



29 April 2025

ASX ANNOUNCEMENT

Cash NPAT guidance upgraded to \$5.5M for FY25 and on-market share buy back announced

Harmony Corp Limited (ASX: HMY) ("Harmony" or "Company") is pleased to provide an update on its performance for the 9 months ended 31 March 2025 ("YTD 3Q25"), as well as to upgrade its market guidance for FY25, affirm its profit target for FY26 and announce an on-market share buy back.

Profit guidance and outlook

Continuing loan book growth, widening lending margins, and disciplined cost management have enabled us to upgrade our current year Cash NPAT guidance from \$5.0m to \$5.5m.

	<i>FY24 Actual</i>	FY25 Guidance	FY26 Target
Cash NPAT	\$0.7m	\$5.5m (previously \$5.0m)	\$10m+
Cash ROE	2%	20% run-rate in 4Q25 14% YTD 3Q25 achieved	25%+

YTD 3Q25 highlights vs prior comparative period ("pcp"), being the 9 months ended 31 March 2024 ("YTD 3Q24"):

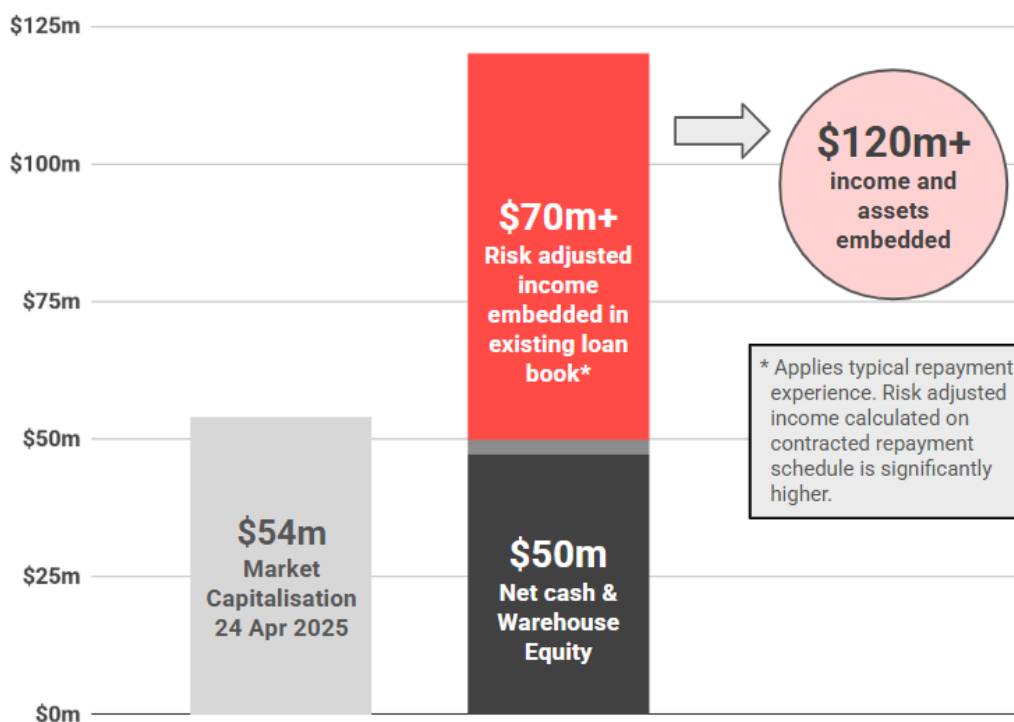
- **Australian new customer loan originations grew +43%**, driven by Stellare® 2.0, delivering **Australian loan book growth of 16%**.
- **Net interest margin** on the loan book ("NIM") **rose to 9.1%** (YTD 3Q24: 8.8%) with **new lending NIM continuing at >10%**.
- **Credit losses declined to 3.8%**, down from 4.1%.
- **Risk-adjusted income increased to 5.3%**, up from 4.7%, reflecting both higher NIM and lower credit losses.
- **90+ day arrears remain low** at 69bps (67bps pcp).
- **Cost to income ratio improved to 18%** (YTD 3Q24: 20%), due to growing operational scalability.
- **Stellare® 2.0 rollout in New Zealand on track for completion during FY25**, with all New Zealand new customer lending now on Stellare® 2.0.
- **Warehouse credit capacity increased**, with total warehouse capacity now over \$980m (increased by \$80m from 31 December 2024).
- **Available cash reserves of over \$25m** from unrestricted cash and loans available for sale into warehouses.
- **Share buy back of up to 5% of issued capital**, and given the forecast cash generation of the business also enables an expected reduction in corporate debt in FY26.



Financial Highlights	YTD 3Q25	YTD 3Q24	Change (pcp)
Loan Book (\$m)	798	757	+5%
<i>Australian Loan Book (\$m)</i>	<i>464</i>	<i>400</i>	<i>+16%</i>
<i>New Zealand Loan Book (NZ\$m)</i>	<i>368</i>	<i>390</i>	<i>(6%)</i>
Net Interest Margin (%)	9.1	8.8	30bps improvement
Credit Losses (%)	3.8	4.1	30bps improvement
90+ Day Arrears (%)	0.69	0.67	2bps increase
Risk Adjusted Income (%)	5.3	4.7	60bps improvement
Cost to Income Ratio (%) ¹	18	21	300bps improvement

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 Ratio for YTD 3Q25 including those costs is 20%, down from 23% pcp.

Market cap vs business value



+ 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.
- 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.
- Loan book growing at >10% NIM and >5% risk adjusted income (income after funding costs and credit losses).



Commenting on YTD 3Q25, Harmony's CEO and Managing Director David Stevens said:

"Our third quarter FY25 has been another quarter of great progress for Harmony, as continued loan book growth, widening lending margins, and disciplined cost management have enabled us to upgrade our current year Cash NPAT guidance from \$5.0m to \$5.5m.

Our loan book has now reached \$798m, a +5% increase compared to 3Q24. This growth has been driven by the strong origination performance of Stellare® 2.0 in Australia, where our loan book has grown by +16% to \$464m. Originations remained intentionally subdued in New Zealand awaiting the full implementation of Stellare® 2.0 in that market, resulting in the New Zealand loan book contracting by -6% to NZ\$368m.

The New Zealand transition to Stellare® 2.0 remains on track to be completed within FY25, with all new customer lending now on Stellare® 2.0 from early 4Q25 and the migration of existing customer loans also well underway. With the New Zealand Stellare® 2.0 rollout and migration completing by 30 June 2025, we are looking forward to shifting significant resources to product innovation in FY26, driving further top line growth across the business.

This quarter we have also extended and expanded our existing warehouse facilities, increasing our total warehouse capacity from over \$900m to now over \$980m.

Our Net Interest Margin (NIM) has continued to improve, up by 30bps to 9.1%, driven by new lending NIM continuing at >10%. Year to date credit losses are at 3.8%, down from 4.1% pcp. Our 90+ day arrears remain low at 0.69%. These positive trends are driving the 60bps increase in our risk-adjusted income to 5.3%, up from 4.7% pcp.

Our focus on automation and scalability is evident in our exceptional, industry-leading, low cost to income ratio of 18%, down from an already low 21% pcp.

This strong progress on many fronts underpins our confidence in upgrading our current year Cash NPAT guidance."

Share buy-back and capital management

Given Harmony's strong Cash NPAT results, capital position and outlook, the Company today announces a share buy-back of up to 5% of its issued capital. The Board and management see significant value in the Company's equity at current levels and believe it is in the best interest of all shareholders for the Company to buy back its own shares. Given Harmony is targeting a further increase in its Cash NPAT for FY26 of \$10m+, Harmony also expects to be in a position to execute further capital management initiatives in repaying some of its corporate debt, however this can't be done without penalty until December 2025. The Company has also cancelled the \$7.5m of undrawn corporate debt. After these capital management actions, Harmony will retain substantial cash reserves to materially grow its loan book into future financial years without the need to raise any equity.

Investor presentation

CEO and Managing Director, David Stevens, and CFO, Simon Ward, will host an online investor presentation, including a Q&A session, today at 10:30am AEST / 12:30pm NZST.



Please register at zoom.us/webinar/register/WN_20P1_j3HTJOiGuPgm8eBOw before the start of the presentation. You will then receive a confirmation email explaining how to join.

Materials from the presentation will be released to the ASX market announcement platform.

This release was authorised by the Board of Harmony Corp Limited. All numbers are unaudited.

INVESTOR HUB

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

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

Submit questions about this announcement at investorhub.harmony.com.au/link/mPqQxP.

INVESTOR RELATIONS

For corporate queries, please contact Michael Pegum of Ethicus Advisory Partners via:
investors@harmony.com.au.

ABOUT HARMONEY

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

Harmony's proprietary digital lending platform, Stellare® is the power behind the platform. Stellare® can process, approve and fund loan applications within minutes. Stellare® also replaces the traditional industry credit scorecard with a predictive behavioural analytics engine which uses machine learning to analyse our rich, direct consumer data to deliver automated credit decisioning and superior risk-based pricing.

For further information visit harmony.com.au.

BUSINESS FUNDAMENTALS

- Harmony provides risk based priced unsecured and secured personal loans of up to \$70,000 to consumers across Australia and New Zealand.
- Its 100% consumer-direct model and automated loan approval system is underpinned by Harmony's scalable Stellare® proprietary technology platform.
- A large percentage of Harmony's originations come from existing customers with minimal customer acquisition cost.
- Harmony is a team of 80 full-time employees predominantly based in Auckland, New Zealand, approximately half of whom comprise engineering, data science and product professionals.
- Harmony has a highly diversified funding panel with warehouses being provided by three of the "Big 4" banks across Australia and New Zealand. Harmony issued its first asset backed securitisation in 2021, followed up with a \$200m New Zealand asset backed securitisation in August 2023, both being publicly rated by Moody's.