17/11/2023	3,065,958	0.3889	603,376	2,462,582
	FY25 LTI Performance Rights	LTI	EPS & ROCE	17/11/2023	1,218,585	0.3889	164,873	1,053,712
	FY26 LTI Performance Rights	LTI	EPS & ROCE	17/11/2023	1,218,585	0.3889	113,913	1,104,672
Adrian Fisk	FY23 Deferred STI Restricted Rights	Deferred STI	Service	29/09/2023	72,613	0.4165	25,376	21,555
	FY24 LTI Performance Rights	LTI	EPS & ROCE	29/09/2023	700,035	0.3943	168,314	531,721
	FY25 LTI Performance Rights	LTI	EPS & ROCE	29/09/2023	700,035	0.3943	115,716	584,319

1. The grant date represents the legal grant date. Where the accounting grant date is different to the legal grant date, accounting grant date is used to calculate the share-based payment expense.
2. On 16 November 2023, STI performance rights of $3.5m (or 8,215,962) in total were approved at the AGM, based on a 5-day VWAP Company share price from 1 June 2023 of $0.426 in five tranches for five financial years. Fair value at grant date was $3.0m in total or $0.37 for each right.

KMP Service Agreements

Executive KMP Service Agreements

The following outlines current executive KMP service agreements:

NAME	POSITION HELD AT CLOSE OF FY24	EMPLOYING COMPANY	DURATION OF CONTRACT	PERIOD OF NOTICE (FROM COMPANY)	PERIOD OF NOTICE (FROM KMP)	TERMINATION PAYMENTS[1]
Stuart Grimshaw	Chief Executive Officer and Managing Director	Humm Global Pty Ltd	Permanent	6 months	6 months	6 months
Adrian Fisk	Chief Financial Officer	Humm Global Pty Ltd	Permanent	6 months	6 months	6months

1. Under the Corporation Act the Termination Benefit Limit is 12 months average Salary (over prior 3 years) unless shareholder approval is obtained.

Non-Executive ("NEDs") Service Agreements

The appointment of Non-executive Directors is subject to a letter of engagement. NEDs are not eligible for any termination benefits following termination of their office, nor any payments other than those required under law such as in respect of superannuation. There are no notice periods applicable to either party under the service agreement.

5.4 Other Statutory Disclosures

Loans to KMP and their Related Parties

During the financial year and to the date of this report, the Company made no loans to directors and other KMP and none were outstanding as at 30 June 2024.

Other Transactions with KMP

There were no other disclosable transactions with KMP during FY24.

External Remuneration Consultants

During FY24 the Board engaged approved External Remuneration Consultants Godfrey Remuneration Group Pty Ltd ("GRG") to provide KMP remuneration advice (including remuneration recommendations) and other services as outlined below:

1. Remuneration framework review and report: $9,000 + GST
2. Review and/or Recommendations on Short Term Variable Remuneration Design and Implementation: $15,000
3. Equity Plan and LTI Design Recommendation on LTI design: $7,500 + GST
4. 2024 Remuneration Report Drafting: $20,000 + GST

The People and Remuneration Committee has procedures in place to ensure that all engagements with independent external remuneration consultants, and recommendations (if any) are free from undue influence. At times, remuneration consultants may be required to interact with management to obtain the relevant information needed to form any remuneration recommendations.

The Board confirms that remuneration recommendations made during FY24 were made free from undue influence as these procedures were adhered to.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1. GOVERNANCE

The Board is responsible for the corporate governance of the Company. The Board Audit, Risk & Compliance Committee (together with the People & Remuneration Committee in relation to People matters) assists the Board to ensure that appropriate corporate governance is in place including adoption, review and maintenance of all Environmental, Social and Governance ("ESG") policies.

2. SOCIAL

OUR WAY OF DOING THINGS

The **humm**group Code of Conduct applies to all Directors, officers, employees, contractors, consultants and associates of the Company. The Code of Conduct outlines how we expect our representatives to behave and conduct business in the workplace.

hummgroup takes its obligations regarding ethical behaviour seriously. In addition to our Code of Conduct, we have a range of policies and procedures in place to mitigate anything that might compromise these standards, including a Whistleblower Protection Policy, which in turn is supported by an external independent whistleblower reporting service.

The Board of Directors, as **humm**group's highest governance body, expects that **humm**group's values and ethical standards are reflected in its day-to-day operations, and this is supported by, amongst other endeavours, mandatory staff training and a behaviours gateway to any short term incentive reward.

OUR PEOPLE

hummgroup is made up of a diverse mix of approximately 570 full time employees. Equipping everyone with the skills, knowledge and tools to collaborate across geographies and supporting them to work flexibly ensures they enjoy what they do and continue to innovate.

Equal Employment Opportunity

hummgroup has a zero-tolerance approach to bullying, harassment or discrimination of any kind. Our Equal Employment Opportunity Policy outlines our position on what to do if we witness or experience these behaviours.

Employee satisfaction

Employee engagement is key to maintaining a satisfied workforce. **humm**group undertakes an employee engagement survey annually and the results of the survey are shared in a transparent manner with all employees and are used to build engagement and employee advocacy.

Employee wellbeing

As part of our commitment to supporting the physical and mental wellbeing of our employees, we provide access to a range of on-demand wellbeing resources that our people can access when they choose from anywhere in the world.

We partner with the Centre for Corporate Health for our EAP service in all locations so that our people and their immediate families have access to both proactive and reactive wellbeing support when they need it.

hummgroup also offers flu vaccinations for all of our employees at no cost.

Diversity and inclusion

hummgroup strives to create an inclusive workplace where all contributions are valued, so that everyone can bring their whole self to work and reach their full potential.

We review diversity in key areas – including parental leave statistics, career movement by gender and pay parity – to make better informed decisions and plan some events to support different communities. This includes learning opportunities, cultural events and virtual seminars.

How we dress is also reflection of who we are and our 'you do you' dress code policy helps to reduce gender barriers, makes staff more comfortable, engaged and happier, and promotes diversity by encouraging people to express themselves.

hummgroup complies with the *Workplace Gender Equality Act 2012* (Cth) and is committed to ensuring strong and practical support for gender diversity.

Support for victims of domestic violence

hummgroup supports employees who are victims of domestic violence with leave options including the provision of up to 10 additional paid leave days per year, access to unpaid leave, and leave to support family members who are victims of domestic violence.

Supporting families

Our parental leave policy provides for 12 weeks' paid parental leave in all humm locations, paid adoption leave, paid foster care leave and paid special parental leave for other pregnancy related circumstances.

Employee learning and development

Developing employee skills and capabilities is a key element of **humm**group's success. In addition to mandatory learning modules, we develop a wide range of learning modules, development opportunities and support materials to assist employees in growing their skills.

We endeavour to build a culture that inspires people to not only embrace opportunities but to create opportunities for themselves and for others by being curious about development and sparking conversations on a daily basis. Our approach has included introducing agile ways of working, developing a more robust feedback and performance framework, developing design thinking and providing more development opportunities.

Recognition

Extraordinary staff achievement is recognised in many ways at **humm**group including through a peer-to-peer recognition and reward programs and monthly **humm**bassador Awards which are aligned to our values. These programmes are in addition to the formal performance and review process undertaken annually.

OUR CUSTOMERS

Our customers are at the heart of everything we do, and we work hard to ensure that they are supported, informed and well-protected.

To support customer service excellence, all employees in customer facing roles receive extensive training on our products and services, along with dedicated soft skills training including active listening, speaker responsibilities, listener responsibilities, telephone standards and etiquette, effective communication and conflict management. Calls are recorded for training and quality assurance purposes.

Providing customers with greater choice and control is very important to us. We offer a wide range of options for customers to get in touch with us including phone, email, in app chats and via social media. We also enable self-service options which provides customers with the ability to control their own accounts.

Complaints management

We place great importance on effectively managing and learning from customer complaints. Our Complaint Management Policy is supported by a robust complaints management process which logs, categorises and investigates all complaints received through any communication channel. **humm**group has a dedicated hotline for customer complaints and each dispute that is received by the complaints team is investigated and addressed on a case-by-case basis as quickly as possible.

Supporting vulnerable customers

To support any customers affected by a change in circumstances that results in financial difficulty, **humm**group offers a Financial Hardship Support program which is underpinned by the Company's Financial Hardship Policy which sets out guidelines on how to appropriately manage customers in financial difficulty.

Privacy

hummgroup is dedicated to protecting the personal information of its customers in line with relevant legislation and codes in all locations where it operates. **humm**group has published a Privacy Policy for each of Australia and New Zealand – available on **humm**group's website – outlining the types of personal information we collect, and the purposes for which we collect, how we manage all personal information collected, how customers can seek access to and correction of that information and if necessary, how customers can make a complaint relating to our handling of that information.

Cyber security

In order to ensure that the privacy and information of our customers is protected, **humm**group has implemented a group-wide security framework that combines a dedicated internal Cyber and Information Security Team. This ensures effective governance of our environment security through policies, standards and continuous risk assessment, as well as security compliance management for industry and regulatory requirements. The framework also includes group-wide capabilities for data and infrastructure protection, detection of cyber-attacks or breaches, and response and recovery in the event of security incidents.

Fraud and scams

hummgroup has continued to make targeted investments into the Company's group fraud platform, enhancing its real time fraud detection and prevention capability. The fraud platform supports a multi-layered fraud mitigation approach balancing risk and customer experience to apply friction where it is needed most.

Responsible lending

As a responsible lender, we are focussed on sustainable long-term relationships and protecting our customers from financial risk. We regularly engage with regulators and industry bodies on a wide range of responsible lending issues.

We have a stringent process for selecting and onboarding merchants to ensure alignment with **humm**group polices relating to the protection of consumer interests. We regularly monitor amongst other things, credit quality and can quickly adapt acceptance criteria to meet changing macro-economic factors, and will proactively decrease credit limits where appropriate to protect our customers from financial risk.

OUR COMMUNITIES

hummgroup cares deeply about giving back to the communities we serve.

hummgroup offers a volunteering program whereby employees can take paid leave to volunteer for a cause that inspires them.

Modern Slavery

hummgroup supports and complies with the mandatory reporting required under Modern Slavery legislation. We actively review our supply chain and operations to ensure that **humm**group and its suppliers are compliant.

3. ENVIRONMENT

OUR ENVIRONMENT

Climate Bonds

hummgroup has played a market leading role in the climate bond certified asset-backed securities ("Climate Bonds") market in Australia over the past 8 years. In 2016, **humm**group was the first Australian company to issue Climate Bonds to fund its solar energy related financing through its PosPP business. **humm**group has since brought ten further securitisations of similar loans to market and has issued over $940m of Climate Bonds. This has included several 'market first' structures, with climate bond certified tranches of asset-backed securities offered across all ratings levels from 'Aaa (sf)' down to 'B2 (sf)'. All Climate Bonds have been formally certified by the Climate Bonds Standard Board, on behalf of the Climate Bonds Initiative.

Environmental initiatives

Our Adelaide office is located in a building with a 5.5-star NABERS Energy rating and a 4-star NABERS water rating and our head office in Sydney is located in a building with a 5.5-star NABERS Energy rating and a 4.5-star NABERS water rating. NABERS is a nationally recognised measure of environmental performance.

2024 CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement sets out details of humm Group Limited's (ABN 75 122 574 583) ("the Company", "the Group" or "**humm**group") corporate governance practices for the year ended 30 June 2024 ("Reporting Period"), including the Company's position in respect of each of the ASX Limited ("ASX") Corporate Governance Council's ("ASX CGC") Corporate Governance Principles and Recommendations 4th Edition ("Recommendations").

As recommended by the ASX CGC, information in relation to corporate governance practices is publicly available on the Company's website at https://investors.humm-group.com/Investor-Centre/?page=corporate-governance.

The Board has established a framework of processes and guidelines for the Company that includes corporate policies and monitoring procedures; financial and operational business risk management and internal control systems; and standards for ensuring lawful and ethical conduct.

This Corporate Governance Statement is current as at 21 August 2024 and has been approved by the Board.

PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1 – Have and disclose a Board Charter

Board responsibilities

The Board has overall responsibility for the conduct and governance of the Company, including providing strategic guidance and effective oversight of management. The Board's role and responsibilities are formalised in the Board Charter, which defines the matters reserved for the Board and its Committees and those responsibilities delegated to the Chief Executive Officer ("CEO") and management. A copy of the Board Charter – and all Board Committee Charters – is available on the Company's website at https://investors.humm-group.com/Investor-Centre/?page=corporate-governance.

Within the scope of the governance framework established by the Board, management of the business and operations of the Company is delegated to the CEO, subject to the oversight and supervision of the Board.

The Board's responsibilities include:

- overseeing the development of the Company's corporate strategy and reviewing and approving strategic plans and performance objectives developed by management, including monitoring of the implementation of the strategic plans;
- appointing the Chair, CEO, the Chief Financial Officer ("CFO") and the Company Secretary and approving other key executive (direct reports to the CEO) appointments and planning for key executive succession;
- monitoring the performance of the CEO and other senior executives of the Company against strategy;
- reviewing and approving remuneration for the senior executives of the Company;
- monitoring the operational and financial position and performance of the Company;
- requiring that financial and other reporting mechanisms be put in place which result in accurate and timely information being provided to the Board and the Company's shareholders and the financial market as a whole being fully informed of all material developments relating to the Company;
- approving the Company's budgets and business plans and monitoring the management of the Company's capital, including the progress of any major capital expenditures, acquisitions or divestitures;
- ensuring effective communication with shareholders, particularly timely and balanced disclosure of all material information concerning the Company, which a reasonable person would expect to have a material effect on the price or value of the Company's securities, and establishing policies to govern the Company's relationship with other stakeholders;
- utilising resources and procedures to ensure that financial results are appropriately and accurately reported on a timely basis in accordance with all legal and statutory requirements;
- identifying the principal risks faced by the Company and requiring management to establish and implement appropriate internal controls and monitoring systems to manage and reduce the impact of these risks;

- establishing, overseeing and regularly reviewing processes for identifying, assessing, monitoring and managing material financial and non-financial risk throughout the Company, including setting the risk appetite for the Company;
- actively promoting ethical and responsible decision making through **humm**group's Code of Conduct;
- adopting appropriate procedures to ensure compliance with all laws, governmental regulations and accounting standards;
- approving and reviewing, from time to time, the Company's internal compliance procedures, including any codes of conduct and taking all reasonable steps to ensure that the business of the Company is conducted in an open and ethical manner; and
- regularly reviewing and, to the extent necessary, amending the Board Charter.

Board Committees

To facilitate the execution of its responsibilities, during the Reporting Period the Board had in place a number of Committees to oversee and report to the Board on various areas of responsibility being the Board Audit, Risk & Compliance Committee, Board People & Remuneration Committee and the Board Nomination Committee.

All Directors are entitled to receive all Committee papers, and minutes of all Committee meetings, and are entitled to attend any Committee meeting. Each Committee reports to the next Board meeting.

Details of the number of meetings of the Board and of each Committee held during the Reporting Period and of each Director's attendance at those meetings are set out in the Directors' Report in the Annual Report.

Audit, Risk & Compliance Committee

AUDIT, RISK & COMPLIANCE COMMITTEE		
Name	**Position**	**Duration**
Robert Hines	Chair	Whole Reporting Period
Teresa Fleming	Member	Whole Reporting Period
Anthony Thomson	Member	Whole Reporting Period

The Audit, Risk & Compliance Committee's ("ARCC") role is to assist the Board:

a) in carrying out its accounting, auditing and financial reporting responsibilities, including oversight of:
   (i) improving the credibility and objectivity of the accountability process, including financial reporting;
   (ii) the effectiveness of the internal and external audit functions and providing a forum for communication between the Board and the internal and external auditor;
   (i) ensuring the independence of the external auditor;
   (ii) providing a structured reporting line for internal audit and monitoring the objectivity and independence of the internal auditor;
   (iii) assuring the quality of internal and external reporting of financial and non-financial information; and
   (iv) ensuring that whistleblower issues are actively followed up.

b) in fulfilling its corporate governance and oversight responsibilities in relation to the Group's risk appetite statement, compliance, risk management strategy, risk management framework and risk management function.

The ARCC Charter provides the ARCC composition will be only Non-Executive Directors, a majority of independent directors and at least 3 members.

For the Reporting Period, the ARCC was chaired by an independent Non-Executive Director and was comprised of the ARCC Chair and 2 independent Non-Executive Directors.

People and Remuneration Committee

PEOPLE AND REMUNERATION COMMITTEE		
Name	**Position**	**Duration**
Anthony Thomson	Chair	Whole Reporting Period
Teresa Fleming	Member	Whole Reporting Period
Robert Hines	Member	Whole Reporting Period

The People and Remuneration Committee's ("PRC") role is to assist and advise the Board on remuneration policies and practices for the Board, the CEO, the CFO, senior management and other persons whose activities, individually or collectively, affect the financial and reputational soundness of the Company. The policies and practices are designed to:

a) enable the Company to attract, retain and motivate Directors, executives and employees who will create value for shareholders;
b) be fair and appropriate, having regard to the performance of the Company and the relevant Director, executive or employee; and
c) comply with relevant legal requirements.

The PRC Charter provides the PRC composition will be only Non-Executive Directors, a majority of independent directors and at least 3 members.

For the Reporting Period, the PRC was chaired by an independent Non-Executive Director and was comprised of the PRC Chair and 2 Independent Non-Executive Directors.

Nomination Committee

NOMINATION COMMITTEE		
Name	**Position**	**Duration**
Andrew Abercrombie	Chair	Whole Reporting Period
Teresa Fleming	Member	Whole Reporting Period
Anthony Thomson	Member	Whole Reporting Period

The Nomination Committee ("NC") assists and advises the Board on director selection and appointment practices; director performance evaluation and processes and criteria; board composition and succession planning for the Board and Senior Management to ensure that the Board is of a size and composition conducive to making appropriate decisions, with the benefit of a variety of perspectives and skills, and in the best interests of the Company. The NC is comprised of the Chair of the Board (as Chair of the NC) and 2 Independent Non-Executive Directors.

Management responsibilities

The management of the Company and its businesses and affairs is the responsibility of the CEO and the senior executives, including:

- developing business plans, budgets and strategies for the Board's consideration and, subject to the Board's approval, implementing these plans, budgets and strategies;
- operating the Company within the business parameters set by the Board and, where the proposed transactions, commitments or arrangements exceed those parameters, referring the matter to the Board for consideration and approval;
- identifying and managing operational and other risks where those risks could have a material impact on the Company's business, formulating strategies aligned to the Company's purpose, values, strategy and risk appetite for managing these risks for consideration by the Board and, subject to the Board's approval, implementing these strategies;
- managing the Company's current financial and other reporting mechanisms together with managing day-to-day operations within the budget;
- implementing the Company's internal controls and procedures for monitoring these controls and ensuring that these controls and procedures are appropriate and effective;

- providing the Board with accurate and sufficient information regarding the Company's operations on a timely basis and in particular ensuring that the Board is made aware of all relevant matters relating to the Company's performance (including future performance), financial condition, operating results and prospects and potential material risks so that the Board is in an appropriate position to fulfil its corporate governance responsibilities; and
- implementing all policies, processes and codes of conduct approved by the Board.

Directors' independent advice

Directors are empowered to seek independent professional advice if they feel it is necessary to perform their responsibilities and duties as a Director. The Company will reimburse Directors for all reasonable expenses incurred in obtaining this advice, and, where appropriate, and subject to the relevant privacy and legal privilege, a copy of the advice will be made available to the Board on request.

Recommendation 1.2 – Undertake checks before appointment and provide shareholders with information

The Nomination Committee manages the process for the selection and appointment of new Directors to the Board. The Nomination Committee identifies candidates with appropriate skills, knowledge, experience, independence and expertise and recommends them to the Board. The written letter of appointment for each Director outlines the Company's expectations in relation to the time commitment expected from the Director and includes the Director's confirmation that they will be able to devote sufficient time to appropriately performing their duties and responsibilities.

The Company undertakes appropriate background and screening checks prior to nominating a Director for appointment to fill a casual vacancy or being proposed for election by the shareholders.

The Company also undertakes appropriate background and screening checks prior to nominating a senior executive.

Shareholders are provided with all material information in the Company's possession concerning the Director standing for election or re-election in the explanatory notes accompanying the notice of general meeting, including a statement by the Board as to the independence status of the Director, and whether it supports the election or re-election of the Director and a summary of the reasons why.

Recommendation 1.3 – Have a written agreement with Directors and Senior Executives

All Non-Executive Directors, including those appointed by the Board to fill a casual vacancy, are engaged by a written letter of appointment setting out the terms and conditions of their appointment.

Those Directors filling a casual vacancy are required to stand for election by the shareholders at the next Annual General Meeting following their appointment.

Similarly all senior executives enter into written agreements with the Company setting out the terms of their appointment and employment.

Recommendation 1.4 – Company Secretary is accountable to the Board

The Company Secretary attends all scheduled meetings of the Board and is accountable to the Board through the Chair. The Company Secretary is responsible for, amongst other things:

- ensuring that the Company complies with its statutory requirements;
- helping to organise and facilitate the induction and professional development of Directors;
- monitoring compliance with Board policy and procedures;
- accurately capturing the Board and Committee business in minutes of the meetings;
- coordinating the timely distribution of papers to the Board and Committees;
- advising the Board and its Committees on governance matters; and
- ensuring that the Company complies with its requirements under the *Corporations Act 2001* (Cth) ("Corporations Act") and ASX Listing Rules.

Each Director is able to communicate directly with the Company Secretary and any decisions to appoint or remove the Company Secretary are approved by the Board as a whole.

Recommendation 1.5 – Have and disclose a Diversity Policy

The Company has a Diversity Statement which ensures that there is adequate focus on meeting our diversity agenda and recognising and valuing the contributions of people from different backgrounds and with different perspectives and experiences (which in turn benefits our business as a whole). **humm**group recognises the value of recruiting, developing and retaining employees from a diverse range of backgrounds, genders, knowledge, experience and abilities.

The **humm**group Diversity Statement is included in its Code of Conduct and is available on the Company's website at https://investors.humm-group.com/Investor-Centre/?page=corporate-governance.

The Board believes that diversity – which includes, but is not limited to, gender, ethnicity, cultural background, disability, religion, sexual orientation or age – is a key business priority and aims to support the leadership team in the creation of a workplace where everyone can reach their full potential. There is a strong commitment to providing a working environment based on the principles of equal opportunity and diversity and ensuring that decisions in the workplace are based on merit and business needs.

The Board:

- reviews the Diversity Statement from time-to-time to ensure consistency with best practice;
- has established measurable objectives with a focus on achieving gender diversity; and
- annually assesses both the measurable objectives for achieving gender diversity and the progress made in achieving them.

Diversity and inclusion at **humm**group

hummgroup encourages diversity and inclusion across our business in a number of ways. The Company's recruitment, promotion and remuneration decisions are based on performance and capabilities. **humm**group ensures that it has clear, readily available policies underpinning its operating model and business processes, and actively includes programs within the business that support diversity and inclusiveness.

hummgroup is proud to support a diverse range of customers. It is important to the Company that its internal team is reflective of its customer base and that it has an inclusive work environment, which translates into customer interactions. **humm**group believes that a strong and diverse internal workforce can provide a great experience for its customers.

hummgroup is committed not only to the principles of equal opportunity employment, but also to the provision of a work environment that is free from unlawful discrimination, harassment, victimisation and bullying.

Results against Key Metrics

Two key diversity target areas were set for the Reporting Period:

- Female representation at a Board level; and
- Female representation at an Executive Team level.

DIVERSITY TARGETS AS AT 30 JUNE 2024	
Measure	Result
Meet or exceed the ASX guideline of 30% female representation among the Non-Executive Directors	25%
≥30% female representation on the Executive team	20%

hummgroup takes inclusion and diversity into account when making all appointments and promotions and works closely with its recruitment agency partners when recruiting for new roles to make them aware of the Group's diversity policies, including its focus on gender diversity, and on providing part time or flexible positions.

hummgroup has a focus on ensuring that there is strong and practical support to encourage gender diversity within the organisation and was once again compliant with the *Workplace Gender Equality Act 2012* (Cth) during the Reporting Period.

At the end of the Reporting Period, **humm**group had approximately 45% female employees.

Key Metrics for 2025

Female representation at both a Board and Executive team level will carry over as key focus areas into the next reporting period.

The key metrics are outlined below:

MEASURE	OBJECTIVE
Female representation – Board among the Non-Executive Directors	Meet or exceed the ASX guideline of 30%
Female representation on the Executive team*	30% (adopting the same metric as used for Board representation)
Female representation in the workplace overall	Meet or exceed 45%
All like for like roles at the levels of the organisation	Pay parity

* Executive team comprises the CEO and senior management.

Employee engagement and training

Initiatives aimed at improving the level of engagement of **humm**group employees across all ages, genders and backgrounds have continued during the Reporting Period. In addition to the development initiatives which form part of the regular talent and succession planning processes across all levels of the organisation, emphasis has been placed on building a strong employee community as well as encouraging contributions to the broader external community.

Learning and development are integral parts of the Company's engagement initiatives and it provides all employees with a range of opportunities to improve their skills, capability and knowledge via courses created and designed by the Learning and Development team or specialised external facilitators. Categories covered include leadership training (including the Coaches as Leaders program), product and system training, as well as compliance and induction.

Recommendation 1.6 – Periodically evaluate Board, Committee and Director Performance

The Company recognises the importance of regular reviews of its effectiveness and performance.

The People and Remuneration Committee is responsible for determining the process for evaluating the performance of the Board, its Committees and individual Directors against both measurable and qualitative indicators.

Recommendation 1.7 – Annually evaluate Senior Executive performance

The Company has a process for periodically evaluating the performance of the CEO and other senior Executives.

The Board, in conjunction with the People and Remuneration Committee, is responsible for approving performance objectives for the CEO and other senior executives and evaluating the performance of each senior executive against these objectives. The objectives are set for each senior executive at the beginning of each financial year and reflect specific financial and non-financial metrics which are aligned to the Company's strategy and values.

The performance of each senior executive in respect of a financial year is generally measured against those metrics.

Remuneration is reviewed annually by the People and Remuneration Committee in line with the financial year and is dependent on each senior executive's performance against their objectives. Any increases to executive remuneration are approved by the Board and effective from 1 July, following the annual performance review.

There is further detail in the Annual Report on the performance objectives and the performance of each of the Executive Key Management Personnel, who were, at 30 June 2024, the CEO and the CFO.

PRINCIPLE 2 – STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE

Recommendation 2.1 – Have a Nomination Committee and disclose its Charter

The Board has a Nomination Committee, which has adopted a Nomination Committee Charter disclosed on the Company's website at https://investors.humm-group.com/Investor-Centre/?page=corporate-governance. The Committee is established in accordance with the Company's constitution and authorised by the Board to assist it in fulfilling its statutory, fiduciary and regulatory responsibilities. It has the authority and power to exercise the role and responsibilities set out in its Charter and under any separate resolutions of the Board.

The Nomination Committee will meet as required to assist and advise the Board on:

- Director selection and appointment practices;
- Board composition;
- establishing and maintaining a diversity policy to outline the Company's commitment to diversity and inclusion in the workplace;
- developing and reviewing induction procedures for new appointees to the Board;
- succession planning for the Board and senior management; and
- ensuring the Board is of a size and composition conducive to making appropriate decisions, with the benefit of a variety of perspectives and skills, and in the best interests of the Company as a whole.

Recommendation 2.2 – Have and disclose a Board skills matrix

Board skills matrix benchmarking table

For the Reporting Period, the Board retained the skills matrix below.

The Board considers that the Directors collectively had the range of skills, knowledge and experience necessary to meet the Board's responsibilities and objectives and direct the Company. The Non-Executive Directors contributed operational knowledge, an understanding of the industry in which the Company operates, knowledge of financial markets, and an understanding of health, safety, sustainability and stakeholder matters that are important to the Company. A review of the skills matrix is planned to be conducted in the financial year ending 30 June 2025.

Skills matrix

SKILL SET
Leadership and Strategy
International Business
Legal, Governance and Compliance
Audit and Finance
Mergers and Acquisitions
Industry Experience
Risk Management
Customer Focus
Technology
Listed Entity
People and Culture

Recommendation 2.3 – Disclose independence of Directors

As at the date of this Corporate Governance Statement, 4 of 5 of the Directors are Non-Executive, with the Board determining that each of the Non-Executive Directors is independent, other than Mr Abercrombie (who the Board considers is not independent as he indirectly holds 26% of shares on issue in the Company).

The Board's on-going assessment of a Non-Executive Director's independence is based on whether the Director is free of any material relationship (other than as a consequence of being a Director) that could be reasonably considered to interfere with the exercise of their independent judgement and conflict with the interests of the Company.

A "material relationship" includes a direct or indirect relationship that could reasonably be considered to influence, in a material way, a Director's decision in relation to the Company. When considering whether a relationship is "material", the Board will consider the materiality to each of the Company, the Director and the person or organisation with which the Director is related (for example, as a customer or supplier). The Board has not set quantitative materiality thresholds to be used in assessing whether a relationship is a "material relationship" and it considers all relationships on a case-by-case basis.

The Board regularly reviews the independence of each Director. Any Director who considers that he or she has, or may have, a conflict of interest or a material personal interest in any matter concerning the Company is required to give the Directors immediate notice of the interest.

Details of each person who acted as Director during the Reporting Period, including length of service, skills, experience, relevant qualifications and expertise, are set out in the Annual Report.

Recommendation 2.4 – Have a majority of independent Directors

During the Reporting Period, the Board was composed of a majority of independent Non-Executive Directors.

Recommendation 2.5 – Board Chair should be independent

The Chair of the Board, Mr Andrew Abercrombie, is not independent however the Board believes Mr Abercrombie's lengthy experience with, and knowledge of, the Company, including his role as a founding Director, is of significant benefit to the Company, and supports his ongoing role as Chair, notwithstanding that he is not an independent Director.

Recommendation 2.6 – Have a Director induction program, and review Director professional development

Induction is provided to all new Directors, which includes formal discussions with each of the CEO, Chair, and senior executives. The induction materials include information about the Company's strategy, culture, values, key policies, the Company's financial, operational and risk management position, the Company's constitution, the rights and responsibilities of Directors, and the role of the Board and its Committees.

All Directors are expected to maintain the skills required to discharge their obligations. The Company provides professional development opportunities for Directors to develop and maintain their skills and knowledge.

PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY

Recommendation 3.1 – Articulate and disclose the values

hummgroup has five clearly articulated values which are embedded into its systems and policies, including the Code of Conduct, being:

- **Feel their world:** Know what drives our customer and makes them tick
- **Famous for delivery:** Get things nailed the first time
- **Focus on impact:** Never lose sight of what you are here to do
- **Feed your mind:** Push yourself to stay up to speed with what's hot and new
- **#FTB (Fight The Bureaucracy):** There's no room for hierarchy – roll your sleeves up and get things done

Every day, **humm** people (**humm**bassadors) are recognised internally by their peers and leaders and rewarded for how they have demonstrated one or more of the values.

Recommendation 3.2 – Have and disclose a Code of Conduct

Code of Conduct

The Company has a formal Code of Conduct to which all Directors, Officers, Executives and employees of the Company and its subsidiaries are required to adhere, together with a comprehensive range of corporate policies (which are reviewed periodically) which details the framework for acceptable corporate behaviour. The Code of Conduct also applies to **humm**group's contractors, consultants and associates. Together, the Code of Conduct and supporting policies set out the expectations in relation to a range of areas, including share trading, employment practices and regulatory compliance.

The Code of Conduct outlines the rules of behaviour **humm**group has established for employees and is recognised as one of the Company's most important documents because *how* things are done is just as important as *what* is done.

hummgroup's Code of Conduct includes the behaviours that **humm**group considers to be non-negotiable, which come back to two simple concepts:

- *We're respectful – yes, we're all different, but that's what makes us stronger. We want people to think and look and act differently. We want people to fight the bureaucracy, but we always do that respectfully – whether it's in our conversations or emails, our personal presentation, or our behaviour;*
- *We behave ethically – but we don't do it because we have to, we do it because we want to. We act in line with community standards and expectations – whether that's towards our customers (our buyers and our sellers) or our colleagues.*

A copy of the Code of Conduct is available on the Company's website at https://investors.humm-group.com/Investor-Centre/?page=corporate-governance.

Any material breaches of the Code of Conduct are considered serious and will be reported to the Board following an appropriate investigation.

Recommendation 3.3 – Have and disclose a Whistleblower Policy

hummgroup believes in and is committed to having a corporate culture where ethical behaviour is promoted and recognised, and employees and contractors are encouraged to report unethical, unlawful or undesirable conduct without fear of disadvantage, intimidation, reprisals or retaliatory action. This applies even if the report is subsequently determined to be incorrect or is not substantiated (as long as the report is made honestly).

hummgroup strives to provide its people with a safe environment where they feel comfortable about raising concerns about actual, suspected or anticipated wrongdoing within **humm**group, and has in place a Whistleblower Protection Policy, which can be found on the Company's website: https://investors.humm-group.com/Investor-Centre/?page=corporate-governance.

The Board receives updates on any material matters reported under the policy.

Recommendation 3.4 – Have and disclose an Anti-bribery and Corruption Policy

hummgroup recognises the importance of having oversight of risks associated with conflicts of interest and, at the extreme, risks associated with bribery and corruption, as each may be indicative of issues within the Company's culture. The Board will continue to have oversight of this area directly or through one of its Committees and will receive reports of any material incidents of bribery or corruption, and consequent actions taken.

A copy of the Company's Anti-Bribery and Corruption Policy is available on the Company's website at https://investors.humm-group.com/Investor-Centre/?page=corporate-governance.

Policy on trading in Company's Securities

Director and employee share trading is subject to the Company's Securities Trading Policy, which places restrictions on when a Director or employee can deal in securities in the Company. Directors and employees (and their immediate family members and closely connected persons and entities) are only permitted to acquire and sell the Company's shares when they are not in possession of price sensitive information that is not generally available to the market.

During the Reporting Period, the Securities Trading Policy was reviewed and updated for clarity and ease of compliance.

A copy of the Company's Securities Trading Policy is available on the Company's website at https://investors.humm-group.com/Investor-Centre/?page=corporate-governance.

PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS

Recommendation 4.1 – Have an Audit Committee and disclose its Charter

Audit, Risk & Compliance Committee

The Audit, Risk & Compliance Committee ("ARCC" or "Committee") is comprised of three independent Non-Executive Directors including the Committee Chair, who was not the Chair of the Board.

The qualifications and experience of the members of the ARCC are set out in the Annual Report along with the number of times the ARCC met throughout the Reporting Period and the attendance of its members. The ARCC Charter is disclosed on the Company's website at https://investors.humm-group.com/Investor-Centre/?page=corporate-governance.

The ARCC provides advice and assistance to the Board in fulfilling the Board's responsibilities relating to the Group's financial risk management and compliance systems and practices, financial statements, financial and market reporting processes, internal accounting and control systems, external audit and such other matters as the Board may request from time to time together with its responsibilities pursuant to the risk and compliance function set out in Recommendation 7.1. In addition, the Committee is responsible for assessing significant estimates and the judgments made during the Reporting Period to ensure the integrity of the Company's external financial reporting and financial statements, as well as ensuring whistleblower issues are actively followed up.

The ARCC's audit processes are designed to establish a proactive framework and dialogue in which the Committee, management and external auditors review and assess the quality of earnings, liquidity and the strength of the income statements and balance sheets, and transparency and accuracy of reporting. In fulfilling its responsibilities, the Committee reviews the processes the CEO and CFO have in place to support their declarations to the Board.

Recommendation 4.2 – Board to receive a declaration from the CEO and CFO in advance of approving the Financial Statements

Declarations

In accordance with section 295A of the Corporations Act, for the Reporting Period, the executives primarily and directly responsible to the Directors for the general and overall management of the Company have declared to the Board that:

- the financial records of the Company have been properly maintained in accordance with section 286 of the Corporations Act;
- the financial statements and the notes to the financial statements comply with the Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- the financial statements and the notes to the financial statements give a true and fair view of the financial position and performance of the Company and consolidated entity.

In addition, the CEO and CFO have stated to the Board in writing that:

- the Company's financial report is founded on sound systems of risk management and internal compliance and control which implement the policies adopted by the Board; and
- the Company's risk management and internal compliance and control system is operating effectively in all material respects.

The Company has the following guiding principles to ensure the independence of the external auditor:

1. the Audit Committee will review and assess the independence of the external auditor, including but not limited to any relationships with the Company or any other entity that may impair the external auditor's judgement or independence in respect of the Company;
2. the Audit Committee will request an annual confirmation of independence from the external auditor, and will track during each year the amount of non-audit work being undertaken by the external auditor;
3. the amount of non-audit work performed by the external auditor will be minimised, with approval from the ARCC (or the Committee Chair in certain specific circumstances) being required before any work is undertaken by the external auditor; and
4. the ARCC will require the rotation of the audit signing partner and the independent review partner every five years. The Company's external auditor, Ernst and Young ("EY") has provided the ARCC with a confirmation of its independence for the Reporting Period. The Board has determined that it is satisfied as to the independence of the external auditor in relation to the Reporting Period and the audit of the Financial Report for the Reporting Period.

Recommendation 4.3 – Disclose the process to verify unaudited periodic reporting

All periodic corporate reports for **humm**group that are not otherwise subject to audit or review by an external auditor are reviewed in accordance with an internal verification procedure to ensure the integrity and accuracy of the information included in those reports. This verification procedure involves a systematic checking and signing-off procedure. Where possible, each statement or number is linked back to an independent external or internal source document.

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1 – Have and disclose a continuous Disclosure Policy

The Board recognises the importance of keeping the market fully informed of the Company's activities and of communicating openly and clearly with all stakeholders.

The Company has a Disclosure and Communication Policy to ensure compliance with the continuous disclosure requirements in the ASX Listing Rules and the Corporations Act. Specifically, the Disclosure and Communication Policy outlines the corporate governance measures adopted by the Company to further its commitments and provides detailed information regarding **humm**group's:

- continuous disclosure obligations;
- disclosure roles, responsibilities and internal procedures;
- disclosure matters generally;
- market communications; and
- shareholder communications.

The Company has established a Disclosure Committee which manages the Company's compliance with its disclosure obligations and the Disclosure and Communication Policy. The Disclosure Committee is made up of the Company Secretary, CEO and CFO. The Company's Disclosure and Communication Policy is available on the Company's website at https://investors.humm-group.com/Investor-Centre/?page=corporate-governance.

Information considered to require disclosure is announced immediately through the ASX. Key presentations given by Company personnel to investors and institutions are also lodged first with the ASX. Following the lodgement of an announcement with ASX, key communications are placed on the Company's website. General and historical information about the Company and its operations is also available on the Company's website.

Recommendation 5.2 – Promptly provide the Board with all material market announcements

The Directors of the Board are subscribed to a service which alerts them to the publication of all of the Company's market announcements, including material announcements. In addition, the Board approves or receives notice of all non-pro forma market announcements from Management.

Recommendation 5.3 – Release a copy of investor or analyst presentations to the market

hummgroup believes in keeping its security holders appropriately and equally informed and has a process in place to first submit to the ASX Market Announcements Platform any new and substantive investor or analyst presentations before they are given to the investors or analysts.

In addition, a webcast from management is arranged for the full year and half year results announcements, at which the CEO will give a presentation, which has first been submitted to the ASX Market Announcements Platform and provide investors and analysts with the opportunity to submit questions on that presentation.

PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS

Recommendation 6.1 – Provide Company and governance information on the website

It is the Board's aim that the Company maintains effective communications with its shareholders and keeps them fully informed of significant developments and activities of the Company, as well as provides them with the facilities to allow them to effectively exercise their rights as security holders.

This commitment is achieved by:

- complying with the ASX Listing Rules and the Corporations Act continuous disclosure and reporting requirements;
- distribution of the Annual Report to shareholders who notify the Company that they do wish to receive it, as well as publishing Annual Reports and financial statements on the Company's website at https://investors.humm-group.com/Investor-Centre/?page=annual-reports;
- holding an accessible and informative AGM. The Board requires the external auditor to attend the AGM and be available to answer shareholder questions relating to the audit of the Company's financial statements, the preparation and content of the auditor's report, the accounting policies adopted by the Company, and auditor independence;
- regularly updating the Company's website (https://investors.humm-group.com/investor-centre) to include annual and interim reports, market announcements and presentations as well as financial and shareholder information to ensure transparency and a high level of communication of the Company's operations and financial situation, to the extent that this information is not commercially sensitive or confidential; and
- responding to questions and comments at the AGM submitted by shareholders to the Company at, and in advance of, the AGM.

hummgroup encourages direct contact from shareholders. Contact details of the Company's Investor Relations team are provided in all ASX announcements. Contact details, including phone number, website and email of the Company's share registry, Link Market Services, are provided on the Company's website at https://investors.humm-group.com/Investor-Centre/?page=my-shareholding.

Recommendation 6.2 – Have an investor relations program to facilitate two-way communication with investors

hummgroup is committed to providing its shareholders with the appropriate information and facilities to allow them to exercise their rights as shareholders effectively. **humm**group's Disclosure and Communication Policy, available on its investor website, provides the framework for how the Company meets its commitment to deliver timely disclosures and clear communications, underpinned by strong governance to promote investor confidence.

In addition, the Company has in place resources to support its investor relations program, which consists of a number of regular communications channels for all current and prospective shareholders, in addition to ad hoc engagements with institutional investors and investment analysts. Channels are in place to ensure retail investors are also able to engage with the Company through the investor relations team.

Recommendation 6.3 – Disclose how security holder participation at meetings is encouraged

Allowing the opportunity for security holders to engage with the Company and Board at general meetings is a key element of the agenda for each meeting, with the Company providing security holders with the opportunity to submit questions in advance of, or at, the meeting, to be addressed at the meeting.

Recommendation 6.4 – Substantive security holder resolutions to be determined by poll

hummgroup conducts, and will continue to conduct, its security holder resolutions by poll.

Recommendation 6.5 – Provide option to security holders to receive electronic communications

hummgroup supports and encourages its security holders to receive communications from **humm**group and its registry by electronic means. Security holders are also encouraged to use electronic means to contact the Company and our investor relations team.

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

Risk management

The Board recognises that risk management and internal controls are fundamental to sound management and that oversight of such matters is a key responsibility of the Board. The Company has a risk management policy framework and governance structure designed to ensure that the risks of conducting business are properly managed. Management is responsible to the Board for identifying, managing, reporting upon and implementing measures to address risk.

Recommendation 7.1 – Have a Risk Committee and disclose its Charter

The Board oversees and reviews the effectiveness of risk management at all levels across the Company and, during the Reporting Period, was assisted and advised in this role by the ARCC.

Audit, Risk and Compliance Committee

The Audit, Risk & Compliance Committee ("ARCC" or "Committee") is comprised of three independent Non-Executive Directors including the Committee Chair, who was not the Chair of the Board.

The qualifications and experience of the Directors on the ARCC are set out in the Annual Report along with the number of times the ARCC met throughout the Reporting Period and the attendance rates of its members. The ARCC Charter, which sets out the role and responsibilities of the Committee, is disclosed on the Company's website at https://investors.humm-group.com/Investor-Centre/?page=corporate-governance.

While ultimate responsibility for risk oversight and risk management rests with the Board, the ARCC provides advice and assistance to the Board to fulfil its corporate governance and oversight responsibilities in relation to how risk is identified, assessed and managed across the Group, including in accordance with the Board approved Risk Appetite Statement, together with its responsibilities pursuant to the audit function set out in Recommendation 4.1. In addition, the Committee was responsible for assessing significant risks and compliance with internal and external requirements during the Reporting Period.

The Company has identified key financial and non-financial risks within the business, as outlined in the Risk Appetite Statement. In the ordinary course of business, management monitors and manages these risks, providing regular reporting on key metrics, including the Company's risk appetite. Performance in each risk class is presented to and reviewed by the Committee, with clear escalation procedures in place where the Company's risk profile sits outside appetite.

Recommendation 7.2 – Annually review the risk management framework

The Board delegates the review of the Company's risk management framework to the ARCC. The Committee structures its meetings to ensure all elements of the Group risk management framework and risk management operations are considered and addressed over the course of the year. This includes identifying where material risks sit across the organisation, where investment has been made in improving risk management capability and processes, and where further enhancements can be made.

Recommendation 7.3 – Make disclosures regarding the internal audit function

hummgroup engages Grant Thornton, an independent external provider, to provide the formal internal audit function. The internal auditor reports to the ARCC, which is also responsible for assessing the internal auditor's performance.

An annual plan of review and advisory activity to be conducted by the internal auditor is developed with management and approved by the ARCC, with regular reporting provided to the Committee. In camera sessions with the ARCC and internal auditor, excluding management, are conducted at least annually.

Recommendation 7.4 – Disclose if the Company has any material environmental or social risks, and their mitigants

hummgroup does not have any material environmental or social risks and is dedicated to effectively managing all risks faced by the Company, including its exposure to economic, environmental, climate change, or social sustainability risks and is in the process of developing an ESG Policy.

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

During the Reporting Period, the Board had a People and Remuneration Committee, whose Charter is available on the Company's website at https://investors.humm-group.com/Investor-Centre/?page=corporate-governance

Recommendation 8.1 – Have a Remuneration Committee and disclose its Charter

During the Reporting Period, the Company's People and Remuneration Committee was comprised of three independent Non-Executive Directors including the Committee Chair, who was not the Chair of the Board.

Details of the number of meetings of the People and Remuneration Committee held during the Reporting Period and of each member's attendance at those meetings are set out in the Annual Report.

The People and Remuneration Committee has responsibility for the performance appraisal process and remuneration policies for the Company's management, with a process in place for Director remuneration to be reviewed from time-to-time.

The CEO's performance evaluation of key executives is periodically reviewed by the People and Remuneration Committee. The CEO's performance evaluation is undertaken by the Board.

The People and Remuneration Committee assisted and advised the Board on remuneration policies and practices for the Board, the CEO, senior management and other persons whose activities, individually or collectively, affect the financial soundness of the Company.

The People and Remuneration Committee's responsibilities include developing, reviewing and making recommendations to the Board on:

- the ongoing appropriateness and relevance of the remuneration framework for the Chair and the Non-Executive Directors (including the process by which any shareholder approved pool of Directors' fees is allocated to Directors);
- the Company's policy on remuneration for the CEO and senior management, any changes to the policy and the implementation of the policy (including any shareholder approvals required);
- the total remuneration packages for the CEO and senior management (including base pay, incentive payments, equity-based awards, superannuation and other retirement rights, employment contracts), any changes to remuneration packages and recommending proposed award after performance evaluation procedures;
- the Company's recruitment, retention and termination policies for the CEO and senior management and any changes to those policies;
- incentive schemes, if appropriate, for the CEO and senior management to encourage them to pursue the growth and success of the entity without rewarding conduct that is contrary to the entity's values or risk appetite;
- equity based plans, if appropriate, for the CEO, senior management and other employees;
- superannuation arrangements for Directors and management;
- monitoring and providing input to the Board regarding:
  - legislative, regulatory or market developments likely to have a significant impact on the Company and legislative compliance in employment issues;
  - the remuneration trends across the Company; and
- major changes to employee benefits structures in the Company.

Recommendation 8.2 – Disclose policies and practices for Non-Executive Directors, Executive Directors, and for Executive Management

Remuneration Report

In accordance with section 300A of the Corporations Act, disclosures in relation to Director and executive remuneration are included in a separate component of the Directors' Report in the Annual Report, entitled Remuneration Report. The Remuneration Report contains details of the Company's remuneration philosophy and structure, including fixed and variable remuneration.

Board remuneration

Remuneration of the Non-Executive Directors is fixed and designed to ensure that Board membership of an appropriate mix and calibre is maintained and aligned with remuneration trends in the marketplace. Remuneration levels and trends are reviewed with the assistance of independent external remuneration consultants when appropriate.

CEO and Executive remuneration

The underlying principles of risk and reward for performance are set out in the Remuneration Report. These principles recognise the different levels of contribution of management to the short-term and long-term success of the Company. A key element is the principle of reward for performance that is dependent upon both personal and Company performance. Every employee undergoes a formal performance appraisal each financial year, which is used, in part, to determine that employee's remuneration in the financial year ahead.

The CEO's performance is continuously monitored and annually assessed. The assessment is used to determine, in part, the level of "at risk" remuneration paid to the CEO.

Recommendation 8.3 – Have and disclose a policy on limiting economic risk of participating in equity based remuneration programs

As set out above, the Company offers equity-based plans, if appropriate, for the CEO, senior management and other employees. The Company's Securities Trading Policy prohibits participants in equity-based plans from entering into transactions which limit the economic risk of participating in the equity-based plan whilst the relevant interests granted pursuant to an equity-based plan remain unvested. The Company's Securities Trading Policy is disclosed on the Company's website at https://investors.humm-group.com/Investor-Centre/?page=corporate-governance.

DIRECTORS' REPORT

We, the Directors, are pleased to present this report for the year ended 30 June 2024.

ABOUT HUMMGROUP

humm Group Limited ACN 122 574 583 (ASX: HUM) ("Company", and with its other group and consolidated entities "**humm**group" or "Group") is a diversified financial services company that provides instalment plans which enable businesses and consumers to make large purchases. **humm**group operates in Australia, New Zealand, Ireland, Canada and the United Kingdom.

Our principal activities include the provision of:

- Commercial Lending in Australia and New Zealand;
- Point of Sale Payment Plans;
- Australia Cards (**humm**90); and
- New Zealand Cards (including Farmers Finance Card, Farmers Mastercard®, Q Card, Q Mastercard® and Flight Centre Mastercard®).

hummgroup employs more than 570 people across five countries.

DIRECTORS

Set out below are the details of the Directors of the Company during the year and as at the date of this report, unless specified otherwise.

>> **Andrew Abercrombie**
LLB, BEc, MBA
Chair, Non-Independent, Non-Executive

>> **Teresa Fleming**
BA, AITI
Independent, Non-Executive

>> **Stuart Grimshaw**
BComm, MBA
Managing Director, Chief Executive Officer

>> **Anthony Thomson**
Independent, Non-Executive

>> **Robert Hines**
B.Fin.Admin, Grad.Dip.Adv.Acc, Grad Dip App Fin, FAICD, SF Fin, FCPA, FCA
Independent, Non-Executive

COMPANY SECRETARIES

>> **Christina Seppelt**
BEcon, LLB, MLM

>> **Lisa-Anne Carey**
LLB, Grad.Dip.App.Corp.Gov

MEETINGS OF DIRECTORS

	Board		Audit, Risk & Compliance Committee		Nomination Committee		People & Remuneration Committee	
	A	B	A	B	A	B	A	B
Andrew Abercrombie	10	10	+	+	0	0	+	+
Stuart Grimshaw	10	10	+	+	+	+	+	+
Teresa Fleming	10	10	9	9	0	0	4	4
Robert Hines	10	10	9	9	+	+	4	4
Anthony Thomson	10	10	9	9	0	0	4	4

A = Number of meetings held during the time the Director held office or was a member of the committee during the Reporting Period.
B = Number of meetings attended.
\+ = Not a member of the committee.

REVIEW OF OPERATIONS

We have provided on pages 12-27 above, a Review of Operations, an update on the key performance measures and financial position of the Group for the year ended 30 June 2024, including an update on the **humm**group strategy, and summary of the key risks and challenges facing the Group.

REMUNERATION REPORT

We have presented in the Remuneration Report (pages 28-45 above) information on **humm**group's remuneration policies and practises as they relate to our key management personnel ("KMP"), including in respect of the relationship between remuneration and the Company's performance.

DECLARATION OF INTERESTS

Other than as disclosed in the financial statements, no Director of the Company has received or become entitled to receive a benefit other than remuneration by reason of a contract made by the Company or a related corporation with a Director or with a firm of which he or she is a member, or with a company in which he or she has a substantial financial interest.

DIVIDENDS AND OPTIONS

During the year the Company declared a dividend of 0.75 cent per share in respect of the half year ended 31 December 2023. On 21 August 2024 a final dividend of 1.25 cents per share was declared for the full year ended 30 June 2024.

ENVIRONMENTAL REGULATION

hummgroup's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied to the court under section 237 of the Corporations Act for leave of the court to bring proceedings on behalf of the Company, or intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

No proceedings have been brought or intervened in on behalf of the Company with leave of the court under section 237 of the Corporations Act.

AUDITOR

Ernst & Young continues to act as the Company's auditor in accordance with section 327 of the Corporations Act.

INDEMNITY OF AUDITORS

hummgroup has agreed to indemnify our auditors, Ernst & Young, to the extent permitted by law against any claim by a third party arising from the Company's breach of their agreement. The indemnity stipulates that **humm**group will meet the full amount of any such liabilities including a reasonable amount of legal costs.

NON-AUDIT SERVICES

hummgroup may sometimes decide to employ the auditor on assignments additional to its statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

Details of the amounts paid to the auditor for audit and non-audit related services provided during the year are set out in note 27 of the financial statements.

INSURANCE

During the year ended 30 June 2024 **humm**group paid insurance premiums in respect of a contract for Directors' and Officers' Liability insurance. The policy prohibits **humm**group from disclosing the total amount of the premium and the nature of the liabilities covered by the insurance.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 relating to the 'rounding off' of amounts in the Directors' Report and the Financial Statements. Some amounts in the Directors' Report and the Financial Statements have been rounded off in accordance with that instrument to the nearest hundred thousand dollars.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Other than the matters discussed in note 31, there are no other matters or circumstances that have arisen since 30 June 2024 which have significantly affected, or may significantly affect:

a. The Company's operations in future financial years;

b. The results of those operations in future financial years; or

c. The Company's state of affairs in future financial years.

This Report is made in accordance with a resolution of the Directors.

Andrew Abercrombie
Chairman
Sydney

21 August 2024

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration, as required by section 307C of the Corporations Act, is set out below on page 69.

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's independence declaration to the directors of humm Group Limited

As lead auditor for the audit of the financial report of humm Group Limited for the financial year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of humm Group Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

R.Balfour

Richard Balfour
Partner
Sydney

21 August 2024

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

ANNUAL FINANCIAL STATEMENTS 2024

hummgroup and its Controlled Entities
Annual Financial Statements – 30 June 2024

ABN 75 122 574 583

These financial statements are the consolidated financial statements for the Group consisting of humm Group Limited ("the Company") and its subsidiaries and controlled entities (collectively "**humm**group" or the "Group"). A list of subsidiaries and controlled entities is included in note 24. The financial statements are presented in Australian dollars.

humm Group Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 1, 121 Harrington Street, The Rocks, Sydney NSW 2000

A description of the nature of the consolidated entity's operates and its principal activities is included in the Review of Operations on page 12, which is not part of these financial statements.

The financial statements were authorised for issue by the Directors on 21 August 2024. The Directors have the power to amend and reissue the financial statements.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete, and available globally at a minimum cost to the Company. All press releases, financial statements and other information are available at our Investor Centre on our website: https://investors.humm-group.com/Investor-Centre/

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2024

A$m	Notes	2024	2023
Interest income	4	531.0	413.7
Fee and other income	5	88.3	96.7
Gross income		**619.3**	**510.4**
Cost of origination		(28.6)	(33.5)
Interest expense		(279.6)	(168.1)
Net operating income		**311.1**	**308.8**
Credit impairment charge	9	(96.0)	(94.3)
Marketing expenses		(11.1)	(13.7)
Employment expenses		(91.9)	(87.2)
Operating and other expenses	6(a)	(78.2)	(87.6)
Depreciation and amortisation expenses	6(b)	(21.0)	(21.0)
Impairment of intangibles and right-of-use assets	6(c)	(4.7)	(4.2)
Profit before income tax		**8.2**	**0.8**
Income tax (expense)/benefit	7(a)	(1.1)	2.1
Profit for the year attributable to shareholders of humm Group Limited		**7.1**	**2.9**
Other comprehensive income			
Items that may be reclassified to profit and loss:			
Exchange differences on translation of foreign operations		(1.4)	6.7
Changes in the fair value of cash flow hedges, net of tax		(26.6)	1.9
Items that will not be reclassified to profit and loss:			
Changes in fair value of equity investments at fair value through other comprehensive income		(0.1)	(0.2)
Other comprehensive income for the year, net of tax		**(28.1)**	**8.4**
Total comprehensive (loss)/income for the year attributable to shareholders of humm Group Limited (Net of tax)		**(21.0)**	**11.3**
Earnings/(loss) per share		**Cents**	**Cents**
Basic earnings per share	16	0.4	(0.4)
Diluted earnings per share	16	0.4	(0.4)

The above Consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

A$m	Notes	30 June 2024	30 June 2023
Assets			
Unrestricted cash	17	125.1	112.3
Restricted cash	17	156.1	223.8
Loans and advances	8	4,894.5	4,153.6
Other assets		22.8	23.6
Current tax receivable		–	0.8
Plant and equipment		2.3	3.2
Right-of-use assets		6.8	10.3
Goodwill and other intangible assets	10	131.6	133.6
Derivative financial instruments	19	30.9	68.5
Deferred tax assets	7(d)	46.1	39.1
Total assets		**5,416.2**	**4,768.8**
Liabilities			
Trade and other payables		60.0	59.1
Current tax liabilities		2.6	3.4
Contract liabilities		12.0	11.8
Lease liabilities		10.5	13.6
Borrowings	11	4,707.8	4,016.2
Provisions	12	44.4	38.6
Total liabilities		**4,837.3**	**4,142.7**
Net assets		**578.9**	**626.1**
Equity			
Contributed equity	13(a)	499.1	511.8
Reserves	14	30.0	55.4
Retained earnings		49.8	58.9
Total equity		**578.9**	**626.1**

The above Consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

2024					
A$m	Notes	Contributed equity	Reserves	Retained earnings	Total
Balance at the beginning of the year		511.8	55.4	58.9	**626.1**
Profit for the year		–	–	7.1	7.1
Other comprehensive income		–	(28.1)	–	(28.1)
Total comprehensive income for the year		–	(28.1)	7.1	**(21.0)**
Transfer to share capital from share-based payment reserve for treasury shares	13	0.2	(0.2)	–	–
Purchase of treasury shares		(6.1)	–	–	(6.1)
Share based payment expense (net of tax)	14	–	2.9	–	2.9
Dividend reinvestment plan	15	3.2	–	(3.2)	–
Dividends provided for or paid	15	–	–	(13.0)	(13.0)
Shares buy back	13	(10.0)	–	–	(10.0)
Balance at the end of the year		499.1	30.0	49.8	**578.9**

2023					
A$m	Notes	Contributed equity	Reserves	Retained earnings	Total
Balance at the beginning of the year		507.6	45.6	74.5	**627.7**
Profit for the year		–	–	2.9	2.9
Other comprehensive income		–	8.4	–	8.4
Total comprehensive income for the year		–	8.4	2.9	**11.3**
Transfer to share capital from share-based payment reserve	13	0.1	(0.1)	–	–
Share based payment expense (net of tax)	14	–	1.5	–	1.5
Dividend reinvestment plan	15	4.1	–	(4.1)	–
Dividends provided for or paid	15	–	–	(14.4)	(14.4)
Balance at the end of the year		511.8	55.4	58.9	**626.1**

The above Consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

A$m	Notes	2024	2023
Cash flows from operating activities			
Interest income received from customers		528.9	421.6
Fee and other income received from customers less cost of origination		62.2	62.9
Payment to suppliers and employees		(181.8)	(192.2)
Borrowing costs		(271.7)	(163.2)
Income tax refund		3.6	6.7
Cash inflow from operating activities before movement in Loans and advances		141.2	**135.8**
Net credit loss		(81.4)	(85.1)
Net cash movement in Loans and advances		(742.3)	(933.4)
Cash outflow from movement in Loans and advances		**(823.7)**	**(1,018.5)**
Net cash outflow from operating activities	17	**(682.5)**	**(882.7)**
Cash flows from investing activities			
Acquisition of a subsidiary, net of cash acquired		1.5	-
Payment for purchase of plant and equipment and software		(15.0)	(18.0)
Net cash outflow from investing activities		**(13.5)**	**(18.0)**
Cash flows from financing activities			
Dividends paid		(13.0)	(14.4)
Purchase of treasury shares		(6.1)	-
Share buy back		(10.0)	-
Cash payments relating to lease liabilities		(3.9)	(3.8)
(Repayment)/Drawdown of corporate borrowings		(15.0)	75.0
Net movement in secured borrowings		688.9	896.1
Net cash inflow from financing activities		**640.9**	**952.9**
Net increase in cash and cash equivalents		(55.1)	52.2
Cash and cash equivalents at the beginning of the year		336.1	281.0
Effects of exchange rate changes on cash and cash equivalents		0.2	2.9
Cash and cash equivalents at the end of the year	17	**281.2**	**336.1**

The above Consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report of **humm**group and its subsidiaries for the year ended 30 June 2024 was authorised for issue by the Board of Directors on 21 August 2024. The Directors have the power to amend and reissue the financial report. The principal accounting policies adopted in the preparation of this financial report are set out below or in the accompanying notes to the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

BASIS OF PREPARATION

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. humm Group Limited is a for-profit entity for the purpose of preparing the financial statements.

The Consolidated financial statements of **humm**group also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value. The Consolidated statement of financial position has been prepared in order of liquidity, including the comparatives.

Comparative information has been reclassified for any changes to presentation made in the current year.

Amounts in the financial statements have been rounded to the nearest hundred thousand dollars, except where indicated, as allowed by ASIC Corporations Instrument 2016/191.

NEW AUSTRALIAN ACCOUNTING STANDARDS AND INTERPRETATIONS

There were no new or amended accounting standards or interpretations adopted during the year that had a material impact on the Group.

BUSINESS COMBINATIONS

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

PARENT ENTITY FINANCIAL INFORMATION

The financial information for the parent entity, **humm**group, disclosed in note 29 has been prepared on the same basis as the consolidated financial statements.

Investments in subsidiaries are accounted for at cost less allowance for impairment in the financial statements of **humm**group. No receivables nor loans are originated by the parent.

INVESTMENTS IN SUBSIDIARIES

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interest are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

FOREIGN CURRENCY TRANSLATION

a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars, which is **humm**group's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using average exchange rates for the respective month (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the date of the transaction). Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Consolidated statement of comprehensive income.

Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Non-monetary items that are measured based on historical cost in a foreign currency are translated using the spot exchange rate at the date of the transaction.

Foreign exchange gains and losses are presented in the Consolidated statement of comprehensive income on a net basis within other income or other expenses.

c) Group companies

The results and Consolidated statement of financial position of all Group entities (none of which has the currency of a hyper inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

Assets and liabilities in the Consolidated statement of financial position presented are translated at the closing rate at the date of the Consolidated statement of financial position,

Income and expenses in the Consolidated statement of comprehensive income are translated at average exchange rates for the respective month (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and

All resulting exchange differences are recognised in Other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange difference is recognised in the Consolidated statement of comprehensive income, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign entities and as a result are expressed in the functional currency of the foreign operation and translated at the closing rate.

When a foreign operation is disposed, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

INDIRECT TAXES

Indirect taxes comprise of the below:

- Goods and Services Tax ("GST") in Australia, New Zealand and Canada; and
- Value Added Tax in Ireland and UK.

Revenues, expenses and assets are recognised net of the amount of indirect taxes, unless the amount incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated exclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Consolidated statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

COST OF ORIGINATION

Cost of origination includes placement costs, sales commissions and rebates, and transaction processing costs associated with the Group's revolving products in the Consumer business. Placement costs relate to payments made to merchants to access their customers through e-commerce platforms or in store. Transaction processing costs comprise credit reference costs, bank fees and other transaction processing fees.

CURRENT AND NON-CURRENT

A portion of an asset that can be converted to cash and liabilities payable within one year are classified as current. A portion of an asset that can be converted to cash and liabilities payable after one year are classified as non-current.

STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards are effective for annual periods beginning after 1 July 2024 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The following new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements.

- *Lease Liability in a Sale and Leaseback (Amendments to IFRS 16), effective 1 January 2024.*
- *Classification of Liabilities as Current or Non-current (Amendments to AASB 101), effective 1 January 2024.*
- *Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7), effective 1 January 2024.*

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Management believe that the estimates used in preparing these Consolidated financial statements are reasonable. Actual results in the future may differ from those reported and it is therefore reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year are different from management's assumptions and estimates could require an adjustment to the carrying amounts of the reported assets and liabilities in future reporting periods.

The estimates and judgements applied in the preparation of consolidated financial statements, where relevant, are disclosed in the notes to the consolidated financial statements.

Where specific areas of judgement and uncertainty exist, we have included increased disclosure in the accompanying notes to the financial statements.

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements are included in the following notes:

EXPECTED CREDIT LOSSES

The Group estimates expected losses on its loans and advances in accordance with the policy set out in note 9.

This judgement has been applied in the form of the re-assessment of macro-economic model overlays including scenario weightings and hardship and watchlist overlays. Refer note 9 for ECL judgemental inputs and overlays.

ASSESSMENT OF IMPAIRMENT OF GOODWILL, ACQUIRED INTANGIBLES, INVESTMENTS IN SUBSIDIARIES AND CAPITALISED SOFTWARE

The Group performs an annual assessment as to whether there has been any impairment of its goodwill and indefinite life intangible assets. In addition, the Group uses judgement to perform an impairment assessment of other assets in the event it identifies indicators of impairment. Details of the basis of performance of the assessment of goodwill and the assumptions made are set out in note 10.

ACQUIRED INTANGIBLE ASSETS

The assets and liabilities of businesses acquired through a business combination are to be measured at their acquisition date fair values. The Group applies judgements in selecting valuation techniques and setting valuation assumptions to determine the acquisition date fair values and to estimate the useful lives of these assets as set out in note 10.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Consolidated statement of comprehensive income in the expense category that is consistent with the function of the intangible assets.

SHARE-BASED PAYMENT EXPENSE

In determining the share-based payments expense for the year, the Group makes various assumptions in determining the fair value of the instruments, the probability of non-market vesting conditions being met, and the likelihood of employees meeting tenure conditions. Refer note 18.

TAXATION

Judgement is required in determining recoverability of deferred tax assets held in respect of uncertain tax positions. The Group estimates its tax liabilities based on its understanding of the relevant tax law in each of the countries in which it operates and seeks independent advice to support the assessment where required. Refer note 7.

PROVISION FOR CUSTOMER REMEDIATION

Judgement is required in determining provisions held in respect of customer and other regulatory remediation obligations, including the determination of cash outflows for penalties associated with regulatory breaches. The Group estimates these provisions based on its understanding of likely outcome, considering expert opinions and on-going discussions with regulatory bodies. Refer note 12.

LITIGATION PROVISION

Litigation provision involves judgement regarding the timing and outcome of future events, including estimates of expenditure required to satisfy such obligations. Where relevant, expert legal advice has been obtained. In light of such advice, provision and disclosures have been made as appropriate. Refer note 12.

ONEROUS CONTRACT PROVISION

Judgement is required in determining provisions held in respect of onerous contracts. The Group estimates these provisions based on the terms and conditions of the contracts relating to legacy products as well as the expected economic benefits to be received under them. Refer note 12.

3. SEGMENT INFORMATION

a) Description of segments

Management has determined the operating segments based on the reports reviewed by the Board of Directors ("Board") that are used to make strategic decisions. In addition to statutory profit (after tax) , the Board assesses the business on a Normalised cash profit (after tax) basis. Normalised cash profit (after tax) is calculated as statutory profit (after tax) adjusted for material infrequent items, operating losses of suspended products, depreciation, amortisation of acquired intangible assets, and AASB 9 provision movement with actual credit losses remaining in the result. The Board considers that this measure better reflects the underlying performance of the business.

The Directors consider the business from a product perspective and have identified four reportable segments:

- Commercial and Leasing (consisting of Australia and New Zealand Commercial Lending);
- Australia Cards (**humm**90, legacy Lombard and Once);
- New Zealand Cards (including Farmers, Q Card and Flight Centre Mastercard); and
- PosPP (a consolidation of **humm** Australia, **humm** Canada, Ireland FlexiFi, legacy FlexiRent Ireland, **humm** UK, legacy **humm** NZ, legacy **bundll** and legacy **humm**pro).

The Group operates in Australia, New Zealand, Ireland, UK and Canada. The operating segments are identified according to the nature of the products and services provided, with New Zealand Cards disclosed separately (based on its product offering) and Ireland included within PosPP.

b) Operating segments

The segment information provided to the Board for the reportable segments for the full year ended 30 June 2024 is below:

Year ended 30 June 2024

A$m	Commercial	AU Cards	NZ Cards	PosPP	Total
Interest income	259.9	62.2	107.3	101.6	531.0
Fee and other income	20.7	21.4	18.6	27.6	88.3
Gross income	**280.6**	**83.6**	**125.9**	**129.2**	**619.3**
Cost of origination	(0.6)	(6.8)	(11.7)	(9.5)	(28.6)
Interest expense	(166.1)	(23.6)	(39.2)	(50.7)	(279.6)
Net operating income	**113.9**	**53.2**	**75.0**	**69.0**	**311.1**
Credit impairment charge	(28.4)	(18.0)	(20.8)	(28.8)	(96.0)
Marketing expenses	(0.6)	(1.3)	(6.0)	(3.2)	(11.1)
Employment expenses	(22.7)	(13.6)	(12.9)	(42.7)	(91.9)
Operating and other expenses	(14.8)	(15.2)	(14.6)	(33.6)	(78.2)
Depreciation and amortisation expenses	(3.3)	(3.5)	(10.1)	(4.1)	(21.0)
Impairment of right-of-use assets and other intangibles	-	-	(0.7)	(4.0)	(4.7)
Statutory profit/(loss) before income tax	**44.1**	**1.6**	**9.9**	**(47.4)**	**8.2**
Income tax (expense)/benefit	(12.5)	(0.9)	(2.4)	14.7	(1.1)
Statutory profit /(loss) for the year	**31.6**	**0.7**	**7.5**	**(32.7)**	**7.1**
Total loans and advances at 30 June 2024	2,987.7	420.0	612.2	997.4	5,017.3
AASB9 provision					(122.8)
Net loans and advances per the Statement of financial position					**4,894.5**

Year ended 30 June 2023

A$m	Commercial	AU Cards	NZ Cards	PosPP	Total
Interest income	170.7	59.0	98.2	85.8	413.7
Fee and other income	23.0	21.2	18.4	34.1	96.7
Gross income	**193.7**	**80.2**	**116.6**	**119.9**	**510.4**
Cost of origination	–	(11.6)	(10.1)	(11.8)	(33.5)
Interest expense	(92.1)	(18.6)	(28.3)	(29.1)	(168.1)
Net operating income	**101.6**	**50.0**	**78.2**	**79.0**	**308.8**
Credit impairment charge	(15.3)	(16.9)	(20.0)	(42.1)	(94.3)
Marketing expenses	(0.4)	(2.3)	(5.5)	(5.5)	(13.7)
Employment expenses	(21.2)	(11.3)	(14.1)	(40.6)	(87.2)
Operating and other expenses	(14.9)	(16.0)	(14.7)	(42.0)	(87.6)
Depreciation and amortisation expenses	(2.6)	(2.8)	(12.2)	(3.4)	(21.0)
Impairment of right-of-use assets and other intangibles	–	–	(2.3)	(1.9)	(4.2)
Statutory profit/(loss) before income tax	**47.2**	**0.7**	**9.4**	**(56.5)**	**0.8**
Income tax (expense)/benefit	(13.0)	0.1	(1.9)	16.9	2.1
Statutory profit/(loss) for the year	**34.2**	**0.8**	**7.5**	**(39.6)**	**2.9**
Total loans and advances at 30 June 2023	2,380.3	434.2	595.1	852.1	4,261.7
AASB9 provision					(108.1)
Net loans and advances per the Statement of financial position					**4,153.6**

4. INTEREST INCOME

ACCOUNTING POLICY

Customer loan interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses.

The calculation of the effective interest rate includes all fees such as merchant services fees and establishment fees, transaction costs and all other premium or discounts that are an integral part of the effective interest rate.

Merchant services fees and establishment fees are amortised over the expected life of the contractual arrangements.

Interest income from finance lease receivables is recognised by applying discount rates implicit in the lease to the receivable balance at the beginning of each period. Initial direct costs incurred in the origination of the lease are included as part of finance lease receivables in the Consolidated statement of financial position and form part of the effective interest rate calculation.

Chattel loans are originated with maturities ranging between one and five years and generally require the customer to make equal monthly payments over the life of the contract. Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

A$m	2024	2023
Interest income	531.0	413.7
Total interest income	**531.0**	**413.7**

5. FEE AND OTHER INCOME

ACCOUNTING POLICY

AASB 15 Revenue from Contracts with Customers applies to contracts with customers except for revenue arising from items such as financial instruments, insurance contracts and leases. The majority of the Group's revenue arises from financial instruments and leases. The type of revenue earned by the Group from its contracts with customers primarily consists of the below categories. Revenue is measured based on the consideration specified in the contract with a customer and is recognised when it transfers control of the services to a customer.

Account service fee

Account servicing fees involve fees earned for managing and administering facilities for customers. Revenue is recognised over the service period on an accrual basis as the performance obligations are satisfied. Contract liabilities in the Consolidated statement of financial position relate to unearned account service fee income.

Transaction processing fee

Transaction processing fees involve fees charged when transactions are carried out for the customers, when payments are dishonoured and when payments are late. Revenue is recognised when the fee is charged to customers; this is typically a single performance obligation.

Leasing related income

Secondary lease income including rental income on extended rental assets (or inertia income) is recognised on an accrual basis. Gains from the sale of rental assets are recognised upon disposal of the assets.

Fee and other income is summarised in the table below:

A$m	2024	2023
Account service fees	46.1	51.2
Transaction processing fees	21.2	24.8
Leasing related income	19.3	18.8
Other income	1.7	1.9
Total fee and other income	**88.3**	**96.7**

6. EXPENSES

ACCOUNTING POLICY

Expenses are recognised in the Consolidated statement of comprehensive income on an accrual basis unless otherwise stated.

a) Operating and other expenses

A$m	2024	2023
Information technology and communication*	31.5	33.9
Professional, consulting and servicing*	15.9	14.8
Office, insurance and travel*	15.7	16.1
Onerous contracts	4.0	4.5
Legal provision[1]	1.6	1.0
Customer remediation programme	0.8	2.6
Other*	8.7	14.7
Total operating expenses	**78.2**	**87.6**

*Comparative information has been reclassified to align the presentation with the current period

1. Litigation in respect of the statement of claim lodged by SMBC in July 2022 in relation to Forum Finance is continuing to progress. An amended statement of claim was filed by SMBC in July 2023 relating to a 2020 agreement between SMBC and Forum Finance, to which **humm**group (and its related entities) was not a party. A hearing is not expected until 2025 and **humm**group will continue to defend its position. During the period ended 30 June 2024 the Group set aside an additional $1.7m in interest relating to this matter.

b) Depreciation and amortisation expenses

A$m	2024	2023
Depreciation of plant and equipment	3.6	4.1
Amortisation of other intangible assets	17.4	16.9
Total depreciation and amortisation expenses	**21.0**	**21.0**

c) Impairment of intangible and right-of-use assets

A$m	2024	2023
Impairment of intangible assets	4.0	4.2
Impairment of right-of-use assets	0.7	-
Total impairment of intangibles and right-of-use assets	**4.7**	**4.2**

7. INCOME TAX EXPENSE

ACCOUNTING POLICY

The income tax expense (or benefit) for the period is the tax payable (or receivable) on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets or liabilities are offset only if they fall within the same jurisdiction.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base.

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset only if they fall within the same jurisdiction.

Current and deferred tax is recognised in the income tax expense except to the extent that it relates to items recognised directly in equity, in other comprehensive income.

Tax consolidation legislation

hummgroup and its wholly owned Australian controlled entities are part of a tax consolidated group. humm Group Limited is the head entity in the tax consolidated group. The members of the tax consolidated group have entered into tax funding and tax sharing agreements, which set out the funding obligations of members. Any current tax liabilities/assets and deferred tax assets from unused tax losses of subsidiaries in the tax consolidated group are recognised by humm Group Limited and funded in line with the tax funding arrangements.

a) Income tax expense

A$m	2024	2023
Current tax expense		
Current tax	5.7	6.7
Changes in estimate related to prior years	(8.7)	(5.2)
Deferred tax expense		
Reversal of temporary differences	4.1	(3.6)
Total income tax expense/(benefit)	**1.1**	**(2.1)**

b) Numerical reconciliation of income tax expense

A$m	2024	2023
Profit before income tax	8.2	0.8
Prima facie income tax at 30% (2023:30%)	2.5	0.2
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Effect of differences in tax rates in a foreign jurisdiction	(0.4)	(0.2)
Prior period adjustments	1.4	(0.1)
Other[1]	(2.4)	(2.0)
Total income tax expense/(benefit)	**1.1**	**(2.1)**

1. Includes non-deductible impairment and deduction for interest on preference shares.

c) Amount recognised directly in equity

A$m	2024	2023
Cash flow hedge	(11.1)	0.7
Deferred income tax (benefit)/expense related to items taken directly to equity	**(11.1)**	**0.7**

d) Deferred tax assets and liabilities

Deferred tax assets

A$m	2024	2023
Payables and provisions	13.0	11.8
Expected credit allowance	37.6	33.9
Lease liabilities	2.8	3.6
Software	4.6	7.3
Unearned income	5.7	5.2
Tax losses	1.6	11.3
Depreciation on leased assets	0.5	–
Others	2.3	2.3
Total deferred tax assets	**68.1**	**75.4**

Deferred tax liabilities

A$m	2024	2023
Depreciation on leased assets	–	0.2
Initial direct transaction costs	7.6	6.3
Derivative financial instruments	9.2	20.3
Plant and equipment	0.2	1.0
Other intangible assets	3.1	5.1
Right-of-use assets	1.8	2.7
Others	0.1	0.7
Total deferred tax liabilities	**22.0**	**36.3**

Net deferred tax assets

A$m	2024	2023
Deferred tax assets and liabilities disclosed on balance sheet:		
Deferred tax assets	68.1	75.4
Deferred tax liabilities	22.0	36.3
Net deferred tax assets	**46.1**	**39.1**

e) Carry forward tax losses

As at 30 June 2024, the Group is carrying a deferred tax asset of $1.6m (2023: $11.3m) in respect of $8.4m (30 June 2023: $45.3m) carry forward tax losses in Australia and Ireland.

f) Uncertain tax positions

During the year, the Group has continued to work on matters where significant tax risks may arise, including seeking external advice where appropriate. The Group has assessed these risks and considers that it has made appropriate provisions for these matters and therefore does not have any material uncertain tax matters not otherwise provided for as at 30 June 2024 (30 June 2023: $Nil).

8. LOANS AND ADVANCES

ACCOUNTING POLICY

Loans and advances are measured at amortised cost as they:

- are held within a business model to collect contractual cash flows; and
- have contractual terms which give rise to cash flows that are solely payments of principal and interest on specified dates.

The Group has two classes of assets measured at amortised cost being Chattel loans and Customer loans.

i) Customer loans

Customer loans are financial assets for which the contractual cash flows are solely repayments of principal and interest and that are held in a business model with the objective of collecting contractual cash flows.

Customer loans are initially recognised at fair value plus transaction costs directly attributable to the origination of the loan or advance. Subsequently, Customer loans are measured at amortised cost using the effective interest rate method, net of any provision for credit impairment.

ii) Chattel loans

Chattel loans are secured equipment finance arrangements, measured at amortised cost. The Group may take possession of the financed asset in circumstances where the customer is unable to meet financial commitments under the terms of the loan contract. Income is recognised on an effective interest basis.

Loans and advances

2024

A$m	Gross Loans & advances	Unearned future income	Unamortised initial direct transaction costs	Loans & advances before ECL	ECL	Net Loans & advances
Finance lease receivables	80.5	(10.9)	0.6	**70.2**	(1.6)	**68.6**
Chattel loans	3,533.6	(612.8)	24.8	**2,945.6**	(55.0)	**2,890.6**
Customer loans	2,109.0	(107.5)	–	**2,001.5**	(66.2)	**1,935.3**
	5,723.1	**(731.2)**	**25.4**	**5,017.3**	**(122.8)**	**4,894.5**

2023

A$m	Gross Loans & advances	Unearned future income	Unamortised initial direct transaction costs	Loans & advances before ECL	ECL	Net Loans & advances
Finance lease receivables	114.4	(14.8)	1.0	**100.6**	(1.4)	**99.2**
Chattel loans	2,777.2	(492.2)	20.0	**2,305.0**	(44.5)	**2,260.5**
Customer loans	1,943.2	(87.1)	–	**1,856.1**	(62.2)	**1,793.9**
	4,834.8	**(594.1)**	**21.0**	**4,261.7**	**(108.1)**	**4,153.6**

Maturity profile

The following tables set out the maturity profile of Chattel loans and Customer loans before ECL:

Chattel loans

A$m	2024	2023
Current	1,031.4	764.4
Non-current	2,527.0	2,032.8
Unearned future income	(612.8)	(492.2)
Investment in chattel loans before ECL	**2,945.6**	**2,305.0**

Customer loans

A$m	2024	Restated 2023
Current	1,316.5	1,269.4
Non-current	792.5	673.8
Unearned future income	(107.5)	(87.1)
Investment in customer loans before ECL	**2,001.5**	**1,856.1**

Apart from the revolving products which are classified in its entirety as current, all other products are classified as current and non-current based on the remaining maturity.

9. ALLOWANCE FOR EXPECTED CREDIT LOSS

ACCOUNTING POLICY

The impairment requirements of AASB 9: Financial Instruments apply to Chattel loans and Customer loans. The model applies to on balance sheet financial assets as well as off-balance sheet items such as undrawn loan commitments and undrawn committed credit facilities for the revolving products. The carrying amount of the financial assets represents the maximum credit exposure.

Model inputs

The Group has developed credit models at a product or sub-product level based on risk characteristics using a collectively assessed approach. Individually assessed provisions are considered for larger single name exposures.

The key model inputs used in measuring the ECL include:

Model input	Measurement
Exposure at Default ("EAD")	Represents the estimated exposure in the event of a default. The EAD is estimated taking into consideration drawn position at reporting date, expected repayments and future drawdowns of unutilised commitments up to the expected default.
Probability of Default ("PD")	The development of PDs for retail exposures at a product or sub-product level considering credit risk characteristics. In calculating the PD, 3 to 5 years of historical delinquency transition matrices are used. For commercial exposures external customer scorecard data is applied to derive PDs.
Loss Given Default ("LGD")	The LGD is the magnitude of the expected credit loss in a default event. The LGD is estimated using 3-5 years of historical recovery experience.

Three-stage approach

Under the ECL model, the Group applies a three-stage approach to measure the ECL based on credit quality. ECL is modelled collectively for portfolios of similar exposures (products or sub-products). ECL is calculated as the product of PD, LGD and EAD and includes forward-looking or macroeconomic information and product overlay. ECL requires judgement and the use of estimates and assumptions. Actual outcomes in the next financial period may differ to management's assumptions and estimates.

Stage	Measurement
Stage 1: 12-month ECL **- No significantly increased credit risk**	Loans and advances that have not had a significant increase in credit risk ("SICR") since initial recognition require a provision for ECL to account for PD events occurring within the next 12 months ("12-month ECL").
Stage 2: Lifetime ECL **- Significantly increased credit risk**	In the event of a SICR since initial recognition, a provision is required for losses over the life of Loans and advances ("lifetime ECL"). Lifetime ECL includes exposures that are at least 30 days past due. For revolving facilities, the Group exercises judgement based on the behavioural maturity rather than contractual maturity.
Stage 3: Lifetime ECL **- Defaulted**	Loans and advances that move into Stage 3 Defaulted require a lifetime ECL provision. This stage includes exposures that are at least 90 days past due.

Method of determining SICR

Loans and advances move from Stage 1 to Stage 2 when there is a SICR since initial recognition.

The Group applies a combination of quantitative and qualitative factors to assess whether a SICR has occurred.
These include:

- Forbearance status; including requests for repayment relief coupled with risk indicators in bureau data and relevant application attributes such as employment type, employment tenure and disposable income that indicate higher risk of default;
- Watch list status: loans on the watch list are individually assessed for Stage 2 classification; and
- More than 30 days past due backstop for Stage 1 to Stage 2 transfers.

SICR, which requires judgement, is used to determine whether an exposure's credit risk has increased significantly and requires higher PD factors.

Definition of default

Default is generally defined as the point when the borrower is unlikely to pay the credit obligations in full or the borrower is more than 90 days past due.

Modification of financial assets

The Group may modify the terms of Loans and advances from time to time in order to maximising recovery.

Such restructuring activities may include extended payment term arrangements, payment holidays and payment forgiveness.

When the contractual cash flows of Loans and advances are renegotiated or otherwise modified as a result of commercial restructuring activity rather than due to credit risk and impairment considerations, the Group performs an assessment to determine whether the modifications result in the de recognition of that financial asset.

Write-off policy

The Group writes off financial assets in whole or in part when it has exhausted all practical recovery efforts and/or the assessed cost of further recovery action is considered prohibitive or uneconomical. The Group's strategy for late-stage arrears includes in sourced collection activities, outsourced collection activities and debt sales.

Indicators that there is no reasonable expectation of recovery include:

i) ceasing enforcement activity due to bankruptcy, fraud, compliance issues and debt being uneconomical to pursue;

ii) realisation of the security and any short falls are deemed unrecoverable; and

iii) sale of debt to external parties.

Products are written off at pre-defined points except where further investigation is underway or opportunities for recovery still exist:

- Revolving cards products – 180 days in arrears
- PosPP products – 120 days in arrears
- Chattel and leasing products – 120 days in arrears

Forward-Looking Information ("FLI")

FLI is incorporated in calculating ECL for both consumer and commercial businesses.

Macro-economic factors taken into consideration include unemployment rate, inflation and Gross Domestic Product ("GDP"). The relationship between these key indicators and the model inputs have been established by reference to historical data as part of the model build, calibration and validation process.

hummgroup has also considered information about past events, current conditions, reasonable and supportable information about future events and economic conditions at the reporting date. Final determination of FLI is based on publicly available data and internal forecasts/judgements.

Economic outlook

In Australia, household consumption has been impacted by sharp increases in living costs and interest rates over the past 18 months. This is weighing on real GDP growth which is expected to remain below-trend over the near term. However, some relief is anticipated later this year with expected tax cuts. Pressure has eased in the labour market and wage growth is expected to slow from elevated rates and the unemployment rate is expected to continue to drift higher but remain at a healthy level.

In New Zealand, the impacts of monetary policy tightening, and slower global economic growth continue to weigh on the economy. Strong population growth is contributing to an easing in supply side and inflationary pressures and a softening in the labour market. New Zealand's economy has just passed the bottom of a U-shape GDP recession with consumer confidence still sitting at multi-year low, with rate cutting expected from later this year.

ECL measurement uncertainties

The Group's ECL measurement is derived from a probability weighted average of three distinct scenarios (central estimate, best case and worst case) applied across each of the Group's major loan portfolios. The probability of each scenario is determined by considering relevant macro-economic outlooks and their likely impact on the Group's credit portfolio.

In prior year, only Consumer portfolio applies the three distinct scenarios. In FY24, Commercial enhanced the FLI applying the three distinct scenarios. Accordingly, the comparative percentages apply only to the Consumer portfolios.

The key assumptions applied for Australia and New Zealand macro-economic overlay are set out below:

Scenario	Weighting	Expectation
Central Estimate A 100% weighting to this scenario would result in a decrease to total ECL provision on balance sheet at the reporting date by $15.5m.	**AU: 60% probability** (60% probability in 2023) **NZ: 55% probability** (60% probability in 2023)	The base-case scenario reflects the current expected macroeconomic view. **AU** Inflation will remain flat, unemployment is expected to remain relatively stable below five per cent, while GDP growth return back to pre-pandemic trends. Only relevant factors are considered, depending on the underlying portfolio. **NZ** Inflation and GDP is expected to remain low while unemployment is expected to increase slightly above five per cent. Only relevant factors are considered, depending on the underlying portfolio.
Best Case A 100% weighting to this scenario would result in a decrease total ECL provision on balance sheet at the reporting date by $28.1m.	**AU: 10% probability** (10% probability in 2023) **NZ: 5% probability** (10% probability in 2023)	The best case scenario reflects a positive expectation for the economy. **AU** Under this scenario, GDP is expected to be higher than pre-pandemic level while the increase to unemployment remains lower than central forecast. Inflation is expected to reduce to RBA target range, using the historical 1.5 standard deviation. Under the best case scenario, credit losses are expected to decrease due to the strengthening economy. Only relevant factors are considered, depending on the underlying portfolio. **NZ** Under this scenario, GDP remains at the pre-pandemic level while the unemployment remains lower than central forecast. Inflation is expected to reduce the RBNZ target range, using the historical 1.5 standard deviation. Under the best case scenario, credit losses are expected to decrease due to the strengthening economy. Only relevant factors are considered, depending on the underlying portfolio.
Worst Case A 100% weighting to this scenario would in an increase total ECL provision on balance sheet at the reporting date by $38.1m	**AU: 30% probability** (30% probability in 2023) **NZ: 40% probability** (30% probability in 2023)	The worst case scenario reflects a negative expectation for the economy. **AU** Under this scenario, the economy would contract substantially in 2025/2026 while the labour market weakens with a higher unemployment rate. Inflation is projected to remain at elevated levels for the year ahead. Credit losses are expected to increase in the downturn. Only relevant factors are considered, depending on the underlying portfolio. **NZ** Under this scenario, the unemployment is expected to increase more than five per cent, which is higher than central forecast. Inflation remains at elevated levels for the year ahead. Only relevant factors are considered, depending on the underlying portfolio.

Drivers of loan impairment charge

The table below disaggregates impairment expense into ECL provision movements and net write offs (gross bad debt less recoveries):

A$m	2024	2023
Net loss[1]	81.4	85.1
ECL provision movement	14.6	9.2
Credit impairment charge	**96.0**	**94.3**

1. Net loss comprises of gross write offs less bad debt recoveries.

Expected Credit Loss provision at balance date

The table below presents the gross exposure and related ECL allowance for each class of asset and off-balance sheet item subject to impairment requirements of AASB 9:

A$m	As at 30 June 2024			As at 30 June 2023 (Restated)		
	Gross	ECL allowance	Net	Gross	ECL allowance	Net
Finance lease receivables	70.2	(1.6)	68.6	100.6	(1.4)	99.2
Chattel loans	2,945.6	(55.0)	2,890.6	2,305.0	(44.5)	2,260.5
Customer loans	2,001.5	(66.2)	1,935.3	1,856.1	(62.2)	1,793.9
Total loans and advances	**5,017.3**	**(122.8)**	**4,894.5**	**4,261.7**	**(108.1)**	**4,153.6**
Undrawn exposure on customer loans	–	(8.1)	(8.1)	–	(9.4)	(9.4)
Total	**5,017.3**	**(130.9)**	**4,886.4**	**4,261.7**	**(117.5)**	**4,144.2**

The following table explains the movement in gross carrying amount between the beginning and the end of the reporting period:

30 June 2024

A$m	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amounts as at 1 July 2023	**4,179.1**	**53.4**	**29.2**	**4,261.7**
Movements with P&L impact				
Net transfers to/(from):				
Stage 1	(105.1)	56.4	48.7	–
Stage 2	17.5	(22.4)	4.9	–
Stage 3	5.5	0.7	(6.2)	–
Net of new financial assets and repayments during the year	865.2	7.5	1.6	874.3
FX movements	(3.4)	(0.1)	–	(3.5)
Write-offs	(53.3)	(31.1)	(30.8)	(115.2)
Gross carrying amount as at 30 June 2024	**4,905.5**	**64.4**	**47.4**	**5,017.3**

30 June 2023

A$m	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amounts as at 1 July 2022	**3,221.6**	**57.2**	**24.6**	**3,303.4**
Movements with P&L impact				
Net transfers to/(from):				
Stage 1	(63.6)	40.0	23.6	–
Stage 2	15.7	(18.8)	3.1	–
Stage 3	4.4	0.6	(5.0)	–
Net of new financial assets and repayments during the year	1,056.7	1.7	2.6	1,061.0
FX movements	14.7	0.3	0.1	15.1
Write-offs	(70.4)	(27.6)	(19.8)	(117.8)
Gross carrying amount as at 30 June 2023	**4,179.1**	**53.4**	**29.2**	**4,261.7**

The following table explains the changes in loss allowance between the beginning and the end of the reporting period:

30 June 2024

A$m	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance as at 1 July 2023	**77.3**	**18.8**	**21.4**	**117.5**
Movements with P&L impact				
Net transfers to/(from):				
Stage 1	(2.0)	12.8	14.7	25.5
Stage 2	0.4	(5.6)	2.4	(2.8)
Stage 3	0.1	0.3	(3.5)	(3.1)
Net of new financial assets and repayments during the year	25.8	2.6	2.1	30.5
Changes in PDs and LGDs and overlays	(0.4)	3.1	(1.3)	1.4
FX movements	(0.1)	–	–	(0.1)
Write-offs	(12.8)	(10.2)	(15.0)	(38.0)
Loss allowance as at 30 June 2024	**88.3**	**21.8**	**20.8**	**130.9**

30 June 2023

A$m	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance as at 1 July 2022	**67.5**	**21.2**	**19.9**	**108.6**
Movements with P&L impact				
Net transfers to/(from):				
Stage 1	(1.2)	9.7	13.4	21.9
Stage 2	0.3	(4.1)	1.9	(1.9)
Stage 3	0.1	0.2	(2.2)	(1.9)
Net of new financial assets and repayments during the year	24.7	3.9	3.5	32.1
Changes in PDs and LGDs and overlays	1.8	(0.9)	(0.3)	0.6
FX movements	0.3	0.1	0.1	0.5
Write-offs	(16.2)	(11.3)	(14.9)	(42.4)
Loss allowance as at 30 June 2023	**77.3**	**18.8**	**21.4**	**117.5**

10. GOODWILL AND OTHER INTANGIBLE ASSETS

ACCOUNTING POLICY

Goodwill

Goodwill arises on the acquisition of an entity and represents the excess of the consideration paid over the fair value of the identifiable net assets acquired.

Other intangible assets

a) IT development and software

External and internal costs that are incurred on software development projects are capitalised and recognised as an intangible asset. Capitalised software costs are amortised using straight line method from the point at which the asset is ready for use over its useful life from 3 to 7 years.

Configuration or customisation costs in a Cloud Computing Arrangement are recognised as an intangible asset only if the implementation activities create an intangible asset that the entity controls and the intangible asset meets the recognition criteria. Costs that do not result in the creation of intangible assets are expensed as incurred, unless they are paid to the suppliers of the Software-as-a-Service arrangement to significantly customise the cloud-based software for the Group, in which case the costs are recorded as a prepayment for the service and amortised over the expected renewable term of the arrangement.

b) Merchant and customer relationships

Merchant and customer relationships acquired as part of a business combination are recognised separately from goodwill. The assets are measured at fair value at the date of acquisition less accumulated amortisation and impairment losses. Amortisation is calculated based on the timing of the projected cash flows of the relationships.

Merchant relationships: from 3 to 9 years (2023: 3 to 9 years)
Customer relationships: from 3 to 9 years (2023: 3 to 9 years)

Impairment of goodwill and intangible assets

Goodwill and intangibles are measured at cost and intangible assets not yet available for use less accumulated amortisation and impairment losses. Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount of an asset is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows, which are largely independent of the cash inflows from other assets or groups of assets' cash-generating units ("CGUs"). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting period.

Recoverable amounts of CGU

The recoverable amount of the NZ Cards CGU is based on a value in use calculation using cash flow projections for the next 3 years based on management forecasts. Cash flows for a further two-year period are extrapolated using flat growth rate which does not exceed the long-term average for the sector and economy in which the CGU operates. In the final year, a terminal growth rate of 2% (30 June 2023: 2%) is applied in perpetuity. These forecasts use management estimates to determine income, expenses, capital expenditure and cash flows for the CGU.

Discount rate

The discount rate of 12.5% (30 June 2023: 12%) reflects the market determined, risk adjusted, post-tax discount rate and is adjusted for specific risks relating to the CGU and the country in which it operates.

Sensitivity conclusion

The Directors and management have considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amounts of the NZ cards CGU to exceed the respective recoverable amounts.

Movement analysis

2024

A$m	Goodwill[2]	IT development & software	Merchant & customer relationships	Brand name	Total
Balance at the beginning of the year	**86.4**	**36.7**	**6.5**	**4.0**	**133.6**
Additions	4.5	15.0	–	–	19.5
Impairment[1]	–	(4.0)	–	–	(4.0)
Amortisation	–	(13.1)	(4.3)	–	(17.4)
Effect of movements in exchange rates	(0.3)	0.2	–	–	(0.1)
Balance at the end of year	**90.6**	**34.8**	**2.2**	**4.0**	**131.6**

1. During the year ending 30 June 2024, $4.0m of software costs were impaired due to termination of a major partnership and the change in business focus.
2. Goodwill comprises of $86.1m for NZ Cards CGU and $4.5m for Commercial CGU.

2023

A$m	Goodwill	IT development & software	Merchant & customer relationships	Brand name	Total
Balance at the beginning of the year	**84.8**	**32.6**	**13.4**	**3.9**	**134.7**
Additions	–	17.8	–	–	17.8
Impairment	–	(4.2)	–	–	(4.2)
Amortisation	–	(9.7)	(7.2)	–	(16.9)
Effect of movements in exchange rates	1.6	0.2	0.3	0.1	2.2
Balance at the end of year	**86.4**	**36.7**	**6.5**	**4.0**	**133.6**

Acquisition

On 10 April 2024, the Group acquired 100% of the shares in BidFin Pty Ltd for an upfront consideration of $11k and contingent consideration with an estimated fair value of $4.0m. As at acquisition, BidFin has a receivable balance of $15.5m, EBITDA loss of $0.5m and net liabilities of $0.5m were recorded in the 2024 financial year on a provisional basis using preliminary completion accounts. Goodwill of $4.5m was recognised which is the excess of total consideration over the net fair value of the assets acquired. In determining the carrying value, it is noted that this is a recent transaction with no impairment indicators present.

11. BORROWINGS

ACCOUNTING POLICY

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Consolidated statement of comprehensive income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as other assets and amortised on a straight-line basis over the term of the facility.

Borrowings are removed from the Consolidated statement of financial position when the obligation specified in the borrowings contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Consolidated statement of comprehensive income.

Secured loans, which comprise of wholesale public and private debt facilities are secured against underlying pools of Finance lease receivables, Chattel loans and Customer loans. The terms of these debt facilities vary depending on the nature of the facility and the type of Finance lease receivables, Chattel loans and Customer loans held in these facilities. These facilities provide for the ultimate repayment of outstanding loans through receipts from customers in respect of the relevant Finance lease receivables, Chattel loans and Customer loans held in these facilities.

Private warehouse debt facilities are typically structured to include a revolving period during which debt can be drawn to fund originations of new Finance lease receivables, Chattel loans and Customer loans, ahead of the repayment of outstanding debt. It is typical for these revolving periods to continue to be extended, as required, by agreement between the Group and the relevant funder. Warehouse facilities with balances of $1,315.8m (drawn to $986.7m as at 30 June 2024) have revolving periods expiring within 12 months. The debt drawn under these facilities is not contractually due for repayment upon expiry of the revolving period but is subject to repayment over subsequent periods of typically up to 5 years after the expiry of the revolving period (such period being the amortisation period). During the amortisation period, debt can no longer be drawn and all receipts from customers are directed to repayment of the outstanding debt.

Public debt arrangements are structured to provide for repayment of outstanding loans in line with the repayment of the Finance lease receivables, Chattel loans and Customer loans held in these facilities. In addition, there is one public debt arrangement structured to include a revolving period, which can be extended further.

The debt facilities used to fund the Commercial and Consumer businesses typically have final repayment terms that are in line with or extend beyond the maturity of the funded assets, with repayments generated through receipts from customers. The debt facilities comprise of either revolving structures, which provide funding availability for further origination, or short term structures that fund previous originations. Revolving structures typically have an availability period covering new origination for 2 years (or as otherwise negotiated with the relevant funder). Interest is payable at a wholesale funding cost benchmarked to an interest rate (BBSW or equivalent) plus a margin. In the Commercial business, these debt facilities typically have terms of up to 5.5 years. In the Consumer businesses, these debt facilities typically have contractual maturities up to 5.5 years.

A$m	2024	2023
Corporate debt	61.7	75.7
Secured debt	4,646.1	3,940.5
Total borrowings	**4,707.8**	**4,016.2**
Expected repayment profile of secured borrowings:[1]		
Expected repayment within one year	1,199.8	1,359.3
Expected repayment after one year but not later than five years	3,494.8	2,648.0
Expected repayment after five years	13.2	8.9
Total borrowings	**4,707.8**	**4,016.2**

1. Expected maturity profile of secured debt presented based on the expected repayment profile of the underlying Loans and advances or in the case of Australia Cards and New Zealand Cards, taking into consideration the contractual amortisation from soft bullet dates and/or revolving periods.

Assets pledged as security

The borrowings subject to recourse funding arrangements are secured by payments receivable in respect of the underlying Loan and advances.

Financing arrangements

Unrestricted access was available at balance date to the following lines of credit:

A$m	2024	2023
Total loan facilities available	5,441.0	4,999.4
Loan facilities used at balance date	(4,706.0)	(4,016.2)
Loan facilities unused at balance date	**735.0**	**983.2**

12. PROVISIONS

ACCOUNTING POLICY

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A$m	Notes	2024	2023
Litigation provision	23	18.2	16.5
Undrawn exposure on customer loans	9, 22	8.1	9.4
Employee entitlements		7.2	6.4
Onerous contracts[1]		5.4	4.5
Deferred consideration		4.0	–
Customer remediation[2]		0.7	1.3
Other		0.8	0.5
Total provisions		**44.4**	**38.6**

1. As at 30 June 2024, the Group set aside an Onerous contract provision of $5.4m to cover services contracted in respect of the suspended products. It is expected that the costs will be settled over the next two years.
2. As at 30 June 2024, the Group has set aside provisions of $0.7m in respect of known customer and regulatory remediation matters.

13. CONTRIBUTED EQUITY

ACCOUNTING POLICY

Ordinary shares and subordinated perpetual notes are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity instruments as the result of a share buy-back or a share-based payment plan the consideration paid (including any directly attributable incremental costs net of income taxes) is deducted from equity attributable to the owners of **humm**group, as treasury shares, until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued any consideration received net of directly attributable incremental transaction costs is included in equity attributable to the owners of **humm**group.

a) Share capital

	2024 # Shares	2023 # Shares	2024 A$m	2023 A$m
Ordinary shares – excluding treasury shares	479,987,439	504,036,346	445.5	458.2
Subordinated perpetual notes	49,129,075	49,129,075	53.6	53.6
Total share capital	**529,116,514**	**553,165,421**	**499.1**	**511.8**

b) Movement in ordinary share capital and number of shares on issue

	Number of shares	A$m
Balance at 1 July 2022	495,268,318	454.5
Issuance of shares under the dividend reinvestment plan	8,926,211	4.1
Balance at 30 Jun 2023 – fully paid	**504,194,529**	**458.6**
Treasury shares	(158,183)	(0.4)
Balance excluding treasury shares at 30 June 2023	**504,036,346**	**458.2**
Balance at 1 July 2023	504,194,529	458.6
Share buy-back	(19,945,024)	(10.0)
Issuance of shares under the dividend reinvestment plan	7,121,840	3.2
Balance at 30 Jun 2024 – fully paid	**491,371,345**	**451.8**
Treasury shares	(11,383,906)	(6.3)
Balance excluding treasury shares at 30 June 2024	**479,987,439**	**445.5**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of, and amounts paid on, the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote. As at 30 June 2024, there was market buy-back of shares and shares purchased by the Share Plan Trust to satisfy vested share-based payments.

The Company does not have authorised capital or par value in respect of its issued shares.

c) Movement in treasury shares

Treasury shares are shares in **humm**group that are held by the **humm**group Employee Share Plan Trust for the purposes of issuing shares under the **humm**group Long Term Incentive Plan (see note 18).

	Number of shares	A$m
Balance at 1 July 2022	347,017	0.5
Distribution of shares during the period to employees	(188,834)	(0.1)
Balance at 30 June 2023	**158,183**	**0.4**
Balance at 1 July 2023	158,183	0.4
Treasury shares purchased on-market	11,300,872	6.1
Distribution of shares during the period to employees	(75,149)	(0.2)
Balance at 30 June 2024	**11,383,906**	**6.3**

d) Subordinated perpetual notes

The carrying amount of the unsecured subordinated perpetual notes as at 30 June 2024 is $53.6m (30 June 2023: $53.6m).

hummgroup has discretion as to the timing of payment of interest on the perpetual notes; however, if **humm**group elects to pay or declare any ordinary dividends to shareholders interest accrued must be paid to the noteholder in cash. Interest paid on subordinated perpetual notes are considered as dividends.

In limited circumstances upon a change of control, the noteholder may elect to convert the perpetual notes having an aggregate principal amount equal to the face value into 28.5 million ordinary shares. Prior to conversion, the perpetual notes have no right to share in any surplus assets, profits or ordinary dividends and have no voting rights.

c) Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and to maintain an optimal capital structure to facilitate growth in the business. In order to maintain or adjust its capital structure, the Group considers the issue of new capital, return of capital to shareholders and its dividend policy as well as its plans for acquisition and disposal of assets.

14. RESERVES

ACCOUNTING POLICY

Share-based payment reserve

The share-based payment reserve is used to recognise:

- the fair value of options and rights issued to employees but not exercised;
- the fair value of shares issued to employees; and
- other share-based payment transactions.

Foreign currency translation reserve

Foreign currency translation of the foreign controlled entities is taken to the foreign currency translation reserve as described in note 1. The reserve is recognised in profit and loss when the net investment is disposed of.

Cash flow hedge reserve

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised in Other Comprehensive Income as described in note 19. Amounts are reclassified to profit or loss when the associated hedge transaction affects profit or loss.

Equity investment revaluation reserve

The equity investment revaluation reserve is used to record gains or losses on investments carried at FVTOCI. Amounts will be transferred to retained earnings on disposal.

A$m	2024	2023
Share-based payment reserve	5.7	3.0
Foreign currency translation reserve	5.2	6.6
Cash flow hedge reserve	21.6	48.2
Equity investment revaluation reserve	(2.5)	(2.4)
	30.0	**55.4**

Movements: Share-based payment reserve

A$m	2024	2023
Balance at 1 July	3.0	1.6
Share-based payment expense	2.9	1.5
Transfer to share capital	(0.2)	(0.1)
Balance at 30 June	**5.7**	**3.0**

Movements: Foreign currency translation reserve

A$m	2024	2023
Balance at 1 July	6.6	(0.1)
Other comprehensive income	(1.4)	6.7
Balance at 30 June	**5.2**	**6.6**

Movements: Cash flow hedge reserve

A$m	2024	2023
Balance at 1 July	48.2	46.3
Other comprehensive income	(26.6)	1.9
Balance at 30 June[1]	**21.6**	**48.2**

1. Lower cash flow hedge reserve is due to cash flow hedges reaching maturity date and mark to market movements.

Movements: Equity investments revaluation reserve

A$m	2024	2023
Balance at 1 July	(2.4)	(2.2)
Other comprehensive income	(0.1)	(0.2)
Balance at 30 June	**(2.5)**	**(2.4)**

15. DIVIDENDS

ACCOUNTING POLICY

A provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the financial year but not distributed at balance date.

Final dividends accrued or paid

A$m	Parent entity 2024	Parent entity 2023
Ordinary shares		
2023 final dividend of 1.0 cent (2022 final dividend of 1.4 cents) per ordinary share franked to 100%	5.1	6.9
Preference shares		
Unsecured subordinated perpetual notes	3.7	3.2
Total final dividends accrued or paid	**8.8**	**10.1**

Interim dividends accrued or paid

A$m	Parent entity 2024	Parent entity 2023
Ordinary shares		
2024 interim dividend of 0.75 cent (2023 interim dividend of 1.0 cents) per ordinary share franked to 100%	3.7	5.0
Preference shares		
Unsecured subordinated perpetual notes	3.7	3.4
Total interim dividends accrued or paid	**7.4**	**8.4**

Final dividends proposed but not recognised at year-end

A$m	Parent entity 2024	Parent entity 2023
2024: 1.25 cents (2023: 1.0 cents) per ordinary share franked to 100%	6.2	5.0

Franked dividends

Franking credits available at 30 June 2024 comprised:

	Consolidated		Parent entity	
A$m	2024	2023	2024	2023
Franking credits available for subsequent financial years based on a tax rate of 30% (2023: 30%)	25.0	38.1	25.0	38.1

The above amounts are calculated from the balance of the franking account as at the end of the reporting period, adjusted for franking credits and debits that will arise from the settlement of liabilities or receivables for income tax and dividends after the end of the year. The consolidated amounts include franking credits that would be available to the parent entity if distributable profits of subsidiaries were paid as dividends.

16. EARNINGS PER SHARE

ACCOUNTING POLICY

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to equity holders of the Company less preference dividends accrued or paid,
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

a) Earnings per share

Cents	2024	2023
Total basic earnings per share attributable to the ordinary equity shareholders of the Company	0.4	(0.4)
Total diluted earnings per share attributable to the ordinary equity shareholders of the Company	**0.4**	**(0.4)**

b) Reconciliation of earnings used in calculating earnings per share

A$m	2024	2023
Profit attributable to the ordinary equity shareholders of the Company used in calculating basic and diluted earnings per share		
Profit for the year	7.1	2.9
Less: preference share dividend (net of tax)	(5.2)	(4.6)
Profit/(loss) after preference share dividend	**1.9**	**(1.7)**

c) Weighted average number of ordinary shares

	2024	2023
Weighted average number of ordinary shares used in calculation of basic earnings per share	499,766,912	499,592,001
Weighted average number of ordinary shares used in calculating diluted earnings per share	499,766,912	499,592,001

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

17. CASH FLOW INFORMATION

ACCOUNTING POLICY

For the purpose of presentation in the Consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash.

Included in cash at bank was $156.1m (2023: $223.8m) which is held as part of the Group's funding arrangements and is not available to the Group. The restricted cash balances are distributed to various parties, including members of the Group, at a future date and are not available to the Group for any other purpose.

A$m	2024	2023
Unrestricted cash at bank and on hand	125.1	112.3
Restricted cash at bank and on hand	156.1	223.8
Total cash at bank and on hand	**281.2**	**336.1**

a) Reconciliation of profit after income tax to net cash inflow from operating activities

A$m	2024	2023
Net profit for the year after tax	7.1	2.9
Credit impairment charge	96.0	94.3
Depreciation and amortisation	21.0	21.0
Impairment of goodwill and other intangible assets	4.7	4.2
Share-based payment expense	2.9	1.5
Onerous provision	4.0	–
Exchange differences	1.4	1.0
Net cash inflows from operating activities before changes in operating assets and liabilities	**137.1**	**124.9**
Change in operating assets and liabilities:		
Increase in loans and advances	(823.8)	(1,018.5)
Decrease/(Increase) in other assets	1.1	(7.2)
Decrease in current tax receivables	1.9	4.6
(Decrease)/Increase in payables, contract liabilities and provisions	(2.7)	13.6
(Decrease)/Increase in current tax liabilities	(0.8)	3.1
Decrease/(Increase) in net deferred tax	4.7	(3.2)
Net cash outflows from operating activities	**(682.5)**	**(882.7)**

b) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

A$m	Cash at bank	Borrowings & lease liabilities due within 1 year	Borrowings & lease liabilities due after 1 year	Total
Net debt as at 1 July 2022	281.0	(832.7)	(2,208.8)	**(2,760.5)**
Cash flows	52.2	(536.0)	(471.2)	(955.0)
Foreign exchange adjustments	2.9	6.4	12.5	21.8
Net debt as at 30 June 2023	336.1	(1,362.3)	(2,667.5)	**(3,693.7)**
Cash flows	(55.1)	159.1	(848.2)	(744.2)
Foreign exchange adjustments	0.2	0.2	0.4	0.8
Net debt as at 30 June 2024	281.2	(1,203.0)	(3,515.3)	**(4,437.1)**

18. SHARE-BASED PAYMENTS

ACCOUNTING POLICY

The fair value of share-based compensation arrangements are recognised as employment expenses in the Consolidated statement of comprehensive income with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the relevant party becomes unconditionally entitled to the instruments.

Fair values at grant date are independently determined using a Monte Carlo or Binomial Tree option pricing methodology that takes into account the exercise price, the term of the options or share rights, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the options.

The fair value of the instruments granted is adjusted to reflect market vesting conditions but excludes the impact of any non-market vesting conditions (for example, earnings per share and return on cash equity hurdles). Non-market vesting conditions are included in assumptions about the number and value of instruments that are expected to become exercisable. The share-based payment expense recognised each period takes into account the most recent estimate. Upon the exercise of instruments, the balance of the share-based payments reserve relating to those instruments is transferred to share capital and the proceeds received (if any), net of any directly attributable transaction costs, are credited to share capital.

The Group's share-based payment arrangements are considered equity settled plans, as they are fulfilled through the delivery of a fixed number of equity instruments.

LONG-TERM INCENTIVE PLAN

hummgroup's Long Term Incentive Plan ("LTIP") was approved by the founding shareholders on 20 November 2006, and subsequently updated on 4 October 2019. The LTIP is designed to provide relevant employees with an incentive for future performance, with conditions for the vesting and exercise of options and performance rights and under the LTIP encouraging those executives to remain with **humm**group and contribute to the future performance of the Company. Under the plan, participants are granted either an option or right, which only vests if certain performance standards are met.

The Board may determine which persons will be eligible to participate in the LTIP from time to time. Eligible persons may be invited to apply to participate in the LTIP. The Board may in its discretion accept such applications.

During FY24, the Board has approved an LTIP for CEO and key new senior leaders. The key features of the LTIP include:

- Annual grant of performance rights to Executive KMP and key senior leaders whose role may influence the strategic direction at **humm**group over a three-year performance period from 1 July 2023 to 30 June 2026;
- Two performance measures with equal weighting, Normalised Cash Earnings per Share ("EPS") and Return on Cash Equity ("RoCE"), will be tested on an annual basis following the release of the annual results; and
- Vesting of the performance rights will be subject to the annual achievement of the performance measures and continuous service till September 2026 (i.e. participants must be employed until the Vesting Date in order to receive HUM shares, otherwise standard cessation of employment conditions will apply).

The performance rights will vest on, and become exercisable following the three-year performance period, once the Board tests the performance conditions based on audited results and a tenure condition is satisfied.

For CFO and existing key senior leaders, two additional tranches were granted in relation to the 2024 performance period and 2025 performance period respectively in accordance with the FY23 LTI Plan. Key features of FY23 plan include:

- Three-year performance period from 1 July 2022 to 30 June 2025.
- Two performance measures with equal weighting, Normalised Cash Earnings per Share ("EPS") and Return on Cash Equity ("RoCE"), will be tested on an annual basis following the release of the annual results;
- Vesting of the performance rights will be subject to the annual achievement of the performance measures and continuous service till September 2025 (i.e. participants must be employed until the Vesting Date in order to receive HUM shares, otherwise standard cessation of employment conditions will apply).

The performance rights will vest on, and become exercisable following the three-year performance period, once the Board tests the performance conditions based on audited results and a tenure condition is satisfied.

The table below shows options, performance rights and deferred STI rights granted under the different plans:

Consolidated and Parent Entity – 2024

				Balance at start of the period	Adjustment[1]	Granted during the period	Exercised during the period	Forfeited during the period	Cancelled during the period	Balance at end of the period	Vested & exercisable at the end of the period
Tranche	Grant date[2]	Vesting date	Exercise price	Number							
Performance rights											
FY23 LTIP	17/07/2023	30/09/2025	$0.00	9,486,710	–	–	–	(2,836,088)	–	6,650,622	–
FY23 Discretionary Equity Award	29/09/2023	30/09/2024	$0.00	983,989	(19,929)	–	–	(65,321)	–	898,739	–
FY24-FY25 LTIP	29/09/2023	30/09/2025	$0.00	–	–	19,639,370	–	(2,178,251)	–	17,461,119	–
FY24-FY26 LTIP	29/09/2023	30/09/2026	$0.00	–	–	3,563,861	–	–	–	3,563,861	–
FY24-FY26 LTIP	31/01/2024	30/09/2026	$0.00	–	–	1,235,365	–	–	–	1,235,365	–
FY24-FY26 LTIP	12/04/2024	30/09/2026	$0.00	–	–	5,497,222	–	–	–	5,497,222	–
FY24 – FY26 LTIP – CEO	17/11/2023	30/09/2026	$0.00	–	–	14,150,500	–	–	–	14,150,500	–
Share options											
2022 LTIP	21/09/2021	30/09/2024	$1.21	2,830,702	–	–	–	(1,415,351)	(1,415,351)	–	–
	21/09/2021	30/09/2025	$1.21	1,394,227	–	–	–	(697,114)	–	697,114	–
	27/01/2022	30/09/2024	$1.21	305,739	–	–	–	(305,739)	–	–	–
	27/01/2022	30/09/2025	$1.21	150,588	–	–	–	(150,588)	–	–	–
Deferred STI											
FY24 STIP – CEO	17/11/2023	30/09/2025	$0.00	–	–	1,643,192	–	–	–	1,643,192	–
	17/11/2023	30/09/2026	$0.00	–	–	1,643,192	–	–	–	1,643,192	–
	17/11/2023	30/09/2027	$0.00	–	–	1,643,192	–	–	–	1,643,192	–
	17/11/2023	30/09/2028	$0.00	–	–	1,643,192	–	–	–	1,643,192	–
	17/11/2023	30/09/2029	$0.00	–	–	1,643,192	–	–	–	1,643,192	–
2021 Deferred STI	4/09/2021	3/09/2023	$0.00	75,149	–	–	(75,149)	–	–	–	–
2023 Deferred STI	29/09/2023	30/09/2024	$0.00	602,828	87,792	–	–	(83,069)	–	607,551	–
Total				**15,829,932**	**67,863**	**52,302,278**	**(75,149)**	**(7,731,521)**	**(1,415,351)**	**58,978,052**	**–**
Weighted average exercise price				$0.36	$0.00	$0.00	$0.00	$0.40	$1.21	$0.01	$0.00

1. Adjustment is due to the grant date for FY23 Discretionary Equity Award and FY23 Deferred STI has been changed from 1 September 2023 to 29 September 2023.
2. The grant date represents the legal grant date.

Consolidated and Parent Entity – 2023

Tranche	Grant date[2]	Vesting date	Exercise price	Balance at start of the period	Granted during the period	Exercised during the period	Forfeited during the period	Cancelled during the period	Balance at end of the period	Vested & exercisable at the end of the period
				Number						
Performance rights										
Tranche 6	15/11/2018	15/03/2023	$0.00	528,846	–	–	–	(528,846)	–	–
	16/05/2019	15/03/2023	$0.00	74,040	–	–	–	(74,040)	–	–
2023 LTIP[1]	17/07/2023	30/09/2025	$0.00	–	9,486,710	–	–	–	9,486,710	–
2023 Discretionary Equity Award[1]	29/09/2023	30/09/2024	$0.00	–	983,989	–	–	–	983,989	–
Share options										
2021 LTIP	19/11/2020	21/09/2022	$1.38	2,000,000	–	–	–	(2,000,000)	–	–
	30/11/2020	21/09/2022	$1.38	4,503,895	–	–	–	(4,503,895)	–	–
2022 LTIP	21/09/2021	30/09/2024	$1.21	5,472,958	–	–	(2,642,256)	–	2,830,702	–
	21/09/2021	30/09/2025	$1.21	2,695,636	–	–	(1,301,409)	–	1,394,227	–
	27/01/2022	30/09/2024	$1.21	305,739	–	–	–	–	305,739	–
	27/01/2022	30/09/2025	$1.21	150,588	–	–	–	–	150,588	–
Deferred STI										
2021 Deferred STI	04/09/2021	03/09/2022	$0.00	94,417	–	(94,417)	–	–	–	–
	04/09/2021	03/09/2023	$0.00	223,910	–	(94,417)	(54,344)	–	75,149	–
2023 Deferred STI[1]	29/09/2023	30/09/2024	$0.00	–	602,828	–	–	–	602,828	–
Total				**16,050,029**	**11,073,527**	**(188,834)**	**(3,998,009)**	**(7,106,781)**	**15,829,932**	**-**
Weighted average exercise price				$1.21	$0.00	$0.00	$1.19	$1.26	$0.36	

1. Relevant employees have begun rendering services before the award is formally ratified.
2. The grant date represents the legal grant date.

2024-2026 LTIP – PERFORMANCE RIGHTS

No options were granted during the period.

The performance rights will be subject to achieving the following performance hurdles for each performance period it relates to:

EPS Hurdle – 50% weighting

The Vesting schedule below sets out the number of performance rights in the EPS Hurdle tranche that may Vest:

EPS at the end of the Performance Period	Vesting schedule
<85% of target EPS	Nil
85% – 100% of target EPS	Sliding scale for vesting from 50% to 100%
>Target EPS	100%

RoCE Hurdle – 50% weighting

The Vesting schedule below sets out the number of performance rights in the RoCE Hurdle tranche that may Vest:

ROCE at the end of the Performance Period	Vesting Schedule
<85% of target RoCE	Nil
85% – 100% of target RoCE	Sliding scale for vesting from 50% to 100%
>Target RoCE	100%

Vesting will be subject to a sliding scale where 100% of the grant will be achieved at target Normalised cash profit (after tax), with reference to growth from the three-year business plan. The minimum floor for the sliding scale will achieve vesting of 50% of the amount granted. No shares will vest if the minimum floor has not been achieved.

The fair value granted to all participants was determined as $16,715,185. Fair value was determined by discounting **humm**'s closing share price at grant date at expected dividend yield, representing that the right holder does not receive dividends while holding the rights.

For CEO and key new senior leaders, three tranches were granted in relation to the 2024, 2025 and 2026 performance periods respectively in accordance with the FY24 LTI Plan. Service condition will follow the FY24 LTI plan rules with vesting date being 30 September 2026.

The model inputs for FY24-26 LTIP performance rights granted during the year ended 30 June 2024 included:

- Exercise price: Nil
- Grant date: 17 November 2023, 31 January 2024,12 April 2024
- Vesting Date: 30 September 2026
- Share price at grant date: $0.46, $0.67, $0.48
- Expected dividend yield: 5.62%

2023 LTIP – PERFORMANCE RIGHTS

The performance rights will vest according to achievement against EPS and RoCE hurdles of **humm**group following the FY25 annual results announcement in accordance with the following tranches:

EPS Hurdle – 50% weighting

The Vesting schedule below sets out the number of performance rights in the EPS Hurdle tranche that may Vest:

EPS at the end of the Performance Period	Vesting schedule
<85% of target EPS	Nil
85% – 100% of target EPS	Sliding scale for vesting from 50% to 100%
>Target EPS	100%

RoCE Hurdle – 50% weighting

The Vesting schedule below sets out the number of performance rights in the RoCE Hurdle tranche that may Vest:

ROCE at the end of the Performance Period	Vesting Schedule
<85% of target RoCE	Nil
85% – 100% of target RoCE	Sliding scale for vesting from 50% to 100%
>Target RoCE	100%

Vesting will be subject to a sliding scale where 100% of the grant will be achieved at target Normalised Cash Profit, with reference to growth from the three-year business plan. The minimum floor for the sliding scale will achieve vesting of 50% of the amount granted. No shares will vest if the minimum floor has not been achieved.

For CFO and key existing senior leaders, two additional tranches were granted in relation to the 2024 and 2025 performance periods respectively in accordance with the FY23 LTI Plan. Service condition will follow the FY23 LTI Plan rules with vesting date being 30 September 2025.

The model inputs for 2023 LTIP performance rights granted during the year ended 30 June 2023 included:

- Exercise price: Nil
- Grant date: 17 July 2023
- Vesting Date: 30 September 2025
- Share price at grant date: $0.46
- Expected dividend yield: 5.62%

** Relevant employees have begun rendering services before the award is formally ratified. Grant date for accounting purpose is 1 October 2022.*

The model inputs for FY24-25 LTIP performance rights granted during the year ended 30 June 2024 included:

- Exercise price: Nil
- Grant date: 29 September 2023
- Vesting Date: 30 September 2025
- Share price at grant date: $0.44
- Expected dividend yield: 5.62%

The model inputs for 2023 LTIP performance rights granted during the year ended 30 June 2023 included:

- Exercise price: Nil
- Grant date: 17 July 2023
- Vesting Date: 30 September 2025
- Share price at grant date: $0.46
- Expected dividend yield: 5.62%

** Relevant employees have begun rendering services before the award is formally ratified. Grant date for accounting purpose is 1 October 2022.*

2024 DEFERRED STI

Under the FY24 deferred STI scheme, CEO had been granted STI awards deferred into deferred share rights subject to a one-year deferral.

The model inputs for 2024 Deferred STI shares granted during the year ended 30 June 2024 included:

- Exercise price: Nil
- Grant date: 17 November 2023
- Vesting date: 30 September 2025, 30 September 2026, 30 September 2027, 30 September 2028, 30 September 2029
- Share price at grant date: $0.46
- Expected dividend yield: 5.62%

2024 DISCRETIONARY EQUITY AWARD

No Discretionary Equity Awards ("DEA") were granted for the FY24 performance period.

2023 DEFERRED STI

Under the FY23 deferred STI scheme, Executives had 25% of their STI awards deferred into deferred share rights subject to a one-year deferral.

The model inputs for 2023 Deferred STI shares granted during the year ended 30 June 2023 included:

- Exercise price: Nil
- Grant date: 29 September 2023
- Vesting date: 30 September 2024
- Share price at grant date: $0.44
- Expected dividend yield: 5.62%

** Relevant employees have begun rendering services before the award is formally ratified. Grant date for accounting purpose is 1 Sep 2022.*

2023 DISCRETIONARY EQUITY AWARD

During FY23, the Board has approved a Discretionary Equity Award ("DEA") to reward and retain high performers and individuals in key roles, providing addition incentive to specific employees, above and beyond their STI or commission plan, based on their contribution to the success of the business determined by the CEO over the FY23 performance period. The DEA will vest over a two-year period in equal tranches and will be subject to a restriction period of 12 months.

The model inputs for 2023 DEA granted during the year ended 30 June 2023 included:

- Exercise price: Nil
- Grant date: 29 September 2023
- Vesting date: 30 September 2024
- Share price at Grant date*: $0.44
- Expected dividend yield: 5.62%

** Relevant employees have begun rendering services before the award is formally ratified. Grant date for accounting purpose is 1 October 2022.*

2022 LTIP – SHARE OPTIONS

The model inputs for 2022 LTIP options granted during the year ended 30 June 2022 included:

- Exercise price: $1.21
- Grant date: 21 September 2021, 27 January 2022
- Vesting date: 30 September 2024, 30 September 2025
- Share price at grant date: $0.79, $0.785
- Expected price volatility of the Company's shares: 53%
- Expected dividend yield: 0%, 3.5%
- Risk-free interest rate: 0.52%, 0.62%

2021 DEFERRED STI

Under the FY21 deferred STI grant, executives had 25% of their STI award deferred into restricted shares of which 100% was subject to a two-year deferral.

Total restricted shares of 75,149 were vested during the year ended 30 June 2024 as the executives met the service condition.

The model inputs for 2021 Deferred STI shares granted during the year ended 30 June 2021 included:

- Exercise price: Nil
- Grant date: 4 September 2021
- Vesting date: 3 September 2022, 3 September 2023
- Share price at grant date: $0.945

SIGN ON INCENTIVE RIGHTS

In 2024 and 2023, nil ordinary shares in the Company were issued as a result of the exercise of any remuneration performance and sign on incentive rights.

EXPENSES ARISING FROM SHARE-BASED PAYMENT TRANSACTIONS

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

A$	2024	2023
Options, performance rights, sign-on incentive and deferred STI rights issued under LTIP	2,907,510	1,513,442

19. DERIVATIVE AND HEDGE ACCOUNTING

ACCOUNTING POLICY

Derivatives are initially recognised at fair value on the date a derivative contract is entered and are subsequently remeasured to their fair value at the end of each reporting period. The Group designates all derivatives held as at 30 June 2024 and 30 June 2023 as hedges of cash flows of recognised liabilities and highly probable forecast transactions (cash flow hedges), for further details refer to note 20.

At the inception of the hedging transaction, the Group documents the relationship between hedging instruments and hedged items, its risk management objective and strategy. The Group has designated separate hedge groups for its interest rate exposures for the Commercial and Consumer borrowing portfolios and derivatives have been executed to separately hedge its interest rate exposures in Australia, New Zealand and Ireland. All interest rate swaps used for hedging were 100% effective in offsetting changes in cash flows of the hedged items as at 30 June 2024.

The fair values of derivative financial instruments used for hedging purposes are disclosed below. Movements in the hedging reserve in shareholders' equity are shown in note 14.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in Other Comprehensive Income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income or other expense.

Amounts accumulated in equity are reclassified to interest expense within profit or loss in the periods when the hedged item affects profit or loss (for instance when the interest payment that is hedged takes place).

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other income or other expenses.

A$m	2024	2023
Interest rate swaps used for hedging	30.9	68.5

At the reporting date, the Group had credit risk exposure to derivative counterparties. Credit limits for counterparties are based on external ratings and the Group manages this credit risk by setting limits on the amount of risk it is willing to accept.

20. FINANCIAL RISK MANAGEMENT

OVERVIEW

The Group's activities expose it to liquidity risk, funding risk, credit risk and market risk (including foreign exchange risk and interest rate risk).

The Board is responsible for approving **humm**group's risk management strategy, determining the risk appetite and monitoring the effectiveness of risk management practices.

The Board has delegated responsibility for financial and operational risk management to the Board Audit and Risk Committee which assigns responsibility, in respect of financial risk management, to the following sub committees:

- Australia Consumer Credit Committee, New Zealand Credit Committee and Group Commercial Credit Committee – responsible for overseeing credit risk; and
- Asset and Liability Committee (ALCO) – responsible for managing liquidity, funding and market risk.

hummgroup uses policies, risk limits and stress testing to manage risks. Monthly reporting of risk exposure against designated limits occurs to the designated sub committees and risk exposures outside of appetite are reported to the Board Audit and Risk Committee and the Board.

a) Liquidity and funding risk

Liquidity risk is the risk that the Group is unable to meet its financial liabilities, including payments to merchants, customers, suppliers and other third parties, as required. Funding risk is the risk that the Group is unable to access funding to support new originations and business growth. The Board Audit and Risk Committee oversees liquidity and funding risk and delegates day to day responsibility to ALCO and Group Treasury, under the responsibility of the Chief Financial Officer. Group Treasury ensures the Group has continuous access to funds in accordance with policies established and monitored by the Board.

hummgroup's liquidity risk management is executed under its risk management policy which is designed to ensure that the Group maintains sufficient liquidity to meet its obligations as they fall due and ensure that cash liquidity is maintained and managed to prevent disruption to business activities. **humm**group's liquidity risk appetite is designed to ensure that the Group is able to meet all of its liquidity obligations over a twelve-month period under a range of operating circumstances. Surplus funds are only invested with highly rated banks in the countries in which the Group operates.

The Group's funding risk, to support new asset origination and maturing liabilities over a defined period, is managed through ensuring sufficient availability of funds via a combination of excess cash, undrawn warehouse facilities, public and private transactions and pre-agreed asset sale facilities. Group Treasury monitors local and global funding markets to determine the risk of potential restrictions in accessing capital via public and private markets.

hummgroup sets out strategies in its contingency funding plan which is designed to address any liquidity shortfalls in emergency situations. These strategies include details of available funding sources, prioritisation procedures and lead time needed to access funds.

hummgroup develops an annual Group funding strategy monitored by ALCO which manages and updates plans with reference to business growth and market conditions. The funding strategy aims to maintain a diversity of current and projected funding sources, ensure ongoing compliance with all risk management policy requirements and support forecast asset growth within both expected and stressed funding market environments.

Undrawn credit lines

To mitigate against funding and liquidity risk, the Group maintains cash reserves and committed undrawn debt facilities to meet anticipated funding requirements for new business and unexpected commitments. In addition, the Group can redraw against its committed debt limits where borrowings are reduced including in the case of recourse funding arrangements through receipt of customer payments in connection with Loans and advances. Details of unused available loan facilities at 30 June 2024 are set out in note 11. Amounts due to funders are repaid directly through repayments received from the Group's customers.

Capital markets issuance

For the current year, the Group continued to access debt capital markets and raised funding of $1,790.2m (2023: $838.2m) through the Australian asset-backed securitisation program and NZ$246.1m (2023: NZ$183.0m) through the New Zealand asset-backed securitisation program.

Loan covenants

The Group had corporate debt outstanding of $61.7m on 30 June 2024 (2023: $75.7m) and has complied with all corporate debt covenants throughout the reporting period.

Contractual maturity of financial liabilities on an undiscounted basis

Borrowings which relate to corporate debt and/or wholesale debt facilities, have been presented based on the contractual obligations under the structures and expected repayment profile of Loans and advances.

The balances in the table will not agree to amounts presented in the Consolidated statement of financial position as amounts incorporate net cash flows on an undiscounted basis and include both principal and associated future interest payments.

A$m	Less than 1 year	1 to 2 years	2 to 5 years	5 years+	Total
At 30 June 2024					
Non-derivative financial liabilities					
Trade and other payables	60.0	–	–	–	60.0
Lease liabilities	3.8	3.2	4.5	0.5	12.0
Borrowings	1,504.9	1,698.4	2,153.1	13.4	5,369.8
Total undiscounted financial liabilities	**1,568.7**	**1,701.6**	**2,157.6**	**13.9**	**5,441.8**
At 30 June 2023					
Non-derivative financial liabilities					
Trade and other payables	59.1	–	–	–	59.1
Lease liabilities	3.7	3.9	6.3	1.9	15.8
Borrowings	1,588.2	1,199.4	1,716.1	9.0	4,512.7
Total undiscounted financial liabilities	**1,651.0**	**1,203.3**	**1,722.4**	**10.9**	**4,587.6**

b) Credit risk

Credit risk is the risk that the Group may not receive amounts owing when they fall due and that there may be a shortfall from the sale of the assets financed, or payments by guarantors and other sources.

The effective management of credit risk is essential to **humm**group's long-term success. Functional responsibility of credit risk resides within Group Risk and is delivered through a dedicated specialist team who maintain credit, fraud and collections expertise as a core competency for the Group. Credit risk strategies are developed in response to market or risk appetite settings and verified through comprehensive data analysis and performance testing. The use of credit scorecards, credit scoring and serviceability models provides consistency at the point of decisioning. Credit settings can be adjusted based on risk appetite, with necessary controls embedded in contemporary fraud and credit decisioning platforms.

Within the Commercial business there is collateral requirements established by policy requirements. The extent of collateral held in support of lending activity is based on a combination of valuation sources for such collateral and management's assessment of orderly liquidation value. This analysis also takes into consideration any other relevant information available to management at the time and updated valuations are obtained when appropriate. In most circumstances, guarantees are also provided by directors and related parties to the financial arrangement.

Credit risk strategies are captured within the Credit Policy, which documents **humm**group's approach to the effective management of credit risk. The **humm**group Credit Committee has responsibility for the monitoring and reporting of credit risk performance and must also approve material changes to credit settings or credit risk appetite. This Committee meets monthly and reports into the Board Audit & Risk Committee, who retain oversight of performance, and ensuring the appropriate governance and assurance measures exist to mitigate the potential for credit risk. In approving the annual credit loss budget, the Board confirms its expectations in respect of group credit performance.

c) Market risk

Market risk is the risk of an adverse impact on Group earnings resulting from changes in market factors such as interest rates and foreign exchange rates.

The Group uses interest rate swaps to partially hedge interest rate exposures from borrowings. Derivatives are exclusively used for hedging purposes and in no circumstances are used as trading or other speculative instruments. Where deemed appropriate, the Group uses forward exchange contracts to hedge foreign exchange exposure from intercompany borrowings in non-functional currencies.

Market risk management is overseen by the Board Audit and Risk Committee with day-to-day responsibility assigned to Group Treasury under the management of the Chief Financial Officer.

i) Interest rate risk

Interest rate risk results principally from the repricing risk or differences in the repricing characteristics of the Group's receivable portfolio and borrowings.

The Group's Loans and advances consist of:

- fixed rate commercial contracts where the interest rate is fixed for the life of the contract. Lease contracts and chattel loans are typically originated with maturities ranging between one and five years and require the customer to make equal monthly payments over the life of the contract;
- an interest free and fixed rate consumer loan portfolio where the payments are fixed for the term of the loan; and/or
- revolving credit card portfolios where the payments may vary for the term of the loan.

Borrowings are on variable rates where the rates are reset monthly. Interest rate risk is managed by entering into interest rate swaps whereby the Group pays a fixed rate and receives a floating rate.

The hedging contracts generally require settlement of the swap amount receivable or payable monthly. The settlement dates coincide with the dates on which interest is payable on the underlying borrowings.

At the end of the reporting period, the Group had the following variable rate borrowings outstanding:

A$m	2024	2023
Floating rate borrowings (variable rate)	4,707.8	4,016.2
Interest rate swaps (fixed rate)[1]	(3,570.0)	(3,046.7)
Unhedged variable borrowings	**1,137.8**	**969.5**

1. **humm**group has $3,570.0m of pay fixed, receive floating interest rate swaps at 30 June 2024 (30 June 2023: $3,046.7m).

Interest rate risk sensitivity analysis

Based on the variable rate financial assets and financial liabilities held at 30 June 2024, if interest rates changed by, +/- 200 basis points from the year end rates with all other variables held constant, the impact on the Group's after-tax profits and equity on above exposures would have been $5.2m lower/$5.2m higher (2023: $3.9m lower/$3.9m higher).

Cash flow hedges

At 30 June 2024 the Group hedged 76% (2023: 76%) of the variability in future cash flows attributable to the interest rate risk on floating rate borrowings using interest rate swaps. There were no forecast transactions for which cash flow hedge accounting had to be ceased as a result of the forecast transaction no longer being expected to occur in the current or prior period.

ii) Foreign exchange risk

Foreign exchange risk results from an impact on the Group's profit (after tax) and equity from movements in foreign exchange rates.

Changes in value would occur in respect of translating the Group's capital invested in overseas operations in the form of underlying assets and liabilities into Australian dollars at the reporting date (translation risk).

Currently the Group's exposure to this risk arises from its investment in its New Zealand, Ireland, UK and Canadian businesses. The foreign exchange gain or loss on translation of the investment in foreign subsidiaries to Australian dollars at the end of the reporting period is recognised in other comprehensive income and accumulated in the foreign currency translation reserve, in shareholders' equity.

21. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value reflects the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Quoted prices or rates are used to determine fair value where an active market exists. If the market for a financial instrument is not active, fair values are estimated using present value or other valuation techniques, using inputs based on market conditions prevailing on the measurement date. There were no transfers between levels for recurring fair value measurements during the year.

Fair value hierarchy

Financial instruments measured at fair value are categorised under a three-level hierarchy as outlined below:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group has assessed its financial instruments recorded at fair value and are categorised as per below under fair value hierarchy.

The table below summarises the carrying amount and fair value of financial assets and financial liabilities. The methodology and assumptions used in determining fair values are as follows:

2024

A$m	Notes	Carrying amount	Fair value	Level of Fair Value Hierarchy
Financial assets				
Loans and advances	8	4,894.5	4,905.0	3
Derivative financial instruments	19	30.9	30.9	2
Financial liabilities				
Borrowings (Floating interest rate)[1]	11	4,707.8	4,739.7	3
Deferred consideration		4.0	4.0	3

1. Refer to note 20 for further information on how the Group manages its interest rate risk.

2023

A$m	Notes	Carrying amount	Fair value	Level of Fair Value Hierarchy
Financial assets				
Loans and advances	8	4,153.6	4,044.7	3
Financial liabilities				
Borrowings (Floating interest rate)[1]	11	4,016.2	3,990.6	3
Derivative financial instruments	19	68.5	68.5	2

1. Refer to note 20 for further information on how the Group manages its interest rate risk.

Valuation technique

The following table shows the valuation techniques used in measuring fair values for financial instruments in the Consolidated statement of financial position.

A$m	Valuation technique
Loans and advances	The fair values are estimated by discounting the future contractual cash flows at the current market interest rate that is available to the customers.
Borrowings	The fair value is estimated by using discounted the future contractual cash flows at the current market interest rate that is available to the Group.
Interest rate swaps	The fair value is estimated as the present value of the future cash flows. Cash flows are discounted using yield curves reflecting benchmark interbank rate used by market participants. The fair value is subject to a credit risk adjustment to reflect the credit risk of **humm**group and that of the counterparty.

22. COMMITMENTS

hummgroup extends credit to customers in the normal course of business and the gross undrawn exposure on loans and advances at 30 June 2024 is $867.4m (2023: $992.2m). Refer note 9 for provision for undrawn exposure on Customer loans.

23. CONTINGENT LIABILITIES

Forum Finance

Litigation in respect of the statement of claim lodged by SMBC in July 2022 in relation to Forum Finance is continuing to progress. An amended statement of claim was filed by SMBC in July 2023 relating to the 2020 agreement between SMBC and Forum Finance, to which **humm**group (and its related entities) was not a party. A formal hearing is not expected until 2025 and **humm**group will continue to defend its position.

As at 30 June 2024, a provision of $18.2m (2023: $16.5m) was set aside for this exposure.

Remediation and regulatory enforcement

The Group is exposed to contingent risks and liabilities arising from investigations carried out internally or by regulatory authorities and where necessary, the Group undertakes remediation programs and reports such matters to the regulatory authorities. Whilst the Group has provided for exposures related to known matters arising, due to the inherent complexity, uncertainty and ongoing nature of its business, outcomes and potential liability to the Group of these and any emerging matters remain uncertain.

Other than the matters outlined above, the Group does not have any further material contingent liabilities.

24. INVESTMENTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities in accordance with the accounting policy described in note 1:

			Percentage of shares/units	
Entity name	**Footnote**	**Country of incorporation**	**2024**	**2023**
Flexicommercial Pty Ltd	2	Australia	100%	100%
FlexiGroup Management Pty Limited		Australia	100%	100%
FlexiGroup SubCo Pty Limited	2	Australia	100%	100%
Flexirent Capital Pty Ltd	2	Australia	100%	100%
Flexirent Horizon SPV Pty Ltd		Australia	100%	100%
FlexiRent SPV Number 2 Pty Ltd		Australia	100%	100%
FlexiRent SPV Number 4 Pty Ltd	3	Australia	100%	100%
FlexiRent SPV Number 7 Pty Ltd	3	Australia	100%	100%
FlexiRent SPV Number 8 Pty Ltd	3	Australia	100%	100%
Humm BNPL Pty Ltd	2	Australia	100%	100%
Humm Cards Pty Ltd	2	Australia	100%	100%
Humm Global Pty Limited	2	Australia	100%	100%
Humm Pro Pty Ltd	2	Australia	100%	100%
Humm SPV Pty Ltd	2	Australia	100%	100%
Once Credit Pty Limited	2	Australia	100%	100%
OxiPay Pty Ltd		Australia	100%	100%
Flexi ABS Trust 2010-2	3	Australia	100%	100%
Flexi ABS Trust 2019-2	3	Australia	100%	100%
Flexi ABS Trust 2020-1	3	Australia	100%	100%
Flexi ABS Warehouse Trust No.2	3	Australia	100%	100%
Flexi ABS Warehouse Trust No.3	3	Australia	100%	100%
Flexicommercial ABS Trust 2021-1		Australia	100%	100%
Flexicommercial ABS Trust 2021-2		Australia	100%	100%
Flexicommercial ABS Trust 2023-1		Australia	100%	100%
Flexicommercial ABS Trust 2022-1		Australia	100%	100%
Flexicommercial ABS Warehouse Trust No.4		Australia	100%	100%
Flexicommercial ABS Warehouse Trust No.5		Australia	100%	100%
FlexiGroup Employee Share Plan Trust		Australia	100%	100%
Humm Group Limited Employee Share Trust		Australia	100%	100%
Helix Trust		Australia	100%	100%
Humm ABS Trust 2021-1	3	Australia	100%	100%
Humm ABS Trust 2022-1	3	Australia	100%	100%
Humm ABS Trust 2022-2		Australia	100%	100%
Humm ABS Warehouse Trust No.6		Australia	100%	100%
Lombard Warehouse Trust No 1		Australia	100%	100%
Humm ABS Trust 2023-1		Australia	100%	_
Bidfin Pty Ltd	2	Australia	100%	_
Bidfin Capital Pty Ltd	2	Australia	100%	_

			Percentage of shares/units	
Entity name	**Footnote**	**Country of incorporation**	**2024**	**2023**
Humm ABS Aurora Trust		Australia	100%	_
Flexicommercial ABS Inspire Trust		Australia	100%	_
Flexicommercial ABS Inspire Trust 2	1	Australia	100%	_
Humm Group Limited		Canada	100%	100%
Flexi Orlaigh SPV DAC	4	Ireland	-	-
FlexiFi Europe Holdings Limited		Ireland	100%	100%
FlexiFi Europe Limited		Ireland	100%	100%
FlexiFi Europe Services Limited		Ireland	100%	100%
Flexirent Ireland Limited		Ireland	100%	100%
Humm Group Limited		Northern Ireland	100%	100%
Bundll (NZ) limited	3	New Zealand	100%	100%
Columbus Financial Services Limited		New Zealand	100%	100%
Consumer Finance Limited		New Zealand	100%	100%
Consumer Insurance Services Limited	3	New Zealand	100%	100%
Flexi Finance Limited		New Zealand	100%	100%
Flexi Financial Services Limited		New Zealand	100%	100%
Flexicommercial Limited		New Zealand	100%	100%
FlexiGroup (New Zealand) Limited		New Zealand	100%	100%
FlexiGroup NZ SPV1 Limited		New Zealand	100%	100%
FlexiGroup NZ SPV2 Limited		New Zealand	100%	100%
FlexiGroup NZ SPV3 Limited	3	New Zealand	100%	100%
Humm (NZ) limited		New Zealand	100%	100%
Humm Pro limited		New Zealand	100%	100%
Retail Financial Services Limited		New Zealand	100%	100%
Columbus Trust		New Zealand	100%	100%
Q Card Trust		New Zealand	100%	100%
RFS Trust 2016-1	3	New Zealand	100%	100%
Flexicommercial NZ No. 1 Trust		New Zealand	100%	100%

1. Incorporated, established or acquired during the year ended 30 June 2024.
2. These controlled entities have entered or will enter into a deed of cross guarantee with the Company pursuant to ASIC Class order 98/1418 dated 13 August 1998. These controlled entities and the Company form a closed group (closed group is defined as a group of entities comprising a holding entity and its related wholly owned entities). Relief was granted to these controlled entities from the Corporations Act 2001 requirements for preparation, audit and publication of an annual financial report.
3. These entities are currently inactive, with management planning to wind them up in the next 12 months.
4. **humm**group consolidates the entity by nature of its interest in the risks and rewards of the entity.

25. KEY MANAGEMENT PERSONNEL DISCLOSURES

a) Directors

The following persons were Directors of **humm**group during the financial year:

Andrew Abercrombie	Non-Executive Director and Chair
Teresa Fleming	Non-Executive Director
Anthony Thomson	Non-Executive Director
Robert Hines	Non-Executive Director

b) Other Key Management Personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Group during the financial year:

Stuart Grimshaw	Group Chief Executive Officer & Managing Director
Adrian Fisk	Group Chief Financial Officer

c) Key Management Personnel compensation

A$	2024	2023
Short-term employee benefits	2,806,598	2,770,553
Termination payments	–	250,000
Post-employment benefits	117,731	115,997
Long service leave	6,248	3,998
Share-based payments	1,956,208	263,201
Total	**4,886,785**	**3,403,749**

d) Other transactions with related parties

Other investments carried at FVTOCI

Mr Andrew Abercrombie, Director and Chair of humm Group Limited, held a minority interest in Douugh Limited, an ASX listed fintech, in which humm Group Limited also held a minority interest.

Director shareholdings in hummgroup

The number of shares in the Company held (or controlled) during the financial year by each Director and Executive KMP of the Company including their personally related parties are set out below.

2024	Role	Balance at start of year	Received during the year on the exercise of rights	Other changes during the year	Balance at end of year
Andrew Abercrombie (Chair)	Non-Executive Director	126,442,060	_	4,809,897	131,251,957
Stuart Grimshaw	Chief Executive Officer and Managing Director	–	–	–	–
Teresa Fleming	Non-Executive Director	–	–	–	–
Anthony Thomson	Non-Executive Director	–	–	–	–
Robert Hines	Non-Executive Director	200,000	–	–	200,000
Adrian Fisk	Chief Financial Officer	200,000	_	7,005	207,005

26. RELATED PARTY TRANSACTIONS

a) Parent entity

The parent entity of the Group is humm Group Limited.

b) Subsidiaries and associate

Interests in Group entities are set out in note 24.

c) Transactions with related parties

No significant related party transactions during the year ended 30 June 2024.

27. REMUNERATION OF AUDITORS

a) Audit and assurance services

A$000	2024	2023
Audit services		
Audit and review of financial statements:		
EY Australian firm	1,636.0	1,872.5
Total remuneration for audit and assurance services	**1,636.0**	**1,872.5**

b) Non-audit services

A$000	2024	2023
Taxation services		
Tax compliance and advice on transactions		
EY Australian firm	23.7	67.1
Related practices of EY Australian firm	–	17.6
Other services		
Due Diligence service[1]		
EY Australian firm	–	160.0
Other services		
EY Australian firm	160.5	46.5
Related practices of EY Australian firm	–	68.8
Total remuneration for non-audit and assurance services	**184.2**	**360.0**
Total remuneration for audit and assurance services	**1,820.2**	**2,232.4**

1. During 2023, the Company paid EY for due diligence advice in relation to the corporate debt facility.

It is the Group's policy to employ EY on regulatory audits, procedures performed as part of completing funding agreements and tax compliance in addition to statutory audit where EY's expertise and experience are important.

28. CLOSED GROUP

The table below presents the Consolidated Income statement and Consolidated statement of financial position for the Company and controlled entities, which are party to the deed of cross guarantee (referred to as a closed group). For further information, refer note 24, footnote 2. The effects of transactions between entities to the deed are eliminated in full in the Consolidated statement of comprehensive income and Consolidated statement of financial position.

a) Statement of comprehensive income

A$m	2024	2023 Reclassified
Interest income	37.3	23.9
Fee and other income	90.4	92.2
Dividend income	–	11.5
Gross income	**127.7**	**127.6**
Interest expense	**(13.6)**	**(8.6)**
Cost of origination	(14.3)	(22.2)
Net operating income	**99.8**	**96.8**
Credit impairment charge	(16.1)	(11.2)
Employment expenses	(63.8)	(57.1)
Operating and other expenses	(22.9)	(50.2)
Depreciation and amortisation	(9.9)	(6.7)
Impairment of goodwill and other intangible assets	(4.0)	(2.1)
Loss before income tax	**(16.9)**	**(30.5)**
Income tax benefit	7.4	21.6
Loss for the year	**(9.5)**	**(8.9)**
Other comprehensive loss		
Items that may be reclassified to profit or loss		
Changes in the fair value of cash flow hedges, net of tax	(21.9)	1.9
Items that will not be reclassified to profit and loss		
Changes in fair value of investment carried at fair value through other comprehensive income, net of tax	(0.1)	(0.2)
Other comprehensive loss for the year, net of tax	**(22.0)**	**1.7**
Total comprehensive loss for the year	**(31.5)**	**(7.2)**

b) Statement of financial position

A$m	2024	2023 Reclassified
Assets		
Cash and cash equivalents	83.7	77.0
Loans and advances	71.3	45.9
Other assets	286.4	413.4
Current tax receivable	–	0.8
Plant and equipment	3.7	5.8
Other intangible assets	31.4	26.3
Deferred tax asset	12.7	0.4
Total assets	**489.2**	**569.6**
Liabilities		
Payables	32.3	35.8
Borrowings	61.7	75.7
Provisions	30.6	29.3
Deferred consideration	4.0	–
Total liabilities	**128.6**	**140.8**
Net assets	**360.6**	**428.8**
Equity		
Contributed equity	495.1	507.6
Reserves	20.6	41.1
Accumulated losses	(155.1)	(119.9)
Total equity	**360.6**	**428.8**

29. PARENT ENTITY FINANCIAL INFORMATION

a) Summary financial information

A$m	2024	2023
Balance sheet		
Current assets	-	1.9
Non-current assets	514.1	516.3
Total assets	**514.1**	**518.2**
Current liabilities	-	1.9
Non-current liabilities	4.3	-
Total liabilities	**4.3**	**1.9**
Net assets	**509.8**	**516.3**
Issued share capital	499.5	511.8
Share-based payment reserve	5.8	3.0
Accumulated profit	4.5	1.5
Shareholders' equity	**509.8**	**516.3**
Profit for the year	**19.2**	20.0
Total comprehensive income	**19.2**	**20.0**

Retained earnings reconciliation	**2024**	**2023**
Opening retained earnings/ (accumulated losses)	**1.5**	(406.0)
Share capital reduction	-	406.0
Profit for the year	**19.2**	20.0
Dividend paid	**(16.2)**	(18.5)
Closing retained earnings	**4.5**	**1.5**

b) Guarantees entered into by the parent entity

Pursuant to Australian Securities and Investments Commission Class Order 98/1418 dated 13 August 1998 relief was granted to certain controlled entities (note 24, footnote 2) from the *Corporations Act 2001* requirements for preparation, audit and publication of annual financial reports. It is a condition of the Class Order that the Company and each of the controlled entities are party to a deed of cross guarantee. The effect of the deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the controlled entities under certain provisions of the *Corporations Act 2001*.

No liability was recognised by the parent entity or the consolidated entity in relation to the above guarantee as the fair value of the guarantee is immaterial.

c) Contingent liabilities and contractual commitments of the parent entity

Other than as head entity of the tax consolidated group, disclosed in note 7, contingent liabilities or contractual commitments as at 30 June 2024 are disclosed in note 23.

d) Dividend income

The parent entity received $17.0m dividends from subsidiaries in the current year (2023: $15.0m).

e) Impairment of Investments in subsidiaries

The net assets of the parent entity were assessed against the recoverable amount of the consolidated Group's net assets and impairment of $Nil was recognised in the year (2023: $Nil).

30. SECURITISATION AND SPECIAL PURPOSE VEHICLES

The Group sells Loans and advances to securitisation vehicles. These vehicles (refer note 24) are consolidated as the Group has rights to variable returns and has the ability to affect its returns through its power over the vehicles.

The table below presents assets securitised and the underlying borrowings as a result of the securitisations.

A$m	2024	2023
Loans and advances	4,647.3	4,087.8
Cash held by securitisation vehicles	156.1	223.8
Total	**4,803.4**	**4,311.6**
Borrowings related to loans and advances (note 11)	**4,646.1**	3,940.5

31. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Dividend

Dividends are determined after period-end and contained within the announcement of the results for the period. Final dividends are determined in August and paid in September/October. Dividends determined are not recorded as a liability at the end of the period to which they relate. Subsequent to the year, on 21 August 2024, the Group determined a final ordinary dividend of 1.25 cents per share totalling $6.2m, which will be paid on 3 October 2024.

Forward flow

At 21 August 2024, the Group entered into a Forward Flow Program to fund the next phase of growth for the Commercial business. Under the Program, **humm**group has entered into a partnership agreement to originate and service loans and advances using a funding platform delivered by the funders.

No other matters

As at the date of this report the Directors are not aware of any matter or circumstance that has arisen since 30 June 2024 that has significantly affected, or may significantly affect:

- the Group's operations in future financial years, or
- the results of those operations in future financial years, or
- the Group's state of affairs in future financial years.

INDEPENDENT AUDITOR'S REPORT

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Independent auditor's report to the members of humm Group Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of humm Group Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as 30 June 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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Building a better working world

Provision for expected credit loss

Why significant	How our audit addressed the key audit matter

As disclosed in Note 8 Loans and advances, Note 9 Allowance for expected credit loss, and Note 20 Financial Risk Management, the Group carries a provision for expected credit loss of $130.9m for the year ended 30 June 2024. This includes an amount of $8.1m relating to ECL on the undrawn exposure on Customer Loans.
 	
Key areas of judgment included:
• the application of the impairment requirements of Australian Accounting Standards within the Group's expected credit loss methodology;
• the identification of exposures with a significant deterioration in credit quality;
• assumptions used in the expected credit loss model for exposures assessed on a collective basis;
• the incorporation of forward-looking information to reflect current and anticipated future external factors, including judgments related to the impact of macroeconomic factors, both in the multiple economic scenarios and the probability weighting determined for each of these scenarios;
• in the application of post-model overlays reflecting forward-looking inputs and scenarios which are not otherwise reflected in product specific probability of default factors.
 	
This was considered to be a key audit matter due to the value of the provision and the degree of judgment and estimation uncertainty associated with the provision calculation.
	Our audit procedures included the following:
	
	• Assessed the alignment of the Group's expected credit loss model and its underlying methodology against the requirements of AASB 9 *Financial Instruments.*
	• Assessed the following for exposures evaluated on a collective basis and management overlays:
	  ◦ significant modelling and macroeconomic assumptions, including those relating to a significant increase in credit risk, the reasonableness of forward-looking information and scenarios; and
	  ◦ the basis for, and data used to determine overlays.
	• Assessed the impact of current macroeconomic developments.
	• Involved our Financial Risk and Model specialists to test the mathematical accuracy of the model and to consider key assumptions.
	• Assessed the effectiveness of relevant controls relating to the capture of data, including loan origination and transactional data.
	• Assessed the adequacy and appropriateness of the disclosures related to credit impairment included in the Notes to the financial report.

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Building a better working world

Information Technology (IT) systems and IT controls

Why significant	How our audit addressed the key audit matter
A significant part of the Group's financial reporting process is reliant on IT systems with automated processes and controls relating to the capture, storage, processing and extraction of information. A fundamental component of these IT controls is ensuring that risks relating to inappropriate user access management, unauthorised program changes and IT operating protocols are addressed.	We focused our audit procedures on those IT systems that are significant to the Group's financial reporting process. We involved our IT specialists where audit procedures over IT systems and controls required specific expertise. We assessed the design and tested the operating effectiveness of the Group's IT controls, including those related to user access, change management and data integrity. We also assessed the design and tested the operating effectiveness of IT application level controls, such as automated calculations of interest and processing of information that impact financial reporting. Where we identified design and/or operating deficiencies in the IT control environment, our audit procedures included the following: • assessed the integrity and reliability of the systems and data related to financial reporting; • where automated procedures were supported by systems with identified deficiencies, we assessed alternative controls that were not reliant on the IT control environment; and • where alternative controls did not exist or where we identified design and/or operating deficiencies in those controls, we designed and performed alternate audit procedures to assess the reliability of data and processing of information related to the Group's financial reporting.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2024 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit 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 of the directors for the financial report

The directors of the Company are responsible for the preparation of:

a. The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and;

b. The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

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i. The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii. The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 31 to 45 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of humm Group Limited for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

R. Balfour

Richard Balfour
Partner
Sydney

21 August 2024

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SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 2 August 2024.

A. DISTRIBUTION OF EQUITY SECURITIES

Range	Number of holders	Number of shares	% of issued shares
1 to 1,000	3,639	2,071,811	0.42
1,001 to 5,000	4,271	11,212,157	2.28
5,001 to 10,000	1,550	11,929,925	2.43
10,001 to 100,000	2,106	61,508,865	12.52
100,001 and over	296	404,648,587	82.35
Total	**11,862**	**491,371,345**	**100.00**

There were 3,727 holders of less than a marketable parcel of ordinary shares based on closing market price on 2 August 2024 of $0.480.

B. EQUITY SECURITY HOLDERS

The names of the 20 largest holders of quoted equity securities are listed below:

	Ordinary shares	
Range	**Number of shares**	**% of issued shares**
The Abercrombie Group Pty Ltd	90,955,600	18.51
HSBC Custody Nominees (Australia) Limited	44,055,812	8.97
Tefig Pty Ltd	40,000,000	8.14
J P Morgan Nominees Australia Pty Limited	30,878,760	6.28
Resimac Limited	15,800,000	3.22
Citicorp Nominees Pty Limited	14,090,477	2.87
HSBC Custody Nominees (Australia) Limited	11,738,016	2.39
Pacific Custodians Pty Ltd	11,383,906	2.32
Sandhurst Trustees Ltd	11,266,250	2.29
Tamorer Pty Limited	10,986,790	2.24
GEGM Investments Pty Ltd	7,119,855	1.45
Thorn Group Limited	5,709,564	1.16
Behan Superannuation Pty Ltd	4,800,000	0.98
Brazil Farming Pty Ltd	4,631,114	0.94
Diamond Lilly Pty Ltd	4,508,913	0.92
HSBC Custody Nominees (Australia) Limited – A/C 2	3,684,522	0.75
Tom Hadley Enterprises Pty Ltd	2,500,000	0.51
Mr Sunny Yang & Mrs Connie Yang	2,106,455	0.43
Director's Interest Pty Ltd	1,850,000	0.38
Mr Andrew George Kettle	1,700,000	0.35
Total	**319,766,034**	**65.08**

Unquoted Equity Securities

As at the date of this report, there are 66,769,361unquoted rights, made up as follows:

Class	Number of rights	Number of holders
HUMAA – performance rights	59,182,587	57
HUMAN – option expiring various dates Ex $1.21 (FY22LTI)	4,740,050	11
HUMAC – option expiring various dates Ex $1.38 (FY21LTI)	2,239,174	9
Deferred short term incentive rights	607,550	5

Details of the options and rights related to the unquoted securities are included in note 18 of the Financial Statements.

The Company has no other unquoted equity securities.

C. SUBSTANTIAL HOLDERS

Substantial holders in the Company are set out below:

	Number held	Percentage %	Date of last substantial holder notice
The Abercrombie Group Pty Ltd – ATF The Philadelphia Trust; Tefig Pty Ltd – ATF The AJ Abercrombie Superannuation Fund and Andrew Abercrombie	130,955,600	26.42	3 April 2024
Renaissance Smaller Companies Pty Ltd	30,523,516	6.05%	25 May 2023

Note: As disclosed in substantial holding notices lodged with the ASX.

D. VOTING RIGHTS

The voting rights attaching to equity securities are set out below:

a. Ordinary shares

On a show of hands, every member present at a meeting in person or by proxy and entitled to vote shall have one vote and upon a poll, each share shall have one vote.

b. Options, performance rights and deferred short term incentive rights

No voting rights.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Set out below is the list of entities that are consolidated in this set of consolidated financial statements.

Entity name	Entity type	Body corporate country of incorporation	Percentage of share capital held	Country of tax residence
Flexicommercial Pty Ltd	Body Corporate	Australia	100%	Australia
FlexiGroup Management Pty Limited	Body Corporate	Australia	100%	Australia
FlexiGroup SubCo Pty Limited	Body Corporate	Australia	100%	Australia
Flexirent Capital Pty Ltd	Body Corporate	Australia	100%	Australia
Flexirent Horizon SPV Pty Ltd	Trust	Australia	100%	Australia
FlexiRent SPV Number 2 Pty Ltd	Trust	Australia	100%	Australia
FlexiRent SPV Number 4 Pty Ltd	Trust	Australia	100%	Australia
FlexiRent SPV Number 7 Pty Ltd	Trust	Australia	100%	Australia
FlexiRent SPV Number 8 Pty Ltd	Trust	Australia	100%	Australia
Humm BNPL Pty Ltd	Body Corporate	Australia	100%	Australia
Humm Cards Pty Ltd	Body Corporate	Australia	100%	Australia
Humm Global Pty Limited	Body Corporate	Australia	100%	Australia
Humm Pro Pty Ltd	Body Corporate	Australia	100%	Australia
Humm SPV Pty Ltd	Trust	Australia	100%	Australia
Once Credit Pty Limited	Body Corporate	Australia	100%	Australia
OxiPay Pty Ltd	Body Corporate	Australia	100%	Australia
Flexi ABS Trust 2010-2	Trust	Australia	100%	Australia
Flexi ABS Trust 2019-2	Trust	Australia	100%	Australia
Flexi ABS Trust 2020-1	Trust	Australia	100%	Australia
Flexi ABS Warehouse Trust No.2	Trust	Australia	100%	Australia
Flexi ABS Warehouse Trust No.3	Trust	Australia	100%	Australia
Flexicommercial ABS Trust 2021-1	Trust	Australia	100%	Australia
Flexicommercial ABS Trust 2021-2	Trust	Australia	100%	Australia
Flexicommercial ABS Trust 2023-1	Trust	Australia	100%	Australia
Flexicommercial ABS Trust 2022-1	Trust	Australia	100%	Australia
Flexicommercial ABS Warehouse Trust No.4	Trust	Australia	100%	Australia
Flexicommercial ABS Warehouse Trust No.5	Trust	Australia	100%	Australia
FlexiGroup Employee Share Plan Trust	Trust	Australia	100%	Australia
Humm Group Limited Employee Share Trust	Trust	Australia	100%	Australia
Helix Trust	Trust	Australia	100%	Australia
Humm ABS Trust 2021-1	Trust	Australia	100%	Australia

Entity name	Entity type	Body corporate country of incorporation	Percentage of share capital held	Country of tax residence
Humm ABS Trust 2022-1	Trust	Australia	100%	Australia
Humm ABS Trust 2022-2	Trust	Australia	100%	Australia
Humm ABS Warehouse Trust No. 6	Trust	Australia	100%	Australia
Lombard Warehouse Trust No 1	Trust	Australia	100%	Australia
Humm ABS Trust 2023-1	Trust	Australia	100%	Australia
Bidfin Pty Ltd	Body Corporate	Australia	100%	Australia
Bidfin Capital Pty Ltd	Body Corporate	Australia	100%	Australia
Humm ABS Aurora Trust	Trust	Australia	100%	Australia
Flexicommercial ABS Inspire Trust	Trust	Australia	100%	Australia
Flexicommercial ABS Inspire Trust 2	Trust	Australia	100%	Australia
Humm Group Limited	Body Corporate	Canada	100%	Canada
Flexi Orlaigh SPV DAC	Trust	Ireland	-	Ireland
FlexiFi Europe Holdings Limited	Body Corporate	Ireland	100%	Ireland
FlexiFi Europe Limited	Body Corporate	Ireland	100%	Ireland
FlexiFi Europe Services Limited	Body Corporate	Ireland	100%	Ireland
Flexirent Ireland Limited	Body Corporate	Ireland	100%	Ireland
Humm Group Limited	Body Corporate	Northern Ireland	100%	Northern Ireland
Bundll (NZ) limited	Body Corporate	New Zealand	100%	New Zealand
Columbus Financial Services Limited	Body Corporate	New Zealand	100%	New Zealand
Consumer Finance Limited	Body Corporate	New Zealand	100%	New Zealand
Consumer Insurance Services Limited	Body Corporate	New Zealand	-	New Zealand
Flexi Finance Limited	Body Corporate	New Zealand	100%	New Zealand
Flexi Financial Services Limited	Body Corporate	New Zealand	100%	New Zealand
Flexicommercial Limited	Body Corporate	New Zealand	100%	New Zealand
FlexiGroup (New Zealand) Limited	Body Corporate	New Zealand	100%	New Zealand
FlexiGroup NZ SPV1 Limited	Trust	New Zealand	100%	New Zealand
FlexiGroup NZ SPV2 Limited	Trust	New Zealand	100%	New Zealand
FlexiGroup NZ SPV3 Limited	Trust	New Zealand	100%	New Zealand
Humm (NZ) limited	Body Corporate	New Zealand	100%	New Zealand
Humm pro limited	Body Corporate	New Zealand	100%	New Zealand
Retail Financial Services Limited	Body Corporate	New Zealand	100%	New Zealand
Columbus Trust	Trust	New Zealand	100%	New Zealand
Q Card Trust	Trust	New Zealand	100%	New Zealand
RFS Trust 2016-1	Trust	New Zealand	100%	New Zealand
Flexicommercial NZ No. 1 Trust	Trust	New Zealand	100%	New Zealand

DIRECTORS' DECLARATION

The Directors declare that:

1. In the opinion of the Directors:
    a. the financial statements and notes set out on pages 72-134 are in accordance with the *Corporations Act 2001* (Cth), including:
        (i) complying with the Accounting Standards, the Corporations Regulations 2001, and other mandatory professional reporting requirements; and
        (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
    b. there are reasonable grounds to believe that:
        (i) the Company will be able to pay its debts as and when they fall due and payable; and
        (ii) the members of the closed group identified in note 24 will be able to meet any obligations or liabilities which they are, or may become, subject to and by virtue of the deed of cross guarantee referred to in note 29;
    c. the consolidated entity disclosure statement required by section 295(3A) of the *Corporations Act 2001* (Cth) is true and correct; and
    d. Note 1 confirms that the financial statements comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.
2. The Directors have been given the declaration by the Chief Executive Officer and Chief Financial Officer as required by s295A of the *Corporations Act 2001* (Cth).
3. This declaration is made in accordance with a resolution of the Directors.

Andrew Abercrombie
Chairman
Sydney

21 August 2024

CORPORATE DIRECTORY

>> BOARD OF DIRECTORS

Andrew Abercrombie (Chair)

Stuart Grimshaw

Teresa (Terry) Fleming

Anthony Thomson

Robert Hines

>> COMPANY SECRETARIES

Christina Seppelt

Lisa-Anne Carey

>> NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of humm Group Limited will be held on 14 November 2024. Further details will be provided in the Notice of Meeting.

>> PRINCIPAL REGISTERED OFFICE

humm Group Limited

Level 1
121 Harrington Street
The Rocks
Sydney NSW 2000
Australia

>> SHARE REGISTRY

Link Market Services Limited

Level 12
680 George Street
Sydney NSW 2000
Australia

>> AUDITOR

Ernst & Young

200 George Street
Sydney NSW 2000
Australia

>> AUSTRALIAN SECURITIES EXCHANGE LISTING

humm Group Limited shares are listed on the Australian Securities Exchange under the code HUM

>> WEBSITE

shophumm.com/humm-group/

shophumm.com/humm-group/