1H25 Investor Presentation

ASX: HMY

David Stevens CEO and Managing Director
Simon Ward CFO

All values are in $AUD unless stated otherwise

Contents

Harmoney

1H25 Highlights & Profit guidance

1H25 Highlights vs 1H24 (pcp)

$2.0m Statutory NPAT
Achieved $2.0m statutory profit for the half, up from $0.6m loss.

$2.3m Cash NPAT
350% increase driven by operating performance improvements and increasing scale. 6th consecutive positive Cash NPAT half.

13% Cash RoE
Well on track for achieving 20% cash return on equity run-rate in 2H25.

Lending & book growth
Stellare® 2.0 propelled +43% Australian new customer lending growth, driving +4% loan book growth.

9% Portfolio NIM
Sustained 1H25 new lending NIM of 10% drove 1H25 total loan book NIM to 9%, back within our 9%-10% target range.

Low credit losses
Credit losses reduced to 3.7% from 4.2%, and 90+ day arrears remain low at 64bps.

18% Cost to income
Automation and increasing scale continue to drive efficiency gains.

Capacity for growth
Total warehouse capacity over $900m, $21m in unrestricted cash, plus $7.5m in undrawn corporate debt.

FY25 Guidance and FY26 Target

	FY24 Actual	FY25 Guidance	FY26 Target
Cash NPAT	$0.7m	$5m	$10m+
Cash ROE	2%	20% run-rate in 2H25 *13% achieved in 1H25*	25%+

FY25 Guidance: $5m Cash NPAT

- Stellare® 2.0 rollout completed across both countries, setting up for significant growth in FY26 and beyond
- Net interest margin: 9%-10%
- Cash NPAT: **$5m**
- Cash Return on Equity run-rate in 2H25: **20%**

FY26 Target: Accelerated growth

- Stellare® 2.0 helping more prime applicants, plus compounding 140% returning customer annuity, to fuel accelerating book growth
- Net interest margin: 9%-10%
- Cash NPAT: **$10m+**
- Cash Return on Equity: **25%+**

Harmoney

About us

What sets Harmoney apart

Consumer-direct lending, data driven automation

- AU & NZ's largest 100% consumer-direct online lender
- Market opportunity >$150bn, current market share <1%
- Our algorithms partner with Google's to attract prime customers at low cost and our great customer experience sees them returning at near zero cost
- Deep first party data and AI models deliver prime loan book and >5% Risk Adjusted Income[1]
- Funded by 3 of the "big 4" Australian banks plus public securitisations
- Stellare® automation drives a low cost to income, 18% in 1H25
- Cash return on equity 13% in 1H25, targeting 20% run-rate in 2H25

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

Fair, simple, personal loan

- Loans up to **$70,000,** average $18,000
- Personalised pricing **5.7% - 24.99%**
- One establishment fee, **no other fees**
- Up to **7 year loan** terms
- **Secured** and **unsecured** options
- Disbursals within **minutes**

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

Data + AI + Automation

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

2021 & 2023
FINANCIAL REVIEW BOSS
MOST INNOVATIVE COMPANIES
STELLARE

High volumes of real-time consumer financial data – combined with our 10+ years of historic data – supercharges training of our AI models, helping us optimise for:

- Highly efficient marketing with Google delivering high volumes of desirable customers at low cost.
- Risk Adjusted Income exceeding 5%, through more accurate assessment of customers.

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

The Harmoney business model maximises customer lifetime value

Right customer

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

Google   Shopper Approved

4.8/5 overall rating   >58,000 reviews

Great experience

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

Massive scale

- Exploit tech to build scale, speed, and automation to decouple costs from growth. Harmoney already has a market leading 18% cost to income ratio which continues to reduce.

New customer → Harmoney application → Harmoney loan

140% in subsequent lending

E.g. Initial loan $20,000 then subsequent borrowing of an additional $28,000, total $48,000

Experienced & shareholder aligned leadership team

Deep FinTech experience, large shareholdings (Board & Management 30%) and long term incentive share plan. Long term commitment with average tenure 7+ years across the leadership team.

David Stevens
Chief Executive Officer

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

Simon Ward
Chief Financial Officer

15+ years of CFO experience and 19+ years experience in financial services across Australia, NZ and Europe.

Brad Hagstrom
Chief Operating Officer

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

Richard Wyke
Chief Digital Officer

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

Glen MacKellaig
Chief Marketing Officer

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

Harmoney

Financial results

Cash NPAT growth 350%

		1H25	1H24	Change
Loan book		$783m	$756m	4%
Revenue		$64m	$60m	7%
Net interest income	***1H25 new lending >10%***	9.0%	9.2%	20bps reduction
Risk adjusted income		5.3%	5.0%	30bps improvement
Acquisition to originations ratio		3.2%	3.3%	10bps improvement
Cost to income ratio [1]		18%	21%	300bps improvement
Statutory NPAT		$2.0m	$(0.6m)	$2.6m
Cash NPAT		$2.3m	$0.5m	350%

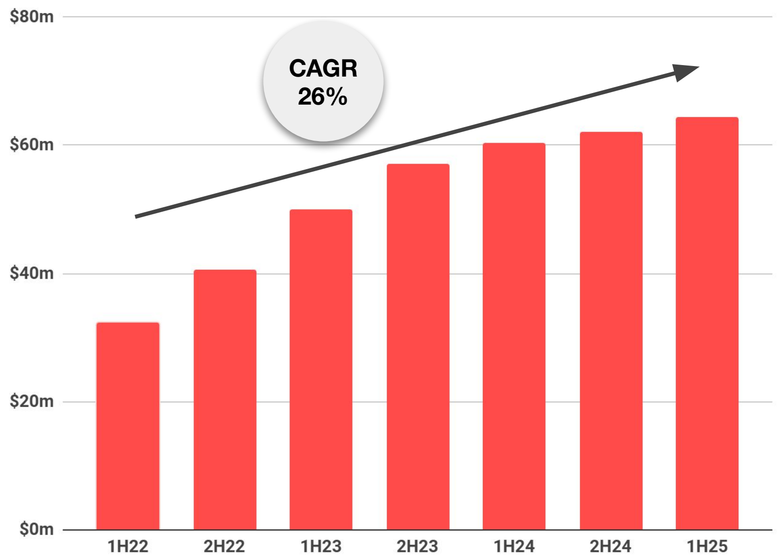
[1]. To align Cost to income ratio costs with Cash NPAT, and with peer group ratios, non-cash share based payments and depreciation and amortisation costs are now excluded. Cost to income for 1H25 including those costs is 20%, down from 24% pcp.

Stellare 2.0 driving loan book growth and revenue growth

Revenue growth of +7% on pcp

- Stellare 2.0 driving a re-acceleration in loan book growth, with the loan book up +4% on pcp.
- AU loan book up +14% on pcp, now 57% of Group.
- NZ loan book down -6% on pcp, but originations increased +14% on prior half following 2Q25 platform update after government's repeal of overly prescriptive affordability regulations.
- Revenue grew by $4m to $64m, up +7% on pcp, driven by loan book growth and higher average portfolio interest rate, increasing from 16.1% pcp to 16.8%.

Revenue growth

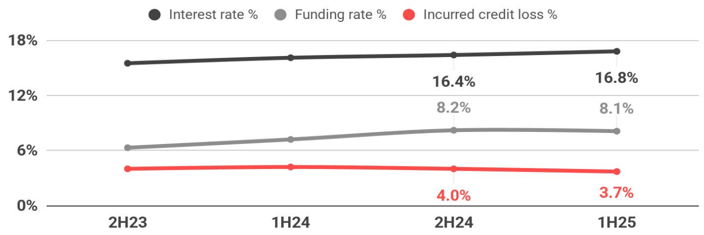


Interest margin up and credit losses down

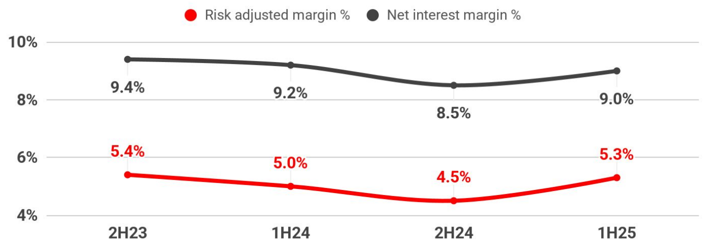
Margin after credit losses 5.3%

- Interest rate on loan book up to 16.8%.
- Funding rate down to 8.1%.
- Loan book NIM back up to 9%, with new lending NIM >10% through the half.
- Credit losses down to 3.7%.
- Risk adjusted margin (after credit losses) up to 5.3%, back within our targeted 5%-6% range.

Margin drivers all positive



NIM 9%, Risk adjusted margin 5.3%

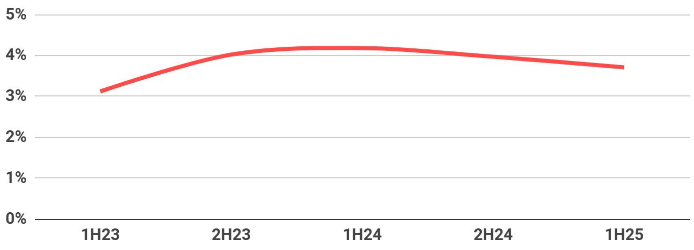


Credit performance strengthening

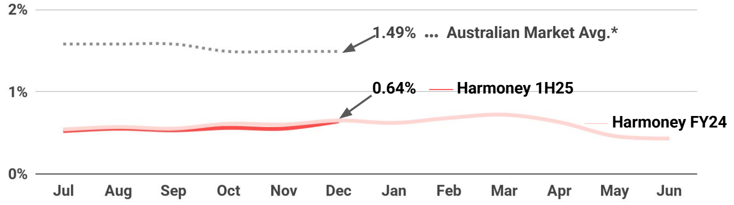
Credit losses down 50bps

- Deep consumer-direct data and AI credit models delivering prime loan book.
- Prime portfolio with 72% employed in professional, office or trades roles and 87% aged 30+.
- Credit losses down 50bps from pcp to 3.7%, on improved Australian scorecard implemented in FY22 and continuing low New Zealand losses.
- Consistently low 90+ day arrears, 0.64% as at 31 December 2024.

Annualised loss rate



Low 90+ day arrears



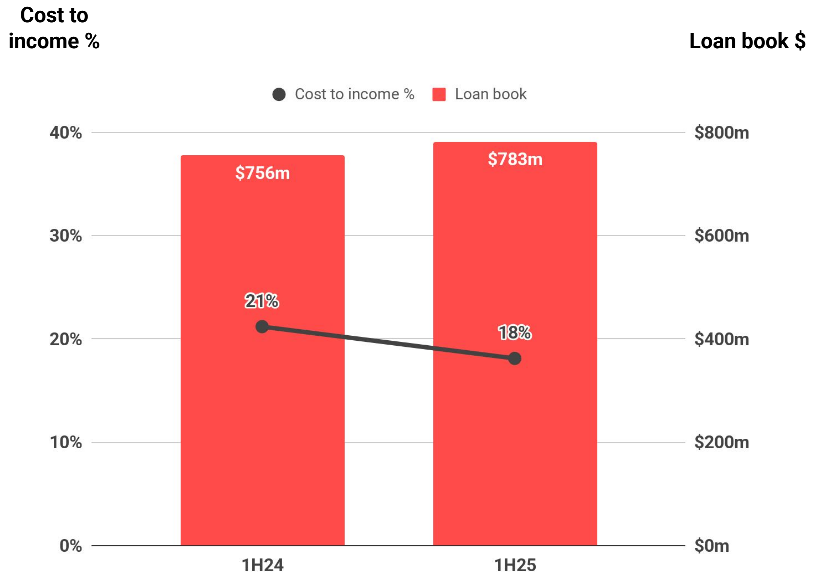
*Source: Equifax Australian Consumer Credit Demand Index 2024 Q4, Personal Loan series.

Stellare ® automation powers scalability

Scalability drives profitability

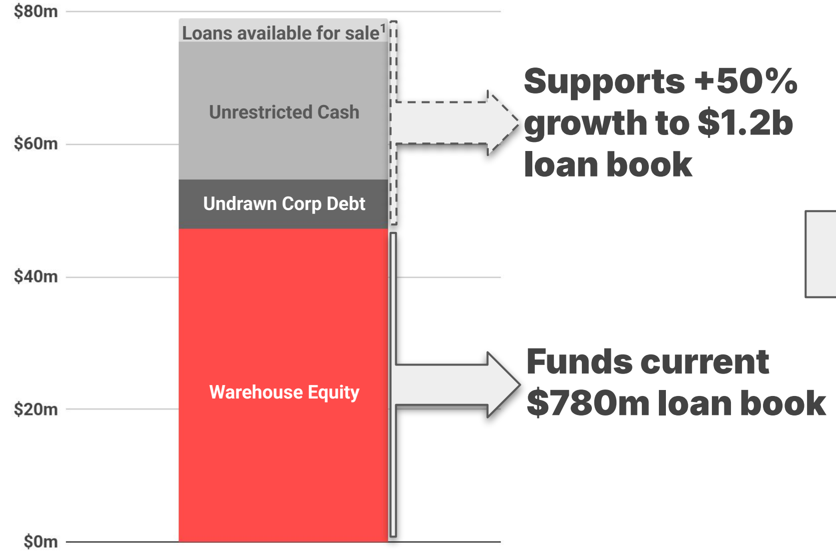
- Loan book up +4%, revenue up +7%, while cash operating costs reduced -9%.
- Highly automated Stellare® platform driving further cost to income ratio improvement from 21% to 18%.
- Cash NPAT up +350% to $2.3m, sixth consecutive Cash NPAT profit half.
- Cash return on equity (RoE) 13%, on track for targeted 20% Cash RoE run-rate in 2H25.

Cost to income ratio at 18%



Harmoney is capitalised for significant growth without raising any equity

Current cash supports $1.2b loan book



1. Loans available for sale are $3m of receivables available for sale into a warehouse thereby effectively being a cash equivalent.

Reinvested profits fund loan book growth beyond $1.2b

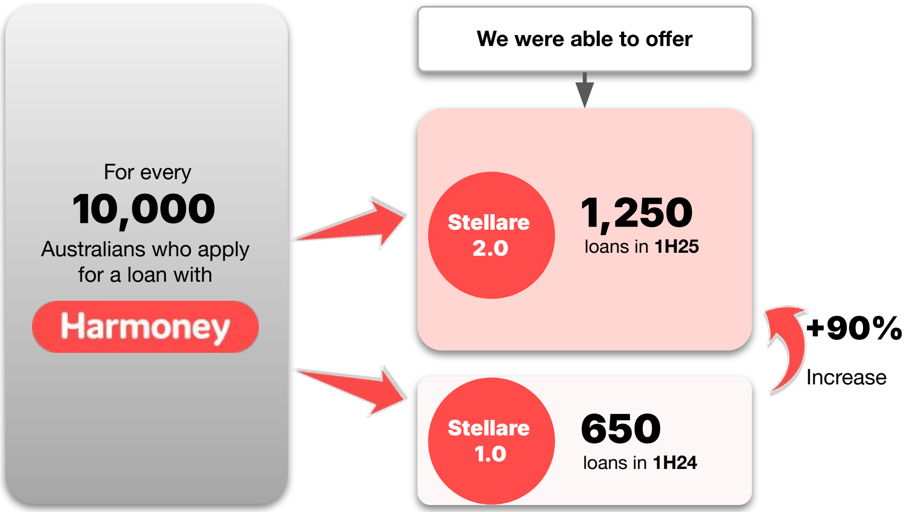
- Growing profits fund future loan book growth, *(i.e. $1m profit funds $25m loan book growth)*.
- 1H25 profits funded loan book growth maintaining cash reserves.
- Capital efficient with borrowings 96% of loan book.
- Diversified funding from 3 of Australia's "big-4" banks and an established ABS issuer.

Harmoney

Outlook

Every month 10,000 customers apply with Harmoney
Stellare 2.0 helps more of them than ever before

Australian new originations 1H25 vs 1H24



Stellare 2.0 new decision engine

In Stellare® 1.0 an applicant looking for $5,000 was assessed in a similar way to someone looking for $70,000. Stellare® 2.0's advanced algorithms apply the **same risk appetite credit policies** but with refinement of the unique customer risk profile.

10,000 people come to Harmoney every month. Stellare® 2.0 supports a wider range of people and loan sizes, resulting in safely making 600 more offers per month in 1H25 than in 1H24.

Strategic Priorities

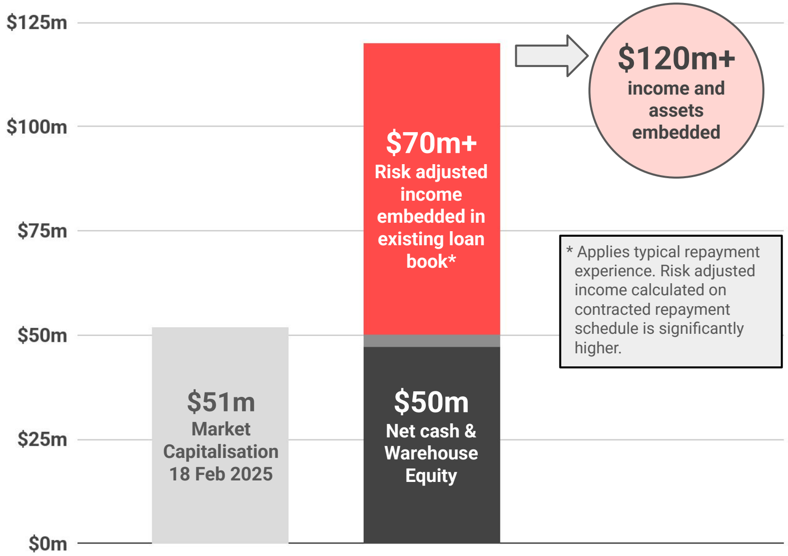
New core platform to drive growth and expand capability to convert on new opportunities

Platform	Conversion	New opportunities	Margin
NZ Stellare 2.0 launch	AI driven personalisation	New lending products/features e.g. Increase to $100k max loan 2H25	Pricing optimisation engine
Retirement of Stellare 1.0	Partner API integration	Partnerships	Process automation

Market Cap vs Business value

Existing loan book value

at 31 December 2024



+ Business value

- Proprietary, highly automated Stellare® 2.0 customer acquisition and credit assessment engine. Over 10,000 new applicants create an account every month.
- Existing customer base return for 140% in additional lending, at near zero cost.
- Loan book growing at >10% NIM and >5% risk adjusted income (income after funding costs and credit losses).
- Proven scalability with 18% cost to income and falling.
- Diversified funding from 3 of the "big-4" Australian banks and an established asset backed security issuance program.

FY25 Guidance and FY26 Target

	FY24 Actual	FY25 Guidance	FY26 Target
Cash NPAT	$0.7m	$5m	$10m+
Cash ROE	2%	20% run-rate in 2H25 *13% achieved in 1H25*	25%+

FY25 Guidance: $5m Cash NPAT

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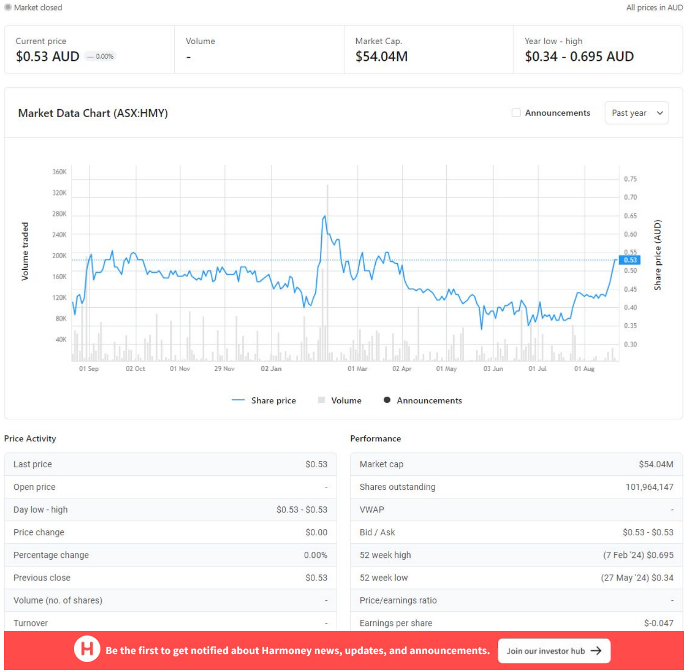
Join our Investor Hub: harmoney.com.au/invest

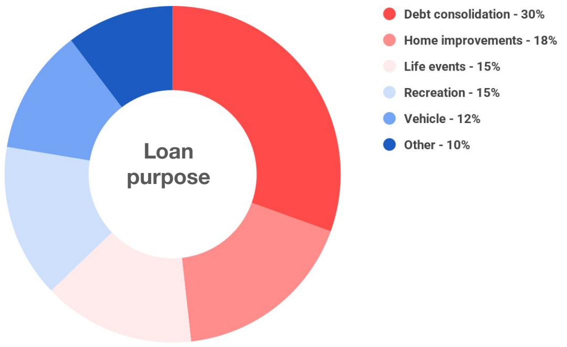
- Investor Hub is the best way to stay informed and connected with all things ASX: HMY.
- Comment and ask questions directly to Harmoney's leadership team and see other investors questions and responses.
- See videos accompanying our ASX announcements, interviews, research reports, and webinars.
- Join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

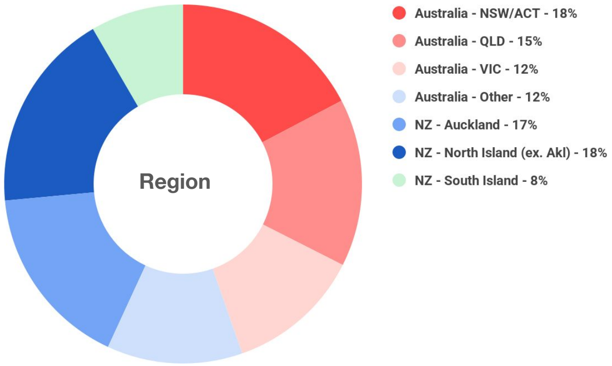


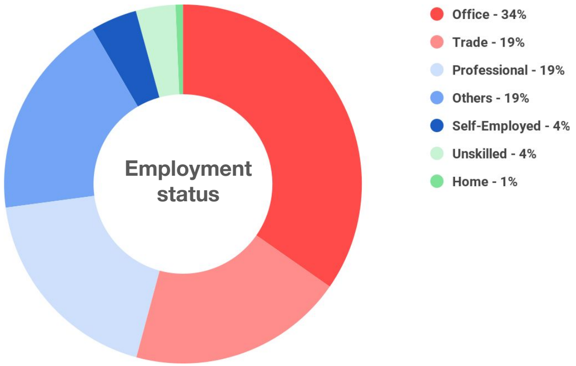
Harmoney

Appendix

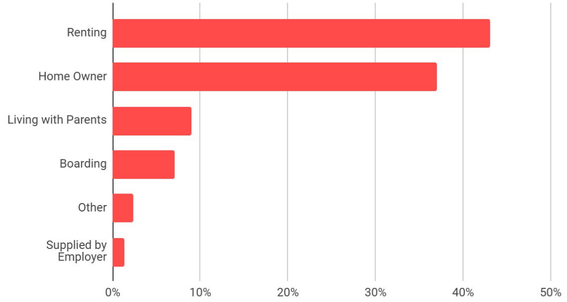
$783m Loan Book



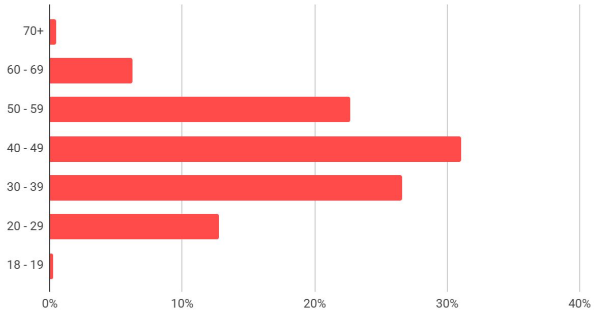




Residential Status

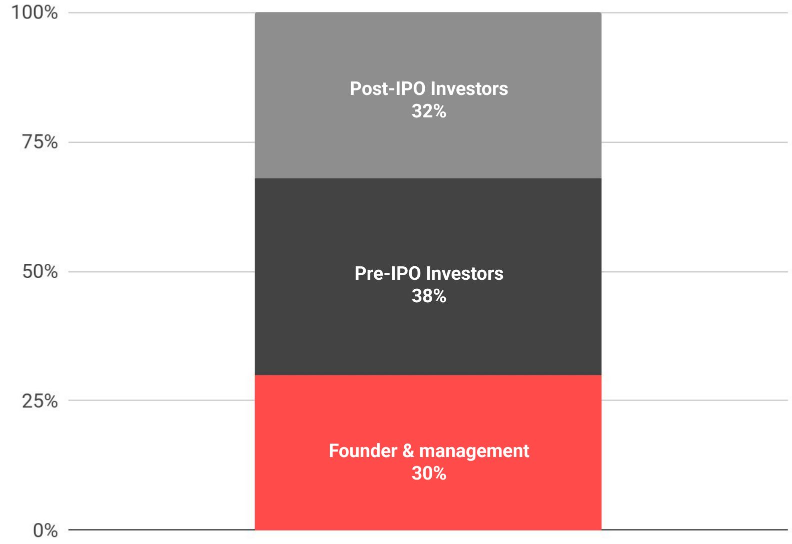


Age of Customers



Shareholder composition: 30% management owned plus 10% shareholder aligned long term incentive plan

30% management owned



Long term incentive share plan

- Long term incentive share plan 10% of share capital.
- Targets aligned with long term shareholder growth.

Substantial shareholders (5%+)

At 31 January 2025

Neil Roberts	Founder & Director	18.6%
Heartland Bank Ltd	Pre-IPO Investors	10.1%
Lookman Family Trust	Pre-IPO Investors	8.9%
Lisa Capital Pty Ltd	Pre-IPO Investors	7.9%
Trade Me Limited	Pre-IPO Investors	7.5%

Profit and loss

	6 Months ended 31 December 2024 $'000	6 Months ended 30 June 2024 $'000	6 Months ended 31 December 2023 $'000
Interest income	64,428	61,340	60,323
Other income	16	808	70
Total income	**64,444**	**62,148**	**60,393**
Interest expense	30,046	29,822	26,026
Incurred credit losses	14,238	15,056	15,643
Risk adjusted income	**20,160**	**17,270**	**18,724**
Customer acquisition expenses	6,199	5,178	5,414
Net operating income	**13,961**	**12,092**	**13,310**
Personnel expenses	5,361	5,728	5,297
Customer servicing expenses	2,777	2,710	3,208
Technology expenses	2,347	2,284	2,670
General and administrative expenses	1,196	1,202	1,629
Cash operating expenses	**11,681**	**11,924**	**12,804**
Income tax (expense) / benefit	-	-	-
Cash NPAT [1]	**2,280**	**168**	**506**
Non-cash adjustments			
Movement in expected credit loss provision	767	(331)	533
Share based payment expenses	(298)	(1,374)	(114)
Depreciation and amortisation expenses	(741)	(11,060)	(1,522)
Statutory profit / (loss) after income tax	**2,008**	**(12,597)**	**(597)**

2H24 includes a one-off $9.5m impairment of internally developed software, on the launch of Stellare® 2.0, and retirement of Stellare® 1.0, platforms

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

Key operating and financial metrics

	6 Months ended 31 December 2024	6 Months ended 30 June 2024	6 Months ended 31 December 2023
Loan book value and growth			
Total originations ($'000)	191,339	161,277	165,932
New customer originations ($'000)	117,179	102,130	93,379
Existing customer originations ($'000)	74,160	59,147	72,553
Loan book (period end) ($'000)	782,819	758,129	756,329
Loan book (average) ($'000)	767,993	759,403	748,939
Average interest rate (%)	16.8%	16.4%	16.1%
Average funding rate (%)	8.1%	8.2%	7.2%
Net interest income (%)	9.0%	8.5%	9.2%
Risk adjusted income (%)	5.3%	4.3%	5.0%
Loan book quality			
Incurred credit loss ($'000)	14,238	15,056	15,643
Incurred credit loss to average gross loans (%)	3.7%	4.0%	4.2%
Provision rate (%)	4.5%	4.8%	4.8%
Productivity metrics			
Customer acquisition to origination ratio	3.2%	3.2%	3.3%
Costs to income ratio	18%	21%	26%

Cash Flow

	6 Months ended 31 December 2024 $'000	6 Months ended 30 June 2024 $'000	6 Months ended 31 December 2023 $'000
Cash flows from operating activities			
Interest received	63,486	60,097	59,220
Interest paid	(29,233)	(29,716)	(27,527)
Fee income earned / (rebated)	66	362	(1,076)
Payments to suppliers and employees	(18,375)	(15,703)	(21,169)
Net cash generated by operating activities	**15,944**	**15,040**	**9,448**
Cash flows from investing activities			
Net advances to customers	(41,184)	(22,552)	(25,302)
Payments for software intangibles and equipment	(2,279)	(2,382)	(2,330)
Net cash used in investing activities	**(43,463)**	**(24,934)**	**(27,632)**
Cash flows from financing activities			
Net proceeds from finance receivables borrowings	37,435	7,114	13,329
Proceeds from corporate debt	-	-	2,500
Principal element of lease payments	(277)	(267)	(250)
Net cash generated by financing activities	**37,158**	**6,847**	**15,579**
Cash and cash equivalents at the beginning of the period	37,744	40,982	43,454
Net decrease in cash and cash equivalents	**9,639**	**(3,047)**	**(2,605)**
Effects of exchange rate changes on cash and cash equivalents	(150)	(191)	133
Cash and cash equivalents at the end of the period	**47,233**	**37,744**	**40,982**

Balance Sheet

	31 December 2024	30 June 2024	31 December 2023
	$'000	$'000	$'000
Cash and cash equivalents	47,233	37,744	40,982
Trade and other assets	3,853	2,959	2,671
Finance receivables	786,839	761,471	758,861
Expected credit loss provision	(35,782)	(36,646)	(36,500)
Property and equipment	2,611	2,938	3,372
Intangible assets	6,292	4,491	12,831
Deferred tax assets	12,628	10,633	11,740
Derivative financial instruments	-	525	-
Total assets	**823,674**	**784,115**	**793,957**
Payables and accruals	5,674	5,101	4,792
Borrowings	775,263	739,546	737,276
Lease liability	2,712	3,010	3,280
Derivative financial instruments	6,559	-	3,091
Total liabilities	**790,208**	**747,657**	**748,439**
Net assets	**33,466**	**36,458**	**45,518**
Share capital	124,561	124,561	124,561
Foreign currency translation reserve	(899)	(622)	(80)
Share based payment reserve	4,792	4,463	2,961
Cash flow hedge reserve	(4,703)	349	(2,228)
Accumulated losses	(90,285)	(92,293)	(79,696)
Equity	**33,466**	**36,458**	**45,518**

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