Harmoney

Annual Report

2025

Contents

HMY 2025 Highlights

Performance

$829m ▲ 9% ($758m, FY24) Group loan book	Group loan book up 9%
$132m ▲ 8% ($123m, FY24) Group revenue	Revenue up 8% to $132m
$5.5m ($13.2m loss, FY24) Statutory profit	Statutory NPAT increase of $18.7m
$5.7m ▲ 742% ($0.7m, FY24) Cash NPAT	Exceeding upgraded market guidance of $5.5m
19% ▼ 130bps improvement, (20%, FY24) Cost to income ratio	Stellare® 2.0 platform automation driving further improvements in cost to income ratio
0.74% ▲ 31bps, (0.43%, FY24) Group 90+ day arrears	Group arrears of 0.74%, remain significantly lower than personal loan market average of 1.59%[1]
$23m ▲ 10%, ($21m, FY24) Unrestricted cash	Unrestricted cash of $23m and total warehouse credit capacity of $1,025m provide funding capacity for growth

1. Equifax Australian Consumer Credit Insights Report 2025 Q2, Personal Loan series.

Achievements

Stellare® 2.0 implemented

Stellare® 2.0 now live in both countries, with New Zealand implementation completed 4Q25, driving New Zealand June 2025 new customer originations >50% on pcp.

Automation 100%

Automated credit decisioning achieved for all customers across both countries with launch of Stellare® 2.0 in New Zealand

150% and growing

Customer loyalty with early customers returning for a further 150% borrowing, so far

90-second quote

Launched ability for customers to receive a quote in 90-seconds

4.7/5 Customers rate us!

Google + Shopper Approved rating 4.7/5 from nearly 60,000 reviews
Customer Net Promoter Score 85

88% Employees rate us!

Employee engagement in top 10% Australia/New Zealand employers

Award winning

WeMoney - Winner of Best for Personal Loans 2025
MoneyHub - Favourite Online Lender 2025

ClearScore partnership

First in Australia to offer pre-qualified quotes on ClearScore, via API integration partnership.

Board of Directors

Paul Lahiff
Independent Chairman

Paul Lahiff (Bachelor of Agricultural Science) is a highly seasoned executive with 40 years of experience in financial services. Paul is currently the Chair of NESS Super. Paul was previously the Chair of Australian neo-bank UBank, a director of payments company Sezzle Inc, and the CEO and Managing Director of Mortgage Choice, during which time he led its successful listing on the Australian Stock Exchange. He was also a former Managing Director at Permanent Trustee, and before that at the Heritage Building Society. Paul brings extensive capital markets, regulatory and governance experience from his Chairmanships at Cuscal Limited, New Payments Platform Australia, Australian Retail Credit Association, and RFi Group.

Paul is a member of Harmoney's Audit and Risk Committee and Nomination and Remuneration Committee.

Monique Cairns
Independent Director

Monique Cairns (Bachelor of Business) has over 20 years of experience in strategy, communications, marketing and sales, across financial services and other sectors. She is a professional director with her own consultancy business, Caribou, where she provides strategy development and CEO performance and remuneration reviews. Monique is currently the Chair of 30 Seconds Group, the Deputy Chair of New Zealand Home Loans, a director of Ingenium, a Board trustee of The New Zealand Portrait Gallery Te Pūkenga Whakaata, and Chair of the Art Committee at the Northern Club. Monique's executive background includes serving as the Head of Retail Sales Development and Customer Experience at the Bank of New Zealand, and the Chief Marketing Officer at GE Capital NZ. Monique was also a former director of DEC International, Manukau Institute of Technology, Unitec Institute of Technology, Lotto NZ, and the SPCA. Monique is a member of the Australian Institute of Company Directors and the New Zealand Institute of Directors.

Monique chairs Harmoney's Nomination and Remuneration Committee and is a member of Harmoney's Audit and Risk Committee.

John Quirk
Independent Director

John Quirk (Bachelor of Science) has over 40 years of experience in the technology sector with international and multinational companies, as well as his own strategic investment and corporate advisory business. John is currently the Chair of Portainer.io and Aeroqual, and a director of Television New Zealand. John was previously the Chair of Kordia Group (a SOE), ClearPoint Group, Farm IQ Systems Limited, FrameCAD Group, WhereScape Software, Cumulo9, Axon Computers, and SMX. He has held key leadership roles, including the position of Chief Executive Officer (Asia Pacific) of MI Services Group, an international management consulting and information systems company. John is a Chartered Member of the Institute of Directors.

John chairs Harmoney's Audit and Risk Committee and is a member of the Nomination and Remuneration Committee.

Neil Roberts
Founder & Non-Executive Director

Neil Roberts founded Harmoney, and was CEO until 2019, driving the capital path, and building culture, systems and processes that are intrinsic to Harmoney's success. Prior to that Neil was Head of Sales and Business Development at FlexiGroup, leading a team of 80 with annual sales of $200 million, driving a $30 million profit. Neil founded the Direct Division of a New Zealand retail company, PRG Group, that sold personal loans to consumers and raised retail debentures to fund loans. Launched in 2001, PRF Direct achieved $3.2b in personal loan applications and $1.2b in written personal loan volume over five years. Ultimately heading the business, Neil was responsible for over 400 staff and a balance sheet of $750m in assets, prior to being sold to GE Money in 2006.

David Stevens
Chief Executive Officer & Managing Director

David Stevens is a highly experienced public company CEO specialising in consumer and commercial finance in Australia and New Zealand. Before commencing with Harmoney as CEO in 2019, David had most recently led a start-up consumer finance company, to ultimately securing a major equity stake in the business by a large Australian Bank in 2018. Prior to this, David served as CEO and CFO of Humm (formerly "FlexiGroup") (ASX: "FXL" now "HUM"). In David's nine years with FlexiGroup, he led a team of over 1,000 employees in the strategic growth of the business, through organic growth and M&A, from what was a small company when he started, to becoming CEO of an ASX200-listed business. David also led the $300m+ acquisition of Fisher & Paykel Finance and spent considerable time in New Zealand in the course of his work in the local side of the business.

From the Chair
Paul Lahiff

Dear Shareholders,

I am pleased to introduce another highly successful year for Harmoney, defined by record profitability and the successful delivery of our core technology strategy.

Harmoney is reporting a record Cash Net Profit After Tax of $5.7 million, a 742% increase over the prior year, attributable in part to the enhanced capabilities of our new proprietary lending platform, Stellare® 2.0. Launched in Australia last year, Stellare® 2.0 is now fully implemented across both Australia and New Zealand.

Completing this project was a significant achievement for our team, involving the full New Zealand platform launch, the migration of our legacy loan book in both countries, and the decommissioning of our legacy system. Further incorporating machine learning and AI technology, Stellare® 2.0 delivers a faster, simpler experience for our customers. More importantly, it gives Harmoney an agile and scalable foundation to develop and deliver new products, driving future growth.

Our focus on delivery is supported by an unwavering commitment to strong corporate governance. This year, we engaged independent advisers to conduct an evaluation, reviewing our board and committee performance. The review confirmed the quality of our existing frameworks and provided practical recommendations for continuous improvement. Our adherence to the ASX Corporate Governance Council's Principles and Recommendations remains a cornerstone of our operations. This year we have also introduced a new AI Governance and Controls policy to guide our ethical use of this emerging technology and ensure our ongoing commitment to responsible innovation.

Last month our founder Neil Roberts transitioned to a non-executive director role, having served as CEO until 2019 and then as Chief Strategy Officer until June 2025. I would like to take this opportunity to acknowledge Neil's immense contribution from the inception of the business. His vision, passion and drive have been integral to Harmoney's success and as a Board, we are fortunate that we will continue to benefit from his deep experience and guidance.

Finally, it is pleasing to note that the market is also recognising our progress. A number of new active investment funds joined our share register during the second half of the year, replacing early series investors. Post-IPO investors now represent 41% of our register, up from 32% at the half-year, reflecting growing confidence from the investment community in Harmoney's strategy and our ability to deliver.

On behalf of the Board, I want to extend my sincere thanks to our CEO David Stevens and the entire Harmoney team for their exceptional work this year. My thanks also go to my fellow directors for their guidance, and to you, our shareholders, for your ongoing trust and support.

Sincerely,

Paul Lahiff,
Chair

From the CEO David Stevens

Record profitability and return on equity

It is with great satisfaction that Harmoney has this year delivered a record Cash Net Profit After Tax (Cash NPAT) of $5.7m and fourth quarter Return on Equity of 24%, exceeding our upgraded guidance and underpinning our Statutory Net Profit of $5.5m.

This record result is driven by gains across all key fundamentals of the business with strong customer and loan book growth, improving lending margins, reducing credit losses and disciplined cost management.

Loan originations grew by 22% with Australia leading the way with 40% new customer growth, benefiting from a full year of our new proprietary lending platform, Stellare® 2.0. In New Zealand Stellare® 2.0's rollout was completed in 4Q25, generating an immediate impact with June 2025 new customer originations over 50% higher than June 2024. This increase in originations drove a 9% increase in the total group loan book for the year.

Our net interest margin widened back out to 9.3% from 8.8% last year as earlier lower yielding loans made up a smaller proportion of the loan book. Funding costs increased by 10bps in FY25 to 7.8%, up from 7.7% in FY24. As expected, credit losses reduced this year following a temporary increase last year, and at 3.7% are back towards our target range. The combination of increased net interest margin and lower credit losses resulted in a significant uplift in our risk adjusted income to 5.7%, up from 4.8% last year.

A key feature of our business model is the high levels of automation provided by our Stellare® 2.0 platform, which provides significant operational leverage, enabling our loan book and revenue to grow faster than our operating costs. This has continued this year with our cost-to-income ratio now down to 19%, from 20% last year.

While this year's record result is a satisfying milestone, what is even more exciting is how well positioned Harmoney now is to build on this result in the coming year, with plenty of capital for growth from our established "big-4" Australian bank warehouse facilities, deep cash reserves and positive cash flows from operations, all now complimented by our fully implemented next-generation Stellare® 2.0 platform delivering growing originations in both Australia and New Zealand.

Accelerated product innovation

A key strategic driver for our investment in developing Stellare® 2.0 over the past few years has been to provide Harmoney with a modern, agile platform to accelerate our product innovation. With rollout and migration now complete, we look forward to bringing new features and products to market in FY26 to further accelerate loan book growth.

One of the first will be our re-vamped secured car loan product leveraging Stellare® 2.0's "money in seconds" capabilities to provide customers with the flexibility to become a cash buyer, shopping with a competitive pre-approved secured credit line, not dependent on dealer finance options.

We will also look to introduce more flexible features to our loan products to better serve our customer's evolving lives, plus we are progressively introducing more artificial intelligence capabilities to better assist customers in real-time.

Guidance upgraded

The operating leverage inherent in our highly automated online lending platform, which enables us to continue to scale our loan book without scaling operating costs, amplified by finishing the year with strong fundamentals, as evidenced by our 24% 4Q25 Cash Return on Equity, have given us the confidence to upgrade our FY26 Cash NPAT guidance by 20% to $12m, representing a 111% increase on this year’s Cash NPAT of $5.7m.

David Stevens,
CEO and Managing Director

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Review of Operations

Financial performance

The table below presents the financial results for the current year compared to the previous year. The table includes Cash Net Profit After Tax (Cash NPAT), which is the Group's preferred measure of underlying financial performance, but is a non-GAAP financial measure and therefore may not be comparable to information presented by other entities. The table below also shows the reconciliation of Cash NPAT to GAAP Statutory Net Profit After Tax which is comparable to information presented by other entities.

	Year ended 30 June 2025 $'000	Year ended 30 June 2024 $'000	Change $'000	Change %
Interest income	131,828	121,768	10,060	8%
Other income	419	773	(354)	(46%)
Total income	**132,247**	**122,541**	**9,706**	**8%**
Interest expense	58,997	55,848	3,149	6%
Incurred credit losses	28,843	30,699	(1,856)	(6%)
Risk adjusted income	**44,407**	**35,994**	**8,413**	**23%**
Customer acquisition expenses	13,678	10,592	3,086	29%
Net operating income	**30,729**	**25,402**	**5,327**	**21%**
Personnel expenses	11,610	11,025	585	5%
Customer servicing expenses	5,967	5,918	49	1%
Technology expenses	4,936	4,954	(18)	(0%)
General and administrative expenses	2,539	2,831	(292)	(10%)
Cash operating expenses	**25,052**	**24,728**	**324**	**1%**
Cash tax expense	-	-	-	-
Cash NPAT	**5,677**	**674**	**5,003**	**742%**
Non-cash adjustments				
Movement in expected credit loss provision	(16)	202	(218)	N/A
Share-based payments expenses	(724)	(1,488)	764	51%
Depreciation and amortisation expenses	(1,629)	(12,582)	10,953	87%
Movement in deferred tax assets	2,210	-	2,210	-
Statutory profit / (loss) after income tax	**5,518**	**(13,194)**	**18,712**	**N/A**

For the year ended 30 June 2025, the Group delivered a record Cash NPAT of $5.7m (FY24: $0.7m), a 742% increase on the prior year. That record Cash NPAT also underpinned a statutory profit of $5.5m (FY24: -$13.2m), with non-cash adjustments having a largely neutral impact this year.

Loan book growth and a higher average loan portfolio interest rate together lifted income by 8% to $132.2m (FY24: $122.5m), while risk adjusted income, being net income after funding costs and incurred credit losses, increased by 23% to $44.4m (FY24: $36.0m), as interest income grew at a faster pace than interest expense and incurred credit losses fell.

Customer acquisition expenses increased by 29% to $13.7m (FY24: $10.6m), supporting new customer origination growth of 26% to $245.6m (FY24: $195.5m), with accelerated acquisition investment, particularly in the second half of the year, to take advantage of improved customers conversion rates resulting from having the new Stellare® 2.0 platform operating in both Australia and New Zealand.

Cash operating expenses remained stable, up only 1% (less than inflation) to $25.1m (FY24: 24.7m) and consequently, the cost to income ratio continued to improve, now down to 18.9% (FY24: 20.2%), further demonstrating the operating leverage that Harmoney is able to achieve from its highly automated lending model, enabling it to grow its loan portfolios without similar growth in operating expenses.

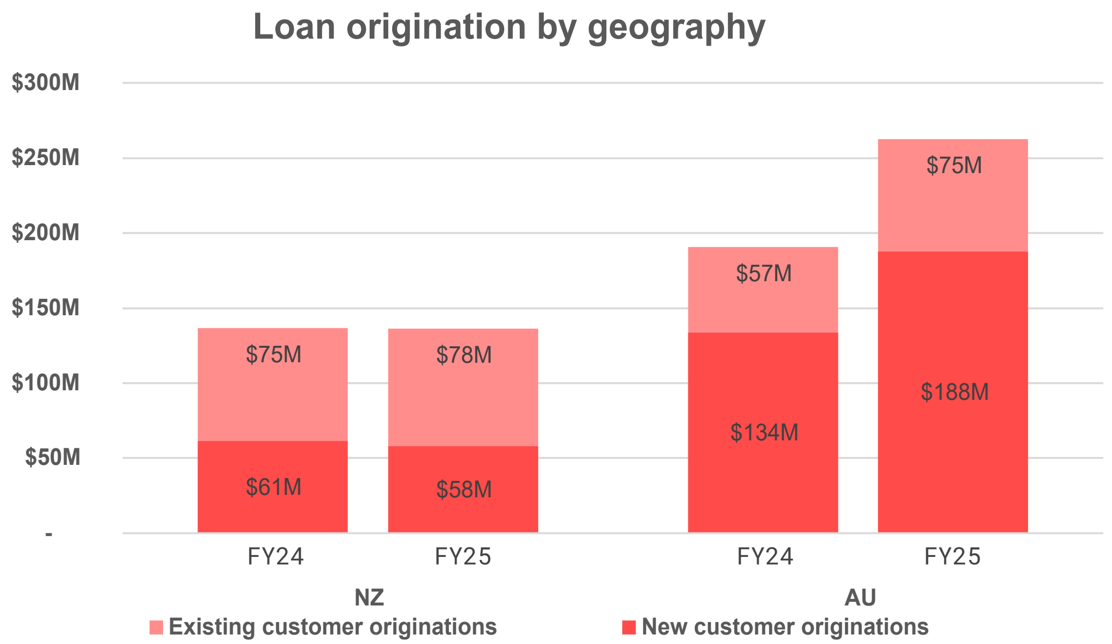
The combination of growing risk adjusted income while, maintaining stable operating costs, more than offset the increased investment in new customer acquisition, to deliver this year's 742% increase in Cash NPAT to $5.7m (FY24: $0.7m).

Non-cash adjustments added net expenses of $0.2m (FY24: $13.9m), with Harmoney's strong operating performance enabling the recognition of $2.2m of unutilised tax losses as additional deferred tax assets, largely offsetting the regular non-cash expense items: movement in expected credit loss provision, share-based payments and depreciation and amortisation. Depreciation and amortisation reduced by $11.0m to $1.6m (FY24: $12.6m) following the prior year one-off write down of Harmoney's legacy Stellare® 1.0 platform. Including the non-cash adjustments, statutory profit for the year was $5.5m (FY24: -$13.2m), an increase of $18.7m.

Loan originations

	Year ended 30 June 2025	Year ended 30 June 2024	Change	Change %
Total originations ($'000)	398,845	327,209	71,636	22%
New customer originations ($'000)	245,610	195,509	50,101	26%
Existing customer originations ($'000)	153,235	131,700	21,535	16%
Number of originations	26,280	20,166	6,114	30%
Average value of new customer originations ($)	17,165	20,268	(3,103)	(15%)
Average value of existing customer incremental originations ($)	12,801	12,519	282	2%

Group loan originations for the year grew by $71.6m to $398.8m (FY24: $327.2m). This 22% increase was led by Australian new customer growth of $54m, benefiting from a full year of the Stellare® 2.0 platform. Australian existing customer originations grew by $18.1m which is expected to accelerate in following years as existing customer origination growth naturally lags new customer growth. New Zealand loan originations remained stable at $136.2m (FY24: $136.7m) with growth efforts focused on the Stellare® 2.0 enabled Australian market for most of the year. The New Zealand rollout of Stellare® 2.0 was completed in 4Q25 resulting in June 2025 delivering a more than 50% increase in new customer originations in that market compared to June 2024.

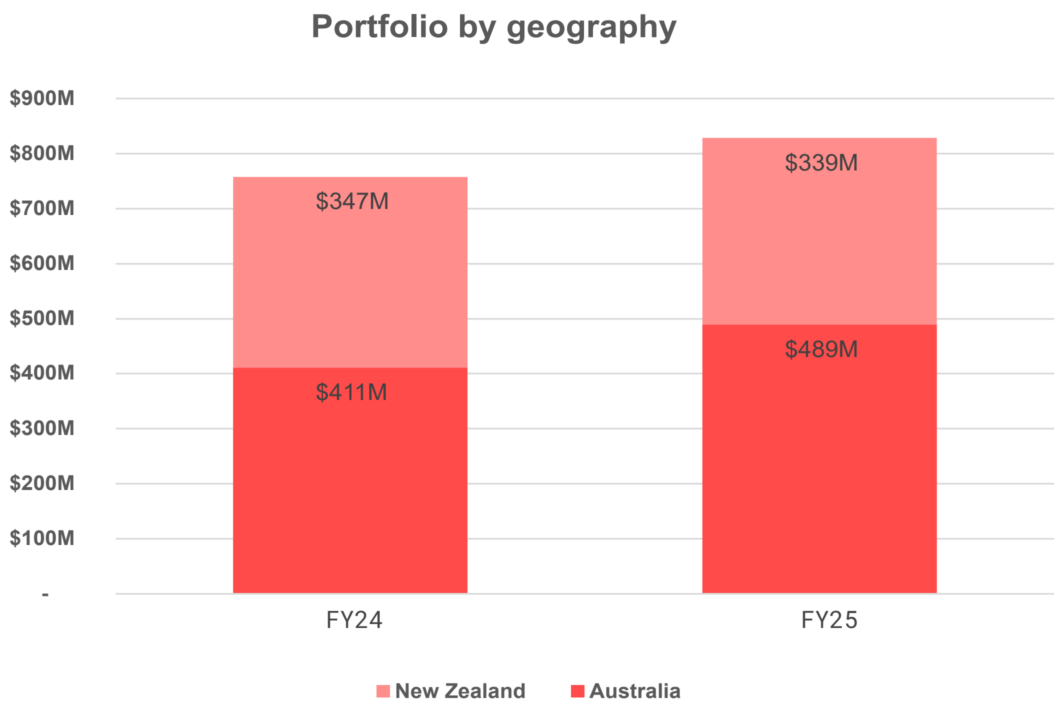


Portfolio

	Year ended 30 June 2025	Year ended 30 June 2024	Change	Change %
Loan book (period end) ($'000)	828,692	758,129	70,563	9%
Loan book (average) ($'000) - Group	784,630	754,171	30,459	4%
Loan book (average) ($'000) - Australia	445,661	392,051	53,610	14%
Loan book (average) ($'000) - New Zealand	338,969	362,120	(23,151)	(6%)

Strong origination growth in the Australian market grew the group loan portfolio by $70.6m to $828.7m (FY24: $758.1m), up 9% on the prior year. The Australian loan portfolio grew by 19% to $489.3m (FY24: $411.2m). The New Zealand loan portfolio contracted by 4% in New Zealand dollars to NZ$366.4m (FY24: $379.7m), however, this trend is expected to reverse in FY26 following the 4Q25 completion of New Zealand's Stellare® 2.0 rollout, and the resulting benefits already being felt.

The Australian portfolio has now grown to 59% of the total portfolio (FY24: 54%).



Risk adjusted income

	Year ended 30 June 2025	Year ended 30 June 2024	Change	Change %
Average interest rate (%)	16.9%	16.2%	70bps	N/A
Funding debt (period end) ($'000)	824,267	739,546	84,721	11%
Funding debt (average) ($'000)	758,756	725,802	32,954	5%
Average funding rate (%)	7.8%	7.7%	10bps	N/A
Net interest income (%)	9.3%	8.8%	50bps	N/A
Incurred credit loss ($'000)	28,843	30,699	(1,856)	(6%)
Incurred credit loss to average gross loans (%)	3.7%	4.1%	(40bps)	N/A
Risk adjusted income (%)	5.7%	4.8%	90bps	N/A

Risk Adjusted Income (RAI) is calculated by deducting incurred credit losses from Net Interest Income (NII), which is income less funding costs. Both RAI and NII are expressed in the table above as a percentage of the average loan book.

RAI increased by $8.4m to $44.4m (FY24: $36.0m), driven by average loan portfolio growth combined with a 50bps improvement in NII% to 9.3% (FY24: 8.8%) and a 40bps improvement in incurred credit losses, now down to 3.7% (FY24: 4.1%).

Income grew by 8% to $132.2m (FY24: $122.5m) driven by growth in the average loan portfolio size and an increase in the average loan portfolio interest rate to 16.9% (FY24: 16.2%), as loans originated higher in the interest rate cycle make up a larger portion of the portfolio, and earlier loans originated at lower rates have amortised down.

Interest expense increased by 6% to $59.0m (FY24: $55.8m), in line with the loan portfolio growth. The higher 11% growth in the period end funding debt is reflective of improved warehouse advance rates achieved through the year, with most facilities extended with advance rate improvements, providing better leverage to grow the portfolio further from available cash reserves. Extended facilities also provided fixed margin reductions, which will benefit funding costs through FY26.

Net interest income (NII) has increased $6.5m to $73.2m (FY24: $66.7m), as a percentage of average loan book this has increased 50bps to 9.3% (FY24: 8.8%), with the average portfolio interest rate increasing and the average funding rate remaining largely stable.

Incurred credit losses, being loans written off during the period, decreased $1.9m to $28.8m (FY24: $30.7m), with the incurred credit loss to average gross loans percentage decreasing to 3.7%, back down towards target levels, from 4.1% in the prior year which represented a peak driven by the lagging impact of an earlier Australian credit scorecard, replaced several years before.

Credit provisioning

	Year ended 30 June 2025	Year ended 30 June 2024	Change	Change %
Movement in expected credit loss (ECL) provision ($'000)	16	(202)	218	N/A
Provision rate (%)	4.4%	4.8%	(40bps)	N/A

The expected credit loss (ECL) provision represents Harmoney's modelled expectation of future period credit losses to occur from the current portfolio. The provision does not account for future period interest income that Harmoney also expects to derive from the current portfolio. Movements in the provision are driven by changes in the size of the loan portfolio and changes in Harmoney's expectation of the level of future period loss to occur from within that portfolio. As movements in the provision do not impact cash, they are excluded from the calculation of Cash NPAT, which recognises only credit losses actually incurred during the period.

Harmoney's ECL provision increased by $0.2m to $36.8m (FY24: $36.6m), with a 40bps reduction in the overall provision rate from 4.8% at 30 June 2024 to 4.4% largely offsetting additional provisioning driven by loan portfolio growth. The reduction in the provision rate to 4.4% reflects the decrease in expectation of future losses given the decrease experienced in incurred credit loss, while also allowing additional provision to accommodate future uncertainty.

Customer acquisition metrics

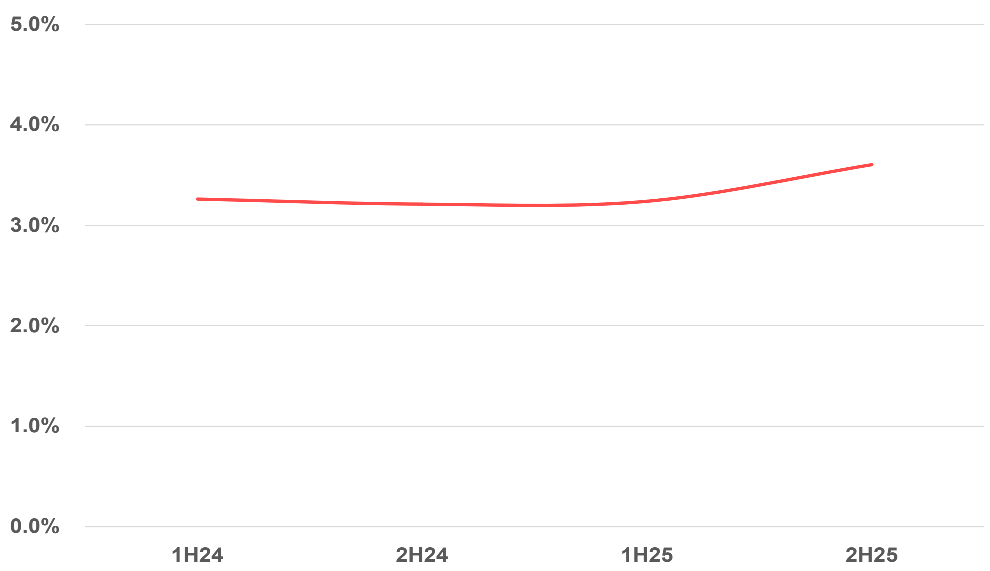
	Year ended 30 June 2025	Year ended 30 June 2024	Change	Change %
Customer acquisition expenses to origination ratio	3.4%	3.2%	20bps	N/A
Customer acquisition expenses to income ratio	10.3%	8.6%	170bps	N/A

Customer acquisition expenses increased by $3.1m to $13.7m (FY24: $10.6m) with additional investment in new customer acquisition, particularly in 2H25, to leverage the improved origination performance delivered by Stellare® 2.0. The full benefit of increasing new customer originations plays out over future years with a key feature of Harmoney's consumer-direct model being that existing customers return for subsequent loans, and those originations have near zero cost due to that existing direct relationship.

The increased investment in 2H25 temporarily lifted the customer acquisition to origination ratio in 2H25 (shown in the chart below) and increased the full year ratio to 3.4% (FY24: 3.2%). This ratio is expected to return to its long term downward trend, as near zero cost originations to existing customers increase in future periods, following this year's lift in new customer originations.

The increase in the customer acquisition expense to income ratio to 10.3% (FY24: 8.6%) is also driven by the elevated acquisition investment in 2H25, due to the lag between the origination expenditure, which is recognised when incurred, and the interest income from the resulting originations, which is recognised over the life of the loan. When a loan is originated late in the year, little interest income is recognised for that loan in its year of origination.

Customer acquisition expenses to originations ratio



Cost to income metrics

	Year ended 30 June 2025	Year ended 30 June 2024	Change	Change %
Cost to income ratio [1]	18.9%	20.2%	(130bps)	N/A

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 FY25 including those costs is 21%, down from 24% pcp. FY24 excludes one-off impairment loss on internally developed software.

Harmoney achieved a cost to income ratio of 18.9%, a 130bps improvement from the prior year (FY24: 20.2%). The ratio includes all cash operating costs below net operating income (personnel, customer servicing, technology, and administrative expenses). Non-cash items, share based payment, depreciation & amortisation and movement in deferred tax asset expenses are excluded.

The continuing improvement is a reflection of the high levels of automation in Harmoney's Stellare® 2.0 platform, enabling Harmoney to continue to grow its loan book and revenue significantly faster than operating costs.

Cash operating expenses increased by only 1% to $25.1m (FY24: $24.7m), much lower than inflation levels in Australia and New Zealand.

Financial position

	30 June 2025 $'000	30 June 2024 $'000	Change $'000	Change %
Assets				
Cash and cash equivalents	52,617	37,744	14,873	39%
Finance receivables	832,187	761,471	70,716	9%
Expected credit loss provision	(36,812)	(36,646)	(166)	(0%)
Derivative financial instruments	-	525	(525)	N/A
Deferred tax assets	15,600	10,633	4,967	47%
Intangible assets	8,323	4,491	3,832	85%
Other assets	5,933	5,897	36	1%
Total assets	**877,848**	**784,115**	**93,733**	**12%**
Liabilities				
Derivative financial instruments	8,733	-	8,733	N/A
Borrowings - Receivables funding	802,000	717,796	84,204	12%
Borrowings - Corporate debt facility	22,267	21,750	517	2%
Other liabilities	10,365	8,111	2,254	28%
Total liabilities	**843,365**	**747,657**	**95,708**	**13%**
Net assets	**34,483**	**36,458**	**(1,975)**	**(5%)**

Cash and cash equivalents of $52.6m consists of unrestricted cash of $22.8m (FY24: $20.6m), and restricted cash of $29.8m (FY24: $17.1m); the latter may only be used for funding finance receivables and other purposes defined in the relevant trust documents.

Unrestricted cash increased by $2.2m, being the surplus from $35.0m of cash generated from operating activities after funding $27.5m invested in loan portfolio growth, $4.7m in Stellare® 2.0 development and $0.6m spent on lease payments.

Net assets have decreased $2.0m to $34.5m (FY24: $36.5m) driven by a $9.3m reduction in the value of derivative financial instruments as market interest rates have fallen and a $2.3m increase in other liabilities, partially offset by a $5.0m increase in deferred tax assets relating to derivatives and unutilised tax losses plus a $3.8m increase in the net book value of Stellare® 2.0.

The fair value of the derivatives represents the difference between the fixed rate of the interest rate swaps and the market rate as at year end. The actual impact on profit and loss will be determined by the market rates on monthly settlement dates over the next 6 years.

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Sustainability Report

Our purpose is to help and inspire people to start now on their dreams or start fresh through financial products that are simple, smart and secure.

By leveraging technology, data-driven insights, and responsible lending, we connect people with the right financial services at the right moment—promoting financial well-being and supporting inclusive, sustainable economic growth.

We're committed to creating a positive impact—not just for our customers and stakeholders, but also for our communities and the planet. Our Sustainability Report explores the key risks and opportunities we face, and highlights our ongoing progress in areas critical to our long-term success and responsibility.

Environment

As climate change continues to affect communities through more frequent and severe weather events, the urgency to address climate-related challenges is growing. Harmoney acknowledges the important role businesses play in supporting the transition to a low-carbon economy.

As a 100% online consumer-direct personal lender, Harmoney is proud that our operations have a minimal direct impact on the environment.

Climate strategy

This year Harmoney maintained its commitment to achieving net zero emissions and offsetting any residual emissions. We continue to monitor climate-related risks and opportunities and are working on establishing further reduction targets to assess our performance and progress. By consistently measuring our impact, we remain committed to our contribution to sustainability.

Carbon footprint

We are proud to maintain Zero Carbon certification from Ekos Kamahi Limited NZ for three consecutive years, and have offset our residual emissions for the period. To meet our commitment to offsetting residual emissions, we proudly support the Kānuka Hill Native Regeneration Project. Located in Golden Bay, this 96-hectare initiative diligently protects and enhances naturally regenerating indigenous forest, delivering significant benefits in carbon sequestration, biodiversity, water quality, and climate resilience. Ekos conducted a comprehensive carbon footprint measurement of our Scope 1, 2 and 3 greenhouse gas (GHG) emissions which are represented in our Emissions Inventory Report below.

Emissions Inventory Report

Emissions breakdown	FY25 (tCO_2e)	FY24 (tCO_2e)	Change %
Total Scope 1 emissions	–	–	–
Purchased electricity	3.11	2.70	15%
Total Scope 2 emissions	**3.11**	**2.70**	**15%**
Air travel	21.55	10.87	98%
Cloud computing services	19.02	14.53	31%
Other scope 3 emissions	7.27	4.07	79%
Total Scope 3 emissions	**47.84**	**29.47**	**62%**
Total Scope 1, 2 and 3 emissions	**50.95**	**32.17**	**58%**

- The emissions inventory report disclosed above has been reported using the location-based methodology.
- Emissions can be calculated using a market-based or a location-based methodology. In Harmoney's case our emissions are higher under the location-based methodology disclosed above, which is what we have offset.

Harmoney continues to demonstrate strong environmental stewardship by maintaining zero direct (scope 1) emissions. Our proactive transition to a 100% renewable and climate-positive electricity provider in the NZ office from January 2023 has been highly effective, ensuring our scope 2 emissions remain near zero as a result of consistently low purchased electricity emissions.

In FY25, our total GHG emissions measured 50.95 tCO2e, representing an increase from FY24's 32.17 tCO2e. This rise was primarily driven by an increase in indirect (scope 3) emissions, largely from an uplift in air travel. While our cloud computing services emissions also increased by 31%, we are proactively working towards future reductions in this category by transitioning to a supplier with more ambitious emission reduction targets.

While we experienced an increase in absolute emissions, our carbon intensity metrics highlight our commitment to maintaining a very low environmental impact. Our carbon intensity for Scope 1, 2, and 3 emissions per $1 million of revenue moved to 0.39 tCO2e (FY24: 0.26 tCO2e), and per employee to 0.64 tCO2e (FY24: 0.43 tCO2e). These figures clearly demonstrate our efforts to integrate sustainability into operations, maintaining a minimal environmental footprint despite operational growth. Our current emissions inventory report excludes any outsourced services.

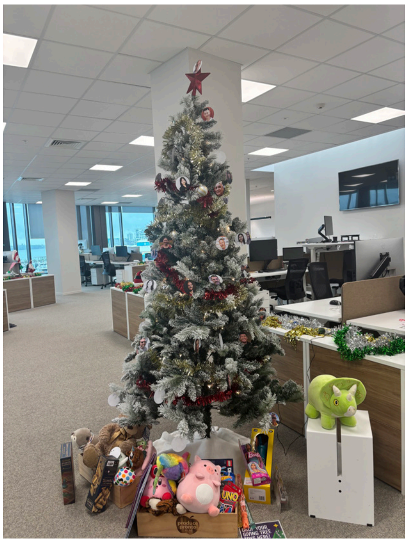
We continue to strengthen our commitment to sustainability by encouraging environmentally responsible behaviours across our office. Our key initiatives focus on waste reduction, promoting reusable alternatives, improving energy efficiency, and creating a greener office culture.

Highlights include:

- Waste reduction & recycling: Clear bin labeling, supermarket bag reuse, and e-waste partnerships.
- Reusable alternatives: Reusable dishware in kitchens, promotion of BYO containers, and provision of KeepCups to staff to actively reduce reliance on single-use takeaway cups from cafés.
- Greener office culture: More indoor plants, sustainability champions, and engagement through challenges and volunteer opportunities.
- Energy efficiency: Use of motion sensors to turn off lights and power usage in shared spaces when unoccupied.
- Communication & collaboration: Plans to improve transparency by sharing sustainability milestones publicly, encouraging staff ideas, and partnering with eco-conscious suppliers.

We build team collaboration while supporting our community and promoting sustainable practices. Our employees recently participated in an innovative team-building program where groups assembled bicycles from scratch for donation to local charities.

As part of our sustainability initiatives, and led by our People & Culture team, Harmoney staff stepped up to donate and collect toys for the Kindness Collective—bringing joy to children, supporting families in need, and making a meaningful impact in our wider community.



Social

Customer experience

Since launching in 2014, Harmoney has aimed to transform how people borrow money. We believe that access to finance at the right time can have a profoundly positive impact on someone's life. We envision a future where technology works seamlessly and responsibly in the background to empower customers with smarter financial choices and greater opportunities. Our comprehensive online application process harnesses advanced technology and reliably sourced financial data to assess creditworthiness. Using machine learning-based scoring systems, we evaluate customer suitability with speed, accuracy, and fairness.

Our purpose is to help and inspire people to start now on their dreams or start fresh through financial products that are simple, smart and secure..

This year, Harmoney successfully launched its Stellare® 2.0 platform in New Zealand. With the platform now in use across both Australia and New Zealand and a commitment to continuous improvement, Harmoney is greatly progressing its mission to enhance the lending experience.

We introduced an automated, scalable and personalised credit engine that provides a reliable initial loan assessment within minutes, giving customers faster clarity on their loan eligibility with less effort and greater convenience.

We are developing AI-driven agentic workflows within our Stellare® 2.0 platform empowering customers to complete their applications more easily and accurately to receive faster and better decisions, ultimately supporting better access to credit when it's needed most.

We ensure consistent handling of customer complaints by acting in accordance with our Complaints and Internal Dispute Resolution Policy, and perform call quality assessments to monitor calls against policies. We have Google and Shopper Approved scores of 4.7/5 from nearly 60,000 reviews, and a low complaint rate with approximately 0.02% of active customers raising a complaint with Australian Financial Complaints Authority (AFCA) over the 2025 financial year.

Delivering positive outcomes for our customers remains at the heart of Harmoney's mission. We are committed to continuously improving the customer experience and ensuring meaningful support is available for those who need it most, particularly individuals facing financial hardship.

Hardship and supporting customers

In an environment marked by rising living costs, increasing cybercrime, and growing financial uncertainty, Harmoney recognises the vital importance of supporting vulnerable customers and those experiencing unexpected financial hardship. We take a personalised and empathetic approach by assessing hardship cases individually and working collaboratively with customers to find tailored solutions. These may include adjustments to repayment plans, temporary payment deferrals, or a combination of both, all designed to ease financial pressure and support recovery

We are also committed to promoting financial inclusion by helping customers gain access to credit for the first time, and by offering responsible alternatives to high-cost lending products such as small amount credit contracts (SACCs) and payday advances.

To safeguard customer wellbeing, we apply strict responsible lending practices and credit policies to ensure we do not provide credit in ways that could worsen a borrower's financial situation. Using advanced analytics, we proactively identify signs of vulnerability, such as risky spending patterns or problem gambling behaviours, and provide early interventions for those who may be at risk of financial distress.

Financial inclusion and accessibility

Harmoney is committed to expanding access to fair and responsible credit by identifying and removing barriers within the lending process. By automating credit assessments, we reduce the influence of human bias, creating a more equitable experience for all applicants. We are developing more personalised solutions tailored to the unique needs of different customer segments, including a range of age groups and financial backgrounds. Our goal is to ensure that our products and services are inclusive, accessible, and designed to support a diverse population on their financial journeys.

Customer financial wellbeing

During times of economic uncertainty, helping customers build financial resilience becomes even more crucial. Harmoney actively supports financial literacy and awareness by providing educational blog articles and resources on our website. These cover a wide range of topics, including personal finance, loans, and debt consolidation. While the full rollout of our new dedicated blog section is planned for next year, we remain focused on delivering content that helps customers make confident and informed financial decisions.

In FY25, Harmoney supported over 9,400 customers by directing them towards ClearScore to better understand their credit scores.

Data and cyber security

As a 100% online lending business entrusted with sensitive customer information, Harmoney recognises the vital responsibility we hold in safeguarding data. Cyber security remains a core priority, and we are committed to preventing, detecting, and mitigating cyber threats to ensure the ongoing protection of our customers' information.

The Australian Cyber Security Centre (ACSC) reported over 87,400 cybercrime incidents in Australia during the fiscal year 2023-24, averaging one report every six minutes. While this represents a 7% decrease in the number of reported incidents compared to the previous year, the financial impact has continued to rise. The average cost per cybercrime report for individuals increased by 17%, with an average financial loss of $30,700 per incident. Similarly, in New Zealand, the New Zealand Computer Emergency Response Team (CERT NZ) quarterly data reports consistently show the financial and insurance services sector reported the highest number of cyber incidents, indicating the significant impact on sensitive information. These statistics highlight the growing cyber threat landscape in both countries.

Harmoney is committed to maintaining the highest standards of data security and privacy. We have implemented comprehensive cybersecurity policies and robust technical controls to safeguard the financial and credit-related data entrusted to us by our customers. Our ongoing efforts focus on ensuring the security, availability, and integrity of all customer information through a continuously evolving cybersecurity framework. Key initiatives and controls include but are not limited to:

- SOC 2 Type 1 audit covering Security, Availability, and Confidentiality achieved in 2024, and a SOC 2 Type 2 audit scheduled for completion in October 2025.
- Incident response improvements targeting an average response time of under one hour.
- Endpoint protection on employee devices to stop ransomware, malware, exploits, and other threats.
- Employing industry best practices for protection of data including segregation of production systems, and anonymisation of data used for analytics purposes.
- Multi-factor authentication (MFA).
- Modern cloud-native technology stack, with web application firewalls and threat detection systems.
- External penetration testing to assess and fortify our security measures.
- Business continuity, incident response, and disaster recovery policies, which we test annually.
- Recoverability testing of major system backups, at least annually.
- 100% staff completion of cybersecurity training to increase cyber awareness and literacy.

Employee wellness and training

We take a people first approach in everything we do.

As at 30 June 2025, Harmoney's total workforce consisted of 79 full-time employees across Australia and New Zealand.

At the core of Harmoney are our people whose inspiration, imagination, creativity, and passion drive our efforts. Our goal is to deliver a positive experience that keeps our people safer, healthier, and more engaged.

At Harmoney, employee engagement reflects how connected, motivated, and positive our people feel about their work. We conduct annual surveys to track progress, gather feedback, and identify key areas for continued improvement. Our overall company engagement score was 88% for the year 2025 (2024: 83%).

To maintain a high-performing culture, our leaders set clear goals, offer consistent feedback, and actively celebrate achievements. Every team member is supported with a personalised development plan that encourages both personal and professional growth.

We place a strong focus on employee wellbeing and strive to promote work-life balance through flexible work arrangements. We conduct annual reviews of our remuneration and benefits to ensure fairness and competitiveness. We also provide:

- An annual training budget for upskilling or certifications;
- Health insurance;
- Wellness days;
- Employee Assistance Programs;
- First-aid and mental first-aid certifications;
- Flu vaccinations;
- Top up maternity benefit & flexi-return policy for parental leave.

Supporting the mental, physical, and social wellbeing of our people is key to fostering a positive, healthy, and high-performing workplace.

Diversity, equity and inclusion

We're proud of our diverse and inclusive culture where our people are empowered to push boundaries.

Harmoney recognises the valuable impact that a diverse and inclusive workforce has on overall business performance and remains committed to advancing and measuring progress in Diversity, Equity, and Inclusion (DEI). We are dedicated to building a workplace that reflects the diverse communities we serve, knowing that varied perspectives drive innovation, support stronger decision-making, and enhance employee satisfaction.

Key highlights in FY25 include the following:
- Hosting an internship program with external organisation "Summer of Tech" to support the development of young engineers; and
- Facilitating mentor-mentee programs including female-led "lunch n learn" sessions.

Our commitment to diversity, equity, and inclusion is reflected in a variety of initiatives and strategies within our workplace:

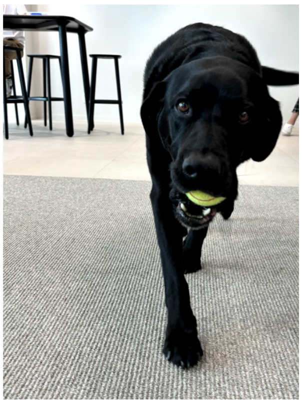
- We offer leadership training, including unconscious bias training for hiring managers.
- Our recruitment approach emphasises attracting a diverse range of candidates with gender-neutral and inclusive job descriptions.
- We employ proactive succession planning to enhance the representation of women in leadership roles.
- We actively support the development of young women leaders through networks such as Powrsuit, a New Zealand-based membership network for women leaders.
- We recognise and celebrate a variety of cultural events and important dates such as International Women's Day to promote awareness, inclusivity, and respect throughout our team.

These initiatives are part of our broader goal to build a workplace that not only values diversity and inclusion but actively nurtures an environment where everyone has the opportunity to succeed.

Modern slavery

Harmoney will be publishing its third annual Modern Slavery Statement under Australia's Modern Slavery Act 2018 in December 2025.

Harmoney has introduced staff training to raise awareness of modern slavery, with 100% employee completion achieved.



Governance

Effective governance serves as the foundation for delivering sustainable, long-term value. At Harmoney, we integrate financial performance with meaningful societal impact, ensuring rigorous accountability while strengthening stakeholder trust. This balanced approach enables us to develop and implement sustainability strategies that create both business value and positive community outcomes.

Governance and risk management

At Harmoney, sustainability risk management is embedded within our core governance framework. The Board maintains direct oversight of sustainability-related risks and opportunities. The Board is also well supported by the Audit and Risk Committee, the Senior Leadership Team and the Sustainability Officer in delivering these objectives.

Our sustainability commitment is also formalised through a Sustainability Policy which establishes clear principles for incorporating economic, environmental, social, and governance considerations into our business strategy and daily operations.

Our governance framework is set out on our website (https://investorhub.harmoney.com.au/governance) and comprises our Code of Conduct, and various charters and policies which are designed to reinforce a culture of corporate integrity and fulfil our statutory obligations.

We also publish a Corporate Governance Statement on our website, which sets out the details of our practices with respect to the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations (4th Edition)" (the ASX Recommendations), which is current as at 30 June 2025. Harmoney has elected to comply with all of the ASX Recommendations. Harmoney has also considered the Consultation Draft for a proposed 5th Edition of the ASX Recommendations.

Harmoney maintains a rigorous policy review process to ensure compliance with relevant statutory requirements, the ASX Listing Rules, and our obligations in respect of our Australian Financial Services Licence, Australian Credit Licence, and Fit and Proper Person certification under the CCCFA (New Zealand). These policies are also regularly reviewed by external experts, including law firms and AML specialists, to ensure their relevance and effectiveness.

The Board delegates the responsibility for reviewing and approving Harmoney's risk management system (including policies and frameworks) to the Audit and Risk Committee, for identifying, assessing, and managing financial and non-financial risks.

Harmoney undergoes regular automated and manual audits on risk and compliance testing, conducted both internally and by independent external parties. Our Compliance Manager oversees the ongoing development and implementation of our comprehensive risk and compliance assurance testing program. We continue to introduce accurate and independently-validated regulatory obligations registers across the enterprise and have progressively updated policies, training programs, and controls testing procedures.

In FY25, Harmoney continued refinement of its enterprise-wide risk management framework to better identify and assess sustainability-related risks and opportunities. A key enhancement was the introduction of an AI Governance and Controls policy. This will evolve to ultimately be incorporated into our risk management framework as our adoption of AI across business processes matures.

Ethics and integrity

Ethics and integrity lie at the heart of Harmoney's values, serving as the foundation for how we build trust, foster credibility, and strengthen relationships with all stakeholders—from investors and employees to customers and the communities we serve. By upholding these principles in every decision and action, we ensure transparency, accountability, and long-term sustainability in all aspects of our business.

Harmoney's corporate governance framework includes a Code of Conduct, Anti-Bribery & Corruption Policy, Disclosure and Communication Policy, Trading Policy, and Whistleblower Policy.

Harmoney ensures compliance with all relevant legal obligations through:

- Regular review and reporting of our compliance with licence obligations.
- Regular review of our Responsible Lending Policy and procedures.
- Continuous enhancement of our systems to identify and support potentially vulnerable applicants.
- Ongoing staff training across all relevant regulations.

Harmoney is a signatory to the Principles of Reciprocity and Data Exchange with RDEA (a subsidiary of the Australian Retail Credit Association). Harmoney is also a member of the Financial Services Federation in New Zealand, the industry body for responsible non-bank lenders.

Stakeholder engagement

Harmoney actively engages with our stakeholder groups which include investors, employees, customers and regulators, to align our business practices with their needs and priorities. For our investor community, we provide transparent communication through the Investor Centre on our website, complemented by our interactive Investor Hub. This digital platform enables real-time engagement and immediate access to company updates and announcements.

We implement systematic qualitative surveys as part of our Product Governance Framework. These insights directly identify market needs and preferences, ensuring our product development remains customer-centric and compliant with regulatory standards.

Harmoney maintains a robust Complaints and Internal Dispute Resolution Policy to guarantee fair, consistent, and transparent handling of all customer concerns. Our Feedback and Complaints Committee meets regularly to systematically analyse customer feedback, identify patterns, resolve systemic issues, and identify areas for improvement. Any significant matters are reported to the Board.

FY25 was Harmoney's second year of reporting Internal Dispute Resolution data to the Australian Securities and Investments Commission (ASIC).

Harmoney is a member of two independent external, dispute resolution schemes, the Australian Financial Complaints Authority (AFCA) in Australia, and the Financial Services Complaints Limited (FSCL), a financial ombudsman service, in New Zealand.

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Directors' Report

The Directors present their report, together with the financial statements, on the consolidated entity consisting of Harmoney Corp Limited and the entities it controlled at the end of, or during the year ended, 30 June 2025 ("the Group").

Directors

As at the date of this report, the Directors of Harmoney Corp Limited are:

Paul Lahiff	Independent Chairman
Monique Cairns	Independent Director
John Quirk	Independent Director
Neil Roberts	Founder and Non-executive Director
David Stevens	Chief Executive Officer and Managing Director

For details of Directors during the year refer to the Corporate Information section.

Principal activities

Harmoney provides customers with secured and unsecured personal loans that are easy to access, competitively priced using risk-adjusted interest rates and accessed 100% online. The Group operates across New Zealand and Australia.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the year ended 30 June 2025.

Dividends

There were no dividends paid, recommended, or declared during the current or previous financial year.

For and on behalf of the Directors

Paul Lahiff
Chairman

David Stevens
Chief Executive Officer and Managing Director

Auckland
20 August 2025

Financial Report

Directors' Responsibility Statement

The Directors are pleased to present the consolidated financial statements of Harmoney Corp Limited for the year ended 30 June 2025.

The Directors are responsible for ensuring that the consolidated financial statements give a true and fair view of the financial position of the Group as at 30 June 2025 and its financial performance and cash flows for the year ended on that date.

The Directors consider that the consolidated financial statements of the Group have been prepared using appropriate accounting policies consistently applied and supported by reasonable judgements and estimates and that all the relevant financial reporting and accounting standards have been followed.

The Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Group and facilitate compliance of the consolidated financial statements with the Financial Reporting Act 2013.

The Board of Directors of Harmoney Corp Limited authorised the consolidated financial statements set out on pages 34-65 for issue on 20 August 2025.

For and on behalf of the Board

Paul Lahiff
Chairman

David Stevens
Chief Executive Officer and Managing Director

20 August 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2025

	Notes	Year ended 30 June 2025 $'000	Year ended 30 June 2024 $'000
Interest income	5	131,828	121,768
Other income	6	419	773
Total income		**132,247**	**122,541**
Interest expense	5	58,997	55,848
Impairment expense	7	28,859	30,497
Customer acquisition expenses		13,678	10,592
Personnel expenses	8	12,334	12,513
Customer servicing expenses		5,967	5,918
Technology expenses		4,936	4,954
General and administrative expenses		2,539	2,831
Depreciation and amortisation expenses	9	1,629	12,582
Profit / (loss) before income tax		**3,308**	**(13,194)**
Income tax benefit	10	2,210	-
Profit / (loss) for the year attributable to shareholders of Harmoney Corp Limited		**5,518**	**(13,194)**
Other comprehensive income / (loss)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		624	(255)
Loss on cash flow hedge reserve, net of tax	11	(6,566)	(5,067)
Other comprehensive loss for the year, net of tax		**(5,942)**	**(5,322)**
Total comprehensive loss for the year attributable to shareholders of Harmoney Corp Limited		**(424)**	**(18,516)**
Earnings per share for loss attributable to the ordinary equity holders of the Company:		Cents	Cents
Basic earnings per share	12	5	(13)
Diluted earnings per share	12	5	(13)

THE ABOVE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING NOTES.

Consolidated Statement of Financial Position

As at 30 June 2025

	Notes	30 June 2025 $'000	30 June 2024 $'000
Assets			
Cash and cash equivalents	13	52,617	37,744
Trade and other assets	14	3,594	2,959
Finance receivables	15	795,375	724,825
Derivative financial instruments	11	-	525
Property and equipment	16	2,339	2,938
Deferred tax assets	10	15,600	10,633
Intangible assets	17	8,323	4,491
Total assets		**877,848**	**784,115**
Liabilities			
Payables and accruals	18	7,866	5,101
Derivative financial instruments	11	8,733	-
Lease liability	16	2,499	3,010
Borrowings	19	824,267	739,546
Total liabilities		**843,365**	**747,657**
Net assets		**34,483**	**36,458**
Equity			
Share capital	20	127,473	124,561
Foreign currency translation reserve	21	2	(622)
Share-based payment reserve	21	-	4,463
Cash flow hedge reserve	11	(6,217)	349
Accumulated losses		(86,775)	(92,293)
Total equity		**34,483**	**36,458**

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 2025

	Notes	Share capital	Foreign currency translation reserve	Share-based payment reserve	Cash flow hedge reserve	Accumulated losses	Total
		$'000	$'000	$'000	$'000	$'000	$'000
Balance at 30 June 2023		**123,985**	**(367)**	**3,820**	**5,416**	**(79,099)**	**53,755**
Loss for the year		-	-	-	-	(13,194)	(13,194)
Other comprehensive loss, net of income tax		-	(255)	-	(5,067)	-	(5,322)
Total comprehensive loss		**-**	**(255)**	**-**	**(5,067)**	**(13,194)**	**(18,516)**
Recognition of share-based payments	21	-	-	3,043	-	-	3,043
Transfer to share capital	21	576	-	(576)	-	-	-
Share option cancellations	21	-	-	(1,824)	-	-	(1,824)
Balance at 30 June 2024		**124,561**	**(622)**	**4,463**	**349**	**(92,293)**	**36,458**
Profit for the year		-	-	-	-	5,518	5,518
Other comprehensive income /(loss), net of income tax		-	624	-	(6,566)	-	(5,942)
Total comprehensive income / (loss)		**-**	**624**	**-**	**(6,566)**	**5,518**	**(424)**
Recognition of share-based payments	21	-	-	(152)	-	-	(152)
Transfer to share capital	21	3,039	-	(3,039)	-	-	-
Share option cancellations	21	-	-	(1,272)	-	-	(1,272)
Acquisition of treasury shares	21	(127)	-	-	-	-	(127)
Balance at 30 June 2025		**127,473**	**2**	**-**	**(6,217)**	**(86,775)**	**34,483**

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 2025

	Notes	Year ended 30 June 2025 $'000	Year ended 30 June 2024 $'000
Cash flows from operating activities			
Interest received		131,179	119,123
Interest paid		(58,143)	(57,243)
Fee income earned / (rebated)		132	(714)
Payments to suppliers and employees		(38,130)	(36,872)
Net cash generated by operating activities	**13**	**35,038**	**24,294**
Cash flows from investing activities			
Net advances to customers		(94,645)	(47,660)
Payments for software intangibles and equipment		(4,704)	(4,712)
Net cash used in investing activities		**(99,349)**	**(52,372)**
Cash flows from financing activities			
Proceeds from finance receivables borrowings	13	161,957	266,753
Repayments of finance receivables borrowings	13	(82,128)	(246,310)
Proceeds from corporate debt	13	-	2,500
Purchase of treasury shares		(127)	-
Principal element of lease payments	13	(562)	(517)
Net cash generated by financing activities		**79,140**	**22,426**
Cash and cash equivalents at the beginning of the period		37,744	43,454
Net increase / (decrease) in cash and cash equivalents		**14,829**	**(5,652)**
Effects of exchange rate changes on cash and cash equivalents		44	(58)
Cash and cash equivalents at the end of the period	**13**	**52,617**	**37,744**

THE ABOVE CONSOLIDATED STATEMENT OF CASH FLOWS SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING NOTES.

Notes to the Consolidated Group Financial Statements

For the year ended 30 June 2025

1. Corporate information

Harmoney Corp Limited (the Company) and its subsidiaries (collectively, the Group) are companies whose primary business is to originate, service and invest in loans. There has been no change in the principal activity of the Group during the year.

Harmoney Corp Limited is a company incorporated in New Zealand and registered under the Companies Act 1993, whose shares are publicly traded on the Australian Securities Exchange (ASX). The Company was incorporated on 1 May 2014.

2. Material accounting policies

2.1. Basis of preparation

The consolidated financial statements of Harmoney Corp Limited comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (GAAP). The Company is a Tier 1 for-profit entity for the purposes of complying with GAAP. The consolidated financial statements also comply with IFRS® Accounting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The results and position of each Group entity are expressed in Australian dollars (AUD), which is the presentation currency for the consolidated financial statements, unless otherwise stated. The financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which that entity operates (the functional currency). The functional currency of the Company is New Zealand dollars (NZD). The Group uses a different presentation currency to the functional currency of the Company to reflect the significance of the Group's Australian loan book and for better comparability with industry peers.

All amounts disclosed in the financial statements and notes have been rounded to the nearest thousand Australian dollars ($'000) unless otherwise stated.

The consolidated Group financial statements have been prepared on a going concern basis using a historical cost basis, except for derivative financial instruments which are measured at fair value.

The Consolidated Statement of Financial Position has been prepared in order of liquidity, including the comparatives. All assets and liabilities are current unless otherwise stated in the notes. The disaggregation of amounts receivable and payable in the next twelve months and beyond is outlined in the accompanying notes to the financial statements and the contractual maturity profile of financial liabilities is outlined in note 25.4.

2.2. Basis of consolidation

The consolidated Group financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

2.2. **Basis of consolidation** continued

The assets and liabilities of entities whose functional currency is not AUD are translated at the exchange rates ruling at reporting date. Revenue and expense items are translated at the spot rate at the transaction date or a rate approximating that rate. Exchange differences are taken to the foreign currency translation reserve.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.3. Application of new and revised accounting standards

The consolidated Group financial statements have been prepared using consistent accounting policies and methods of computation that were applied in the previous financial year, except for the following amendments which apply for the first time effective for the reporting period beginning on or after 1 January 2024:

- *Classification of Liabilities as Current or Non-current* and *Non-current Liabilities with Covenants (Amendments to NZ IAS 1)*

  The amendments to NZ IAS 1 specify the requirements for classifying liabilities as current or non-current and non-current liabilities with covenants from 1 January 2024. The amendments clarify the following:

  - An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period.
  - If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
  - The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.
  - In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

  These amendments have resulted in additional disclosures in note 19, but have no effect on the measurement of any items in the consolidated financial statements of the Group.

- *Disclosure of Fees for Audit Firms' Services (Amendments to FRS-44)*

  The amendments to FRS 44 require a description of the services provided by a reporting entity's audit or review firm and to disclose the fees incurred by the entity for those services using prescribed categories.

  These amendments have no effect on the measurement or presentation of any items in the consolidated financial statements of the Group, and there are no material changes to the existing disclosures. Refer to note 26 for further details.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The following amendments are effective for the period beginning 1 January 2026:

- *Amendments to the Classification and Measurement of Financial Instruments (Amendments to NZ IFRS 9 Financial Instruments and NZ IFRS 7 Financial Instruments: Disclosures)*

The following standards and amendments are effective for the annual reporting period beginning 1 January 2027:

- *NZ IFRS 18 Presentation and Disclosure in Financial Statements*

The Group is currently assessing the effect of these new accounting standards and amendments. The Group does not expect any other standards issued by the New Zealand Accounting Standards Board (NZASB) or IASB, but not yet effective, to have a material impact on the Group.

2.4. Goods and services tax

Revenue, expenses, assets, and liabilities are recognised net of the amount of goods and services tax (GST) except:

- where the amount of GST incurred is not recovered from the taxation authority, the unrecoverable GST expense is included in the related expense item in the income statement.
- receivables and payables which are recognised inclusive of GST (the net amount of GST recoverable from or payable to the taxation authority is included as part of receivables or payables).
- 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.

2.5. Foreign currency translation

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses and actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1. Expected credit loss provision

The Group has estimated the provision for expected credit losses (ECL) based on historically observed patterns of borrower behaviour adjusted for current and expected future economic outcomes. These are discussed in detail in note 15 and have a significant impact on these financial statements.

The Group measures the allowance for ECL using an expected credit loss impairment model as required by NZ IFRS 9 *Financial Instruments* (NZ IFRS 9). The Group's accounting policy for the recognition and measurement of the allowance for ECL is described in note 15.

3.2. Fair value measurement of derivatives

The fair value measurement of the Group's interest rate swaps is a significant accounting estimate. For details on the valuation method used see note 24. For interest rate sensitivity analysis see note 25.

3.3. Deferred tax asset relating to tax losses

NZ IAS 12 Income Taxes allows the capitalisation of tax losses as deferred tax assets only to the extent that there is convincing evidence that future taxable profit will be available against which the unused tax losses can be utilised. The Group has estimated the amount of deferred tax assets for which there is convincing evidence that utilisation will occur in the medium term and disclosed the remainder as unrecognised deferred tax assets. Refer to note 10 for further details.

4. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

4.1. Description of segments

The CODM considers the business from a geographical operating perspective and has identified two reportable segments: Australia and New Zealand.

The CODM assesses the business on a Cash Net Profit After Tax (Cash NPAT) basis. Cash NPAT is a non-GAAP measure and it is reconciled to profit/(loss) before income tax in the consolidated statement of profit or loss and other comprehensive income. Cash NPAT consists of profit/(loss) after income tax, adjusted for determined non-cash items and is intended as a supplementary measure of operating performance for readers to understand the underlying performance of the Group. Cash NPAT does not have a standard meaning prescribed by GAAP and therefore may not be comparable to information presented by other entities. Incurred credit losses and movement in expected credit loss provision are each non-GAAP measures, included to provide a more granular view of underlying credit impairment performance. Together these measures sum to the GAAP impairment expense measure, as detailed in note 7.

Intersegment revenue and expenses are not considered by the CODM and are accordingly excluded from segment reporting. Operating expenses are attributed to New Zealand unless they are direct incremental costs of the Australian operation.

4.2. Major customers

There are no customers who account for more than 10% of the Group's revenue.

4.3. Operating segments

The following tables present income and loss information for the Group's operating segments.

Segmented income statement for the year ended 30 June 2025 $'000

	Australia	New Zealand	Group
Interest income	74,643	57,185	131,828
Other income	-	419	419
Total income	**74,643**	**57,604**	**132,247**
Interest expense	30,835	28,162	58,997
Incurred credit losses	19,558	9,285	28,843
Customer acquisition expenses	10,587	3,091	13,678
Personnel expenses (excl. share-based payments)	1,040	10,570	11,610
Customer servicing expenses	3,619	2,348	5,967
Technology expenses	-	4,936	4,936
General and administrative expenses	490	2,049	2,539
Cash profit / (loss) before income tax	**8,514**	**(2,837)**	**5,677**
Cash tax expense	-	-	-
Cash NPAT	**8,514**	**(2,837)**	**5,677**
<u>Non-cash adjustments</u>			
Movement in expected credit loss provision	(1,531)	1,515	(16)
Share-based payments expenses	(30)	(694)	(724)
Depreciation and amortisation expenses	(33)	(1,596)	(1,629)
Profit / (loss) before income tax	**6,920**	**(3,612)**	**3,308**
Movement in deferred tax assets	-	2,210	2,210
Profit / (loss) after income tax	**6,920**	**(1,402)**	**5,518**

Segmented financial position for the year ended 30 June 2025 $'000

	Australia	New Zealand	Group
Assets	510,001	367,847	877,848
Liabilities	511,923	331,442	843,365

4.3. Operating segments continued

Segmented income statement for the year ended 30 June 2024 $'000

	Australia	New Zealand	Group
Interest income	61,937	59,831	121,768
Other income	-	773	773
Total income	**61,937**	**60,604**	**122,541**
Interest expense	23,944	31,904	55,848
Incurred credit losses	20,837	9,862	30,699
Customer acquisition expenses	7,526	3,066	10,592
Personnel expenses (excl. share-based payments)	917	10,108	11,025
Customer servicing expenses	3,040	2,878	5,918
Technology expenses	-	4,954	4,954
General and administrative expenses	552	2,279	2,831
Cash profit / (loss) before income tax	**5,121**	**(4,447)**	**674**
Cash tax expense	-	-	-
Cash NPAT	**5,121**	**(4,447)**	**674**
Non-cash adjustments			
Movement in expected credit loss provision	1,291	(1,089)	202
Share-based payments expenses	(5)	(1,483)	(1,488)
Depreciation and amortisation expenses	(49)	(12,533)	(12,582)
Profit / (loss) before income tax	**6,358**	**(19,552)**	**(13,194)**
Profit / (loss) after income tax	**6,358**	**(19,552)**	**(13,194)**

Segmented financial position for the year ended 30 June 2024 $'000

	Australia	New Zealand	Group
Assets	408,599	375,516	784,115
Liabilities	406,249	341,408	747,657

5. Interest

5.1. Interest income

	Year ended 30 June 2025 $'000	Year ended 30 June 2024 $'000
Interest income: financial assets at amortised cost	131,828	121,768

5.2. Interest expense

	Year ended 30 June 2025 $'000	Year ended 30 June 2024 $'000
Interest on receivables funding	54,691	52,054
Interest on corporate debt	4,078	3,520
Interest on financial liabilities at amortised cost	**58,769**	**55,574**
Interest on lease liability (Note 16)	228	274
Total interest expense	**58,997**	**55,848**

5.2. **Interest expense** continued

Interest income includes interest and loan establishment fees amortised as part of the effective interest rate. Interest income and interest expense are recognised in the consolidated statement of profit or loss and other comprehensive income for all financial assets and liabilities measured at amortised cost using the effective interest method. The effective interest method allocates interest income or interest expense over the life of the contract, or when appropriate a shorter period, using the effective interest rate. The effective interest rate is the discount rate at which the present value of the future cash flows equals the net carrying amount of the financial asset or liability. Establishment fees are required to be amortised over the expected life of the finance receivable in accordance with NZ IFRS 9. The deferred amount is recognised as a reduction to the finance receivable (note 15).

6. Other income

	Year ended 30 June 2025 $'000	Year ended 30 June 2024 $'000
Grant income	419	773

Grants are recognised at their fair value where there is reasonable assurance that the grant will be received, and the Group will comply with all attached conditions. Harmoney received grants related to the R&D Tax Incentive as funded by Inland Revenue.

7. Impairment expense

	Year ended 30 June 2025 $'000	Year ended 30 June 2024 $'000
Incurred credit loss	28,843	30,699
Movement in expected credit loss provision	16	(202)
Impairment expense	**28,859**	**30,497**

7.1. Incurred credit loss

Financial assets are written off when there is no reasonable expectation of recovery, such as the borrower failing to engage in a repayment plan with the Group. The Group generally categorises a finance receivable as incurred credit loss when the borrower fails to make contractual payments more than 120 days past due. Where finance receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss. See note 15 for movements in the expected credit loss provision table.

7.2. Movement in expected credit loss provision

This records the movement in the provision due to the composition of the finance receivables (note 15). For example, due to the growth in the finance receivables, change in likelihood of credit loss from the standard modelled provision, and change in macroeconomic conditions.

8. Personnel expenses

	Year ended 30 June 2025 $'000	Year ended 30 June 2024 $'000
Wages and salaries	10,978	10,414
Superannuation expense	632	611
Share-based payments expenses (Note 21)	724	1,488
Total personnel expenses	**12,334**	**12,513**

9. Depreciation and amortisation

	Year ended 30 June 2025 $'000	Year ended 30 June 2024 $'000
Depreciation charge on right-of-use assets (Note 16)	638	661
Depreciation charge on property and equipment	104	192
Amortisation charge on intangible assets (Note 17)	887	2,220
Impairment loss on intangible assets (Note 17)	-	9,509
Total depreciation and amortisation expense	**1,629**	**12,582**

In the prior reporting period, the impairment loss on intangible assets resulted from a one-off impairment expense related to the retirement of the Group's initial platform, Stellare® 1.0, and a prototype platform developed in 2023, both of which have been replaced by Stellare® 2.0.

Refer to note 16 for further information on property and equipment, and leases. Refer to note 17 for further information on intangible assets.

10. Income taxes

10.1. Income tax recognised in profit or loss

The income tax expense for the year can be reconciled to the accounting loss as follows:

	Year ended 30 June 2025 $'000	Year ended 30 June 2024 $'000
Current tax		
In respect of the current year	-	119
Deferred tax		
In respect of the current year	(2,210)	(119)
Total income tax benefit recognised in the period	**(2,210)**	**-**

	Year ended 30 June 2025 $'000	Year ended 30 June 2024 $'000
Profit / (loss) before income tax	**3,308**	**(13,194)**
Income tax expense / (benefit) calculated at 30%	(234)	(377)
Income tax expense / (benefit) calculated at 28%	1,162	(3,342)
Effect of expenses that are not deductible	(125)	(72)
Under / (over) adjustment to prior period taxation	12	597
(Prior period loss recognised) / Income tax benefit not recognised	(2,969)	3,197
Foreign exchange differences	(56)	(3)
Total income tax benefit recognised in the period	**(2,210)**	**-**

10. **Income taxes** continued

10.2. Amounts recognised in other comprehensive income

	30 June 2025 $'000	30 June 2024 $'000
Aggregate current and deferred tax arising in the reporting period relating to components of other comprehensive income:		
Cash flow hedge reserve	(2,692)	(2,085)
Other	(65)	38

The tax rate used for the reconciliation above is the corporate tax rate of 28% payable by corporate entities in New Zealand and 30% for those in Australia, on taxable profits under tax law in their respective jurisdictions. Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit/(loss) before tax' as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other periods and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. No cash income tax was paid by the Group.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that there is convincing other evidence that taxable profits will be available against which those deductible temporary differences can be utilised. The Group's forecasts show taxable profits in the coming years.

10.3. Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated statement of financial position:

	30 June 2025 $'000	30 June 2024 $'000
Deferred tax assets		
Expected credit loss (ECL) provision	8,127	8,841
Accruals	1,749	1,333
Lease liability	700	843
Derivatives	2,516	-
Share-based payments	140	343
Losses	3,114	-
Plant & equipment and intangibles	-	276
Deferred tax assets	**16,346**	**11,636**
Deferred tax liabilities		
Derivatives	-	(175)
Right of use asset	(606)	(772)
Distributing services	-	(56)
Plant & equipment and intangibles	(140)	-
Deferred tax liabilities	**(746)**	**(1,003)**
Net deferred tax assets	**15,600**	**10,633**

10. **Income taxes** continued

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset recognised to be utilised. The Group has unrecognised deferred tax assets of $19.8m at 30 June 2025 (30 June 2024: $22.9m), relating to tax losses and temporary differences not recognised in the statement of financial position. These amounts are available to offset future taxable profits of $69.3m at 30 June 2025 (30 June 2024: $80.9m), representing a reduction of $11.6 million during the year, primarily attributable to an increase in recognised losses. The tax losses can be carried forward subject to meeting the requirements of the applicable tax legislation.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

11. Cash flow hedge

Cash flow hedge reserve

	30 June 2025 $'000	30 June 2024 $'000
Opening balance	349	5,416
Analysis of amounts recognised in Other Comprehensive Income		
Loss arising on changes in fair value of derivatives	(9,258)	(7,152)
Deferred tax on derivatives (Note 10)	2,692	2,085
Loss on cash flow hedge reserve	**(6,566)**	**(5,067)**
Closing balance	**(6,217)**	**349**

Derivative financial instruments

The following table provides a breakdown of the derivative financial instruments presented in the consolidated statement of financial position:

Interest rate swaps	30 June 2025 $'000	30 June 2024 $'000
Derivative financial assets	-	1,431
Derivative financial liabilities	(8,733)	(906)
Net derivative financial instruments	**(8,733)**	**525**

Movements in the derivative financial instruments are as follows:

Interest rate swaps	30 June 2025 $'000	30 June 2024 $'000
Opening balance	525	7,677
Transferred to profit or loss for the year (included in interest expenses)	(106)	(6,211)
Loss arising on changes in fair value of derivatives	(9,152)	(941)
Closing balance	**(8,733)**	**525**

The Group obtains financing (note 19) in order to fund finance receivables (note 15). The interest rate payable on the borrowings is floating while the interest receivable is fixed at the point the funds are lent. The interest rate risk is managed and mitigated through the use of interest rate swaps, which exchange floating interest payments with fixed interest payments. The swaps are entered into to match the maturity profile of estimated repayments of the Group's borrowings. These are accounted for at trade date.

11. **Cash flow hedge** continued

The cash flow hedge reserve is used to recognise the effective portion of gains or losses on derivatives (interest rate swaps) that are designated and qualify as cash flow hedges.

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions. Refer to note 25 for financial risk management disclosures.

The valuations for New Zealand were based on market rates at 30 June 2025 of 3.33% for the 1-month BKBM and 3.55% for the 5-year swap rate (2024: 5.60% and 5-year swap rate 4.38%) and for Australia 3.61% for the 1-month BBSW and 3.59% for the 5-year swap rate (2024: 4.30% and 5-year swap rate 4.26%).

Refer to note 24 for further information on the fair value measurement of interest rate swaps.

12. Earnings per share

	30 June 2025 $'000	30 June 2024 $'000
Profit / (loss) after tax for the year attributable to the owners of the Group	5,518	(13,194)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	101,969,880	101,969,555
Weighted average number of ordinary shares used in calculating diluted earnings per share	101,969,880	101,969,555
	Cents	**Cents**
Basic earnings per share	5	(13)
Diluted earnings per share	5	(13)

Options

Performance rights (zero strike price options) under the Group's share-based compensation plan as detailed in note 21 are considered to be potentially ordinary shares. As at 30 June 2025, there were no options that could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share in the current year because they are antidilutive for the year ended 30 June 2025 (2024: 2,875,270).

13. Cash and cash equivalents

Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the consolidated statement of financial position as follows:

	30 June 2025 $'000	30 June 2024 $'000
Cash on hand and demand deposits	22,820	20,609
Restricted cash	29,797	17,135
Total cash and cash equivalents	**52,617**	**37,744**

No adjustment has been made for counterparty credit risk in cash and cash equivalents as the risk of impairment is not expected to be material.

13. Cash and cash equivalents continued

Restricted cash is held by the Warehouse Trusts (note 23). These funds may only be used for purposes defined in the trust documents, and are therefore not available for general use by the Group.

Reconciliation of profit / (loss) for the year to net cash generated by operating activities

	Year ended 30 June 2025 $'000	Year ended 30 June 2024 $'000
Profit / (loss) for the year after tax	5,518	(13,194)
Adjustments for:		
Impairment expense	27,783	29,974
Share-based payments	(839)	1,231
Depreciation, amortisation and impairment	1,629	12,582
Change in deferred establishment fee	928	(169)
Borrowing establishment fees	1,104	(1,576)
Income tax benefit	(2,210)	-
Other movements	50	(113)
Change in operating assets and liabilities:		
Increase in trade and other assets	(334)	(334)
Increase / (Decrease) in payables and accruals	2,794	(1,271)
Decrease in provisions	-	(1,529)
Increase in accrued interest	(1,385)	(1,307)
Net cash generated by operating activities	**35,038**	**24,294**

Non-cash transactions

During the current year, the Group did not enter into any non-cash investing and financing activities (2024: Nil).

Change in liabilities arising from financing activities

	Borrowings $'000	Lease liability $'000	Total $'000
Balance at 1 July 2023	**(720,503)**	**(3,506)**	**(724,009)**
Operating cash flows [1]	2,455	274	2,729
Financing cash flows	(22,943)	517	(22,426)
Non-cash adjustments [2]	(976)	(274)	(1,250)
New leases (non-cash)	-	(45)	(45)
Foreign exchange differences (non-cash)	2,421	24	2,445
Balance at 30 June 2024	**(739,546)**	**(3,010)**	**(742,556)**
Operating cash flows [1]	6	228	234
Financing cash flows	(79,829)	562	(79,267)
Non-cash adjustments [2]	(757)	(228)	(985)
New leases (non-cash)	-	(18)	(18)
Foreign exchange differences (non-cash)	(4,141)	(33)	(4,174)
Balance at 30 June 2025	**(824,267)**	**(2,499)**	**(826,766)**

1. Operating cash flows include prepaid establishment fees and the interest element of lease payments.
2. Non-cash adjustments include accrued interest.

14. Trade and other assets

	30 June 2025 $'000	30 June 2024 $'000
Financial assets at amortised cost		
Trade receivables	1,996	1,341
Total financial assets at amortised cost	**1,996**	**1,341**
Prepayments	1,461	1,542
GST receivable	137	76
Total trade and other assets	**3,594**	**2,959**

Trade receivables include grant income of $0.9m (2024: $0.4m) and $1m (2024: $0.7m) from receivables charged off and sold in the current year.

No adjustment has been made for counterparty credit risk in the financial assets above as all counterparties are considered to be of good credit standing and the risk of impairment is expected to be not material.

15. Finance receivables

	30 June 2025 $'000	30 June 2024 $'000
Finance receivables	828,693	758,129
Accrued interest	7,215	6,128
Deferred establishment fees	(3,721)	(2,786)
Expected credit loss (ECL) provision	(36,812)	(36,646)
Total finance receivables	**795,375**	**724,825**

15.1. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's main exposure to credit risk arises from finance receivables. The finance receivable credit risk management framework comprises underwriting, risk and responsible lending policies; anti-money laundering (AML) and counter-terrorism financing (CTF) protocols; collection and recovery policies; a proprietary credit scorecard; a risk-based pricing model; and fraud detection services.

15.2. ECL Provision

The Group measures the allowance for ECL using an expected credit loss impairment model as required by NZ IFRS 9.

Under the ECL model, the Group applies a three-stage approach to measuring the ECL based on credit migration between the stages. The ECL model is based on loan performance history calculated separately for Australia and New Zealand. As the product is unsecured personal loans there is no further segmentation. Management then applies a further adjustment to incorporate future macroeconomic factors using forward looking inputs.

Stage 1: 12-month ECL - No significant increase in credit risk
Finance receivables in this category have not had a significant increase in credit risk since initial recognition. ECL resulting from default events that are possible within the next 12 months ('12-month ECL') are recognised for financial instruments that remain in stage 1.

Stage 2: Lifetime ECL - Significantly increased credit risk

An assessment of whether credit risk has increased significantly since initial recognition is performed at the end of each reporting period by considering the change in the risk of default occurring over the remaining life of the finance receivable. Unless identified at an earlier stage, all financial assets are deemed to have suffered a significant increase in credit risk when 30 days past due but less than 90 days past due, or where a payment deferral has been granted following a successful hardship application and for 12 months after the completion of the hardship period, or where the account has defaulted (exceeded 90 days past due) in the last 12 months. A lifetime ECL provision is recorded for stage 2 receivables.

Stage 3: Lifetime ECL - Credit-impaired

The Group determines that a financial instrument is credit-impaired and in stage 3 by considering relevant objective evidence, primarily whether contractual payments of either principal or interest are past due for more than 90 days. If such unlikeliness to pay is not identified at an earlier stage, it is deemed to occur when an exposure is 90 days past due.

Movement between stages

The Group determines that loans may move in both directions through the stages of the impairment model. Loans previously in Stage 2 may move back to Stage 1 if it is no longer considered that there has been a significant increase in credit risk. Similarly, loans in Stage 3 may move back to Stage 1 or Stage 2 if they are no longer assessed to be credit-impaired.

Forward-looking information (FLI)

The Group has a process for incorporating forward-looking economic scenarios and determining the probability weightings assigned to each scenario in determining the overall ECL. The economic overlay is a forward-looking provision in addition to the standard modelled provision.

The Group has identified a number of key indicators that are considered in modelling the overlay for each country and each stage separately. The most significant of these indicators are gross domestic product, unemployment rate, employment and hours worked, public demand, household consumption, income and savings rate, investment and inflation which are obtained from publicly available data (range of market economists and official data sources). These indicators are assessed semi-annually and judgement is applied in determining the probability weighting assigned across the four economic scenarios detailed below (Base Case, Worst Case, Poor Case and Best Case). The Group's Assets and Liabilities Committee provides ultimate approval for FLI inputs and the resulting overlay applied.

Base scenario: This scenario considers Reserve Bank, OECD Economic Outlooks and Fitch Global forecasts. This scenario assumes that there is little to no impact to households with respect to increasing cost of living or increased net interest expense from mortgage rate increases in the medium term.

Poor scenario: This scenario contemplates the degree of impact to borrowers of adverse macroeconomic conditions such as rising inflation, constrained supply chains, rising mortgage interest rates and the consequent impacts to household cost of living pressures.

Best scenario: This scenario is included to account for the potential impact of more favourable macroeconomic conditions for specific segments, such as those households that have benefitted from constrained consumption resulting in increased savings rates as a cushion for increased cost of living pressures; and

Worst scenario: This scenario contemplates the potentially severe impact of remote, extremely adverse macroeconomic conditions.

15.2 **ECL Provision** continued

The table below presents the gross exposure and related ECL allowance for finance receivables:

30 June 2025	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Expected loss rate	2.40%	21.06%	67.56%	4.40%
	$'000	**$'000**	**$'000**	**$'000**
Gross carrying amount	761,681	68,047	6,180	835,908
Expected credit loss provision	(18,308)	(14,329)	(4,175)	(36,812)
Net carrying amount	**743,373**	**53,718**	**2,005**	**799,096**

30 June 2024	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Expected loss rate	2.98%	26.49%	63.50%	4.79%
	$'000	**$'000**	**$'000**	**$'000**
Gross carrying amount	710,625	50,322	3,310	764,257
Expected credit loss provision	(21,212)	(13,332)	(2,102)	(36,646)
Net carrying amount	**689,413**	**36,990**	**1,208**	**727,611**

Movements in the expected credit loss provision are as follows:

	30 June 2025 **$'000**	**30 June 2024** **$'000**
Opening balance	36,646	36,919
Movement in the provision recognised due to:		
Increase/(Decrease) in economic overlay	(6,021)	5,093
Impact of increase in gross finance receivables	35,030	25,333
Finance receivables written off during the period as uncollectible (Note 7)	(28,843)	(30,699)
Total provision	**36,812**	**36,646**

The reconciliation of the provision for ECL and finance receivables by stage are presented below. The key line items in the reconciliation are:

- The "transfers between stages" lines represent transfers between Stage 1, Stage 2 and Stage 3 prior to remeasurement of the provision for ECL.
- The "business activity during the year" line represents new accounts originated during the year net of those that were derecognised due to final repayments during the year.
- The "net remeasurement of provision for ECL" line represents the impact on the provision for ECL due to changes in credit quality during the year (including transfers between stages) and changes due to forward-looking economic scenarios.
- "Incurred credit loss" represent a reduction in the provision for ECL as a result of derecognition of exposures where there is no reasonable expectation of full recovery.

15.2 ECL Provision continued

Expected credit loss provision by stage

	Not credit-impaired Stage 1 $'000	Not credit-impaired Stage 2 $'000	Credit-impaired Stage 3 $'000	Total $'000
Total provisions for ECL on loans as at 30 June 2023	**22,119**	**11,301**	**3,499**	**36,919**
Transfers to Stage 1	12,210	(12,210)	-	-
Transfers to Stage 2	(2,760)	10,032	(7,272)	-
Transfers to Stage 3	-	(21,928)	21,928	-
Business activity during the year	3,800	(592)	(122)	3,086
Net remeasurements of provision for ECL	(14,031)	28,385	6,088	20,442
Incurred credit loss	(66)	(1,623)	(22,013)	(23,702)
Foreign exchange differences	(60)	(33)	(6)	(99)
Total provisions for ECL on loans as at 30 June 2024	**21,212**	**13,332**	**2,102**	**36,646**
Transfers to Stage 1	15,131	(14,993)	(138)	-
Transfers to Stage 2	(4,058)	15,451	(11,393)	-
Transfers to Stage 3	(3)	(28,689)	28,692	-
Business activity during the year	2,804	(6,037)	2,047	(1,186)
Net remeasurements of provision for ECL	(16,809)	36,752	6,518	26,461
Incurred credit loss	(40)	(1,553)	(23,675)	(25,268)
Foreign exchange differences	71	66	22	159
Total provisions for ECL on loans as at 30 June 2025	**18,308**	**14,329**	**4,175**	**36,812**

Gross finance receivables by stage

	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Gross carrying amount as at 30 June 2023	**722,507**	**21,599**	**4,642**	**748,748**
Transfers to Stage 1	32,902	(32,902)	-	-
Transfers to Stage 2	(88,738)	98,408	(9,670)	-
Transfers to Stage 3	-	(38,966)	38,966	-
Net of new financial assets and repayments during the year	48,354	6,365	506	55,225
Gross incurred credit loss (before recoveries)	(1,936)	(4,020)	(31,125)	(37,081)
Foreign exchange differences	(2,464)	(162)	(9)	(2,635)
Gross carrying amount as at 30 June 2024	**710,625**	**50,322**	**3,310**	**764,257**
Transfers to Stage 1	34,534	(34,378)	(156)	-
Transfers to Stage 2	(130,245)	144,032	(13,787)	-
Transfers to Stage 3	(159)	(42,051)	42,210	-
Net of new financial assets and repayments during the year	143,882	(47,053)	3,189	100,018
Gross incurred credit loss (before recoveries)	(1,146)	(3,226)	(28,622)	(32,994)
Foreign exchange differences	4,190	401	36	4,627
Gross carrying amount as at 30 June 2025	**761,681**	**68,047**	**6,180**	**835,908**

16. Property and equipment

	30 June 2025 $'000	30 June 2024 $'000
Right-of-use assets	2,165	2,758
Equipment	174	180
Total property and equipment	**2,339**	**2,938**

Property and equipment are non-current and recognised at historical cost less depreciation. Depreciation is calculated on a straight-line basis to allocate the cost of the assets, net of their residual values, over their estimated useful lives.

16.1. Leases

Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

Right-of-use assets	30 June 2025 $'000	30 June 2024 $'000
Opening balance - buildings	2,758	3,394
Additions	18	45
Other	27	(20)
Depreciation expense for the period	(638)	(661)
Closing balance - buildings	**2,165**	**2,758**

Lease liabilities	30 June 2025 $'000	30 June 2024 $'000
Opening balance - lease liability	3,010	3,506
Additions	18	45
Interest expense	228	274
Lease payments	(790)	(791)
Other	33	(24)
Total lease liability	**2,499**	**3,010**
Current lease liabilities	618	553
Non-current lease liabilities	1,881	2,457
Total lease liability	**2,499**	**3,010**

Other lease disclosures

	30 June 2025 $'000	30 June 2024 $'000
Expense relating to short-term leases	13	12

The lease payments are discounted using the incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security, and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability and any lease payments made at or before the commencement date less any lease incentives received.

16.1. **Leases** continued

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

The Group leases its Auckland office for a lease term of six years expiring on 31 December 2028.

17. Intangible assets

The intangible assets held are non-current and consist of internally developed software. The carrying amount of the Group's software is:

	30 June 2025 $'000	30 June 2024 $'000
Opening net book amount	4,491	11,568
Additions - internal development	4,670	4,615
Amortisation charge	(887)	(2,220)
Impairment loss (Note 9)	-	(9,509)
Foreign exchange differences	49	37
Closing net book amount	**8,323**	**4,491**

The Group has incurred and will continue to incur significant costs on software development projects relating to its proprietary online borrower application process and loan management platform.

The impairment loss recognised in the prior year related to the write-off of Harmoney's Stellare® 1.0 platform in FY24.

Internally developed software is capitalised using an internal framework.

An internally-generated intangible asset arising from development is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

For capitalised development costs which are considered work in progress, amortisation of the asset begins when the development is complete, and the asset is available for use.

The Group amortises development with a limited useful life using straight-line method over 7 years (2024: 7 years). The amortisation period and method are reviewed annually.

18. Payables and accruals

	30 June 2025 $'000	30 June 2024 $'000
Financial liabilities at amortised cost		
Accruals	2,926	2,039
Trade and other payables	2,619	1,165
Total financial liabilities at amortised cost	**5,545**	**3,204**
Employee benefits accrual	2,217	1,719
GST payable	104	178
Total payables and accruals	**7,866**	**5,101**

Employee benefits accrual

	30 June 2025 $'000	30 June 2024 $'000
Current employee incentives		
Employee incentive accrual	1,298	901
Annual leave accrual	727	662
Long service leave accrual	153	134
Total current employee incentives	**2,178**	**1,697**
Non-current employee incentives		
Long service leave accrual	39	22
Total employee benefits accrual	**2,217**	**1,719**

19. Borrowings

	30 June 2025 $'000	30 June 2024 $'000
Current		
Receivables funding	118,660	202,630
Corporate debt	22,267	-
Total current borrowings	**140,927**	**202,630**
Non-current		
Receivables funding	683,340	515,166
Corporate debt	-	21,750
Total non-current borrowings	**683,340**	**536,916**
Total borrowings	**824,267**	**739,546**

19.1. Receivables funding

Receivables funding relates to borrowings specific to the Warehouse Trusts (note 23) of $802.0m and are secured by their assets of $831.7m. The classification of receivable funding borrowings as current or non-current in the table above is based on the end of the replenishment period. A borrowing is classified as current if its replenishment period ends within 12 months of the balance sheet date. This classification does not indicate the amount of cash repayment due within the next 12 months. Instead, once the replenishment period ends, the borrowing is repaid from the cash flows generated by the underlying finance receivables, rather than from a single, lump-sum payment. The Group has a history of extending these facilities and expects to do so again, as such, the current liability represents the contractual end of the replenishment period, not an imminent repayment obligation.

19. Borrowings continued

19.2. Warehouse financing arrangements

Unrestricted access was available at reporting date to the warehouse facilities as detailed below:

Warehouse facilities	30 June 2025 $'000	30 June 2024 $'000
Total facilities	1,024,509	947,070
Drawn at reporting date [1]	847,944	766,259
Undrawn at reporting date	176,565	180,811

1. The drawn amount includes $52.9m (2024: $49.4m) of subordinated debt which is not presented on the consolidated statement of financial position as it is within the Group and is eliminated on consolidation.

The undrawn amount of the warehouse facilities relates to amounts that are available for drawdown from funders but does not include restricted cash that has already been drawn but has not yet been utilised for funding purposes. Refer to note 13 for further information.

19.3. Corporate debt facility

As at 30 June 2025, the Group had a debt facility with a limit of $22.5 million (30 June 2024: $30.0 million). This facility has a term extending to June 2026 and incorporates market standard financial covenants and interest rates, without any equity or convertible components. At the reporting date, the full amount of $22.5 million (30 June 2024: $22.5 million) was drawn. The availability period for undrawn amounts expired in June 2025, resulting in no remaining undrawn capacity as of 30 June 2025 (30 June 2024: $7.5 million).

The $22.5m corporate debt is reduced by unamortised prepaid establishment costs. Prepaid establishment costs are amortised over the expected term of the facility through interest expense.

The facility is guaranteed by way of a performance and payment guarantee by Harmoney Corp Limited and each of its Subsidiary Companies (note 23).

Under the terms of the corporate debt and warehouse facilities, the Group is required to comply with financial and non-financial covenants. Harmoney has complied with these covenants as at 30 June 2025.

20. Share capital

	30 June 2025 Number of shares	30 June 2025 Share capital $'000	30 June 2024 Number of shares	30 June 2024 Share capital $'000
Fully paid ordinary shares	104,056,714	127,473	101,964,147	124,561
Total issued capital	**104,056,714**	**127,473**	**101,964,147**	**124,561**

	Ordinary shares
As at 30 June 2024	101,964,147
Shares issued under share-based payment arrangements	2,092,567
As at 30 June 2025	**104,056,714**

20.1. Ordinary shares

Ordinary shares carry a right to one vote per share, to an equal share in dividends, and to a pro-rata share of net assets on wind up. The Group does not have authorised capital or par value in respect of its issued shares.

21. Reserves

21.1. Foreign currency translation reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. AUD) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

21.2. Share-based payment reserve

	30 June 2025 $'000	30 June 2024 $'000
Opening balance	4,463	3,820
Arising on equity settled benefits	(152)	3,043
Transferred to share capital	(3,039)	(576)
Share option cancellations	(1,272)	(1,824)
Closing balance	**-**	**4,463**

In relation to share-based payment transactions, the Group recognised an expense of $0.7m (2024: $1.5m) within the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2025.

Share-based compensation plan

The Group receives services from employees and Directors as consideration for equity instruments (zero strike price options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense over the relevant vesting period. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. When the options are exercised, the company issues new shares, or purchases shares from the market.

The weighted average exercise price was $Nil for all the groups of options presented in the table below.

The weighted average share price at the date of exercise of options exercised during the year ended 30 June 2025 was $0.54 (2024: $0.41). No options expired during the periods covered by the table below.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 0 years (2024: 3.08 years).

21.2. **Share-based payment reserve** continued

The following table provides details of the options granted by the Group as remuneration to employees and Directors.

30 June 2025				**Number of share options**				
Grant date	**Exercise price**	**Grant date fair value**	**Opening balance 01/07/2024**	**Granted**	**Exercised**	**Forfeited**	**Closing balance 30/06/2025**	**Vested & exercisable**
15 Jun 2021	$ nil	$ 1.40	4,200,000	-	1,175,500	3,024,500	-	-
1 Dec 2021	$ nil	$ 1.77	100,000	-	61,000	39,000	-	-
1 Jul 2022	$ nil	$ 0.71	305,000	-	186,050	118,950	-	-
1 Sep 2023	$ nil	$ 0.53	4,049,000	-	628,539	3,420,461	-	-
1 Dec 2024	$ nil	$ 0.41	-	160,000	41,478	118,522	-	-
Total			**8,654,000**	**160,000**	**2,092,567**	**6,721,433**	**-**	**-**

30 June 2024				**Number of share options**				
Grant date	**Exercise price**	**Grant date fair value**	**Opening balance 01/07/2023**	**Granted**	**Exercised**	**Forfeited**	**Closing balance 30/06/2024**	**Vested & exercisable**
15 Jun 2021	$ nil	$ 1.40	6,506,500	-	384,160	1,922,340	4,200,000	-
1 Dec 2021	$ nil	$ 1.77	162,000	-	24,400	37,600	100,000	-
1 Jul 2022	$ nil	$ 0.71	360,000	-	-	55,000	305,000	-
1 Sep 2023	$ nil	$ 0.53	-	4,099,000	-	50,000	4,049,000	-
Total			**7,028,500**	**4,099,000**	**408,560**	**2,064,940**	**8,654,000**	**-**

The Group has no outstanding options as at 30 June 25 and all vested options have been exercised, however 1,628,816 remain unsettled at 30 June 2025. All remaining options have been forfeited or cancelled.

The amount of performance rights that vest depends on the achievement of applicable performance hurdles over the relevant period and continued employment. The performance hurdles are designed to align participants' objectives with the fundamental values of the Company and reward achievements which will deliver significant long-term value to the shareholders of the Company.

Options are granted under the plan for no consideration and carry no dividends or voting rights.

22. Related party transactions

Balances and transactions between the Company, its subsidiaries, and controlled entities which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Key management personnel (KMP) are defined as those persons having authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly, and include the Executive Directors, Independent Directors and the Chief Financial Officer. The aggregate compensation made to KMP of the Group is set out below:

	30 June 2025 $'000	**30 June 2024 $'000**
Short-term employee benefits [1]	3,238	2,520
Superannuation expense [1]	175	211
Share-based payments	(425)	710
Total remuneration of key management personnel	**2,988**	**3,441**

1. The employee benefits accrual at note 18 includes $0.4m of short-term benefits and superannuation due to KMP (June 24: $Nil).

23. Controlled entities

Details of the Group's material subsidiaries and controlled entities at the end of the reporting period are as follows.

	Footnote	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			2025	2024
Subsidiary Companies				
Australia				
Harmoney Australia Pty Ltd		Australia	100%	100%
Harmoney Services Australia Pty Ltd		Australia	100%	100%
New Zealand				
Harmoney Services Limited		New Zealand	100%	100%
Warehouse Trusts				
Australia				
Harmoney Australia Warehouse No.1 Trust		Australia	100%	100%
Harmoney Collections Trust		Australia	100%	100%
Harmoney Australia Warehouse No.2 Trust		Australia	100%	100%
Harmoney Australia Warehouse No.3 Trust		Australia	100%	100%
New Zealand				
Harmoney Warehouse No.1 Trust	1	New Zealand	n/a	n/a
Harmoney Collections Trust	1	New Zealand	n/a	n/a
Harmoney Warehouse No.3 Trust	1	New Zealand	n/a	n/a
Harmoney NZ ABS 2023-1 Trust	1	New Zealand	n/a	n/a

1. Controlled Entities: Management have determined that Harmoney Warehouse No.1 Trust, Harmoney Collections Trust, Harmoney Warehouse No.3 Trust, and Harmoney NZ ABS 2023-1 Trust are controlled entities. Harmoney Group subsidiaries have been appointed Manager, Servicer, and residual income beneficiary in each entity. Under NZ IFRS 10 *Consolidated Financial Statements*, an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. As the Group controls the financing and operating activities of the Trusts and is the residual income beneficiary, the controlled entities are controlled by the Group and are required to be consolidated into the Group financial statements.

24. Financial assets and liabilities

The total carrying amount of the Group's financial assets and liabilities by category are detailed below:

	30 June 2025 $'000	30 June 2024 $'000
Financial assets at amortised cost		
Cash and cash equivalents	52,617	37,744
Trade and other receivables	1,994	1,341
Finance receivables	795,375	724,825
	849,986	**763,910**
Financial liabilities at amortised cost		
Payables and accruals	5,545	3,141
Borrowings	824,267	739,546
	829,812	**742,687**
Financial assets at fair value		
Derivative financial instruments	–	525
	–	**525**
Financial liabilities at fair value		
Derivative financial instruments	8,733	–
	8,733	**–**

NZ IFRS 9 requires financial assets to be classified based on two criteria:

a. the business model within which financial assets are managed; and
b. their contractual cash flow characteristics (whether the cash flows represent solely payment of principal and interest (SPPI)).

There are three resulting classifications of financial assets under NZ IFRS 9:

a. Amortised cost: financial assets with contractual cash flows that comprise SPPI, and which are held in a business model whose objective is to collect their contractual cash flows, are measured at amortised cost;
b. Fair value through other comprehensive income (FVTOCI): financial assets with contractual cash flows that comprise SPPI, and which are held in a business model whose objective is to both collect their contractual cash flows and to sell, are measured at FVTOCI; and
c. Fair value through profit or loss (FVTPL): financial assets with contractual cash flows that do not represent SPPI, or which are held under a different business model are measured at FVTPL. Financial assets can also be designated at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Other than derivative financial instruments, which are held at fair value, all other financial assets and liabilities are held at amortised cost. For these instruments, the fair values are not materially different to their carrying amounts since the interest receivable/payable is either close to current market rates or the instruments are short-term in nature.

The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value on a recurring basis:

30 June 2025 $'000	Level 1	Level 2	Level 3
Financial liabilities			
Derivative financial instruments			
Hedging derivatives - interest rate swaps	–	(8,733)	–

30 June 2024 $'000	Level 1	Level 2	Level 3
Financial assets			
Derivative financial instruments			
Hedging derivatives - interest rate swaps	–	525	–

24. **Financial assets and liabilities** continued

There have been no transfers between levels in the year (2024: Nil).

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period.

The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Fair value

The interest rate swaps are initially recognised at fair value through other comprehensive income on the date the derivative contract is entered into and are subsequently measured at their fair value at each reporting date. All significant inputs required to measure their fair value are observable, therefore the swaps are level 2 in the fair value hierarchy.

The fair value of the interest rate swaps is calculated using a discounted cash flow model using forward interest rates extracted from observable yield curves. Discount rates may include an adjustment for counterparty credit risk.

25. Financial risk management

25.1. Financial risk management objectives

The Group's activities expose it to a variety of financial risks, primarily market risk (including interest rate risk and foreign currency risk), credit risk and liquidity risk. The Group's risk management program focuses on understanding drivers of financial risk and seeks to minimise potential adverse effects on the financial performance of the Group.

The Group uses derivative financial instruments (interest rate swaps) to hedge interest rate risk. Derivatives are exclusively used for hedging purposes i.e. not as trading or other speculative instruments.

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board is responsible for developing and monitoring risk management policies. Risk management procedures are established by the Board and carried out by management to identify and analyse the risks faced by the Group and to set controls and monitor risks.

The Group determines concentrations of risk by monitoring the geographical area, currency or market it operates in. Liquidity risk and capital risk are managed at a Group level. The Group actively manages these risks so there are no significant concentrations of risk with a single counterparty or group of counterparties.

25.2. Market risk

Market risk is the risk that changes in market prices such as interest rates will affect the Group's income or the value of holdings in its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

25.2. **Market risk** continued

Interest rate risk

Interest rate risk is the risk of changes in interest rates negatively impacting the Group's financial performance. The Group's main interest rate risk arises from cash at bank, term deposits and borrowings. Cash at bank, term deposits and borrowings obtained at variable rates expose the Group to interest rate risk. Cash at bank and term deposits obtained at fixed rates expose the Group to fair value interest rate risk.

The Group originates loans to customers that have fixed interest rates that are repaid over a relatively short period.

As at the reporting date, the Group had the following financial assets and liabilities exposed to variable interest rate risk.

	30 June 2025 $'000	30 June 2024 $'000
Financial assets		
Cash on hand and demand deposits	22,820	20,609
Restricted cash	29,797	17,135
Total financial assets	**52,617**	**37,744**
Financial liabilities		
Borrowings - Receivables funding	(802,000)	(717,796)
Borrowings - Corporate debt	(22,267)	(21,750)
Total financial liabilities	**(824,267)**	**(739,546)**

Receivables funding are variable rate borrowings where the rates are reset monthly to current market rates. Interest rate risk is managed on these borrowings by entering interest rate swaps, whereby the Group pays a fixed rate and receives a floating rate. The contracts require settlement monthly of net interest receivable or payable. The settlement dates coincide with the dates on which interest is payable on the underlying borrowings.

The gain or loss from remeasuring the hedging instruments at fair value is recognised in other comprehensive income and deferred in equity in the cash flow hedge reserve, to the extent that the hedge is effective. It is reclassified into profit or loss when the hedged item affects it. In the year ended 30 June 2025, no amount was reclassified into profit or loss (2024: Nil) due to hedge ineffectiveness.

The Group's policy is to hedge a portion of the variability in future cash flows attributable to the interest rate risk on floating rate receivables funding borrowings (RFB) using interest rate swaps. As at 30 June 2025, the notional value of swaps was 80% (2024: 85%) of RFB.

The effects of the interest rate swaps on the Group's financial position and performance are as follows:

	30 June 2025 $'000	30 June 2024 $'000
Carrying amount held in derivative financial instruments	(8,733)	525
Notional amount	614,963	610,329
Hedge ratio	1:1	1:1
Change in fair value of outstanding hedging instruments during the year	(9,258)	(7,152)
Change in fair value of outstanding hedged item used to determine hedge effectiveness	9,258	7,152

The interest rate sensitivity analysis below has been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period and assumes that the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used which represents management's assessment of the reasonably possible change in interest rates.

25.2. **Market risk** continued

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 30 June 2025 would decrease/increase by $1.6m (2024: $1.1m). This is attributable to the Group's exposure to interest rates on its variable rate borrowings.

Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges through other comprehensive income. If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's equity for the year ended 30 June 2025 would increase by $8.5m (2024: $11.0m) or decrease by $8.7m (2024: $7.9m). This is attributable to the Group's exposure to interest rates on its interest rate swaps.

Foreign exchange risk

Foreign currency risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Group's main foreign exchange risk arises from inter-company receivables and payables which do not form part of a net investment in a foreign operation.

The Group has not hedged any foreign exchange risk during the year.

The Group has the following exposure to New Zealand dollars, expressed in Australian dollars. The Group's exposure to foreign currency changes for all other currencies is not material.

NZD exposure	30 June 2025 $'000	30 June 2024 $'000
Financial instruments		
Foreign currency payable	1,663	-
Foreign currency receivable	(1,549)	(1,233)
Net exposure	**114**	**(1,233)**

The following table demonstrates the sensitivity to a 5% increase or decrease in the New Zealand dollar exchange rate, which represents management's assessment of the reasonably possible change in this exchange rate. The impact on the Group's profit or loss is due to changes in the fair value of monetary assets and liabilities.

Impact on post-tax profit	Year ended 30 June 2025 $'000	Year ended 30 June 2024 $'000
AUD/NZD +5%	(6)	62
AUD/NZD -5%	6	(62)

25.3. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group has a diversified funding model and currently comprises of a mix of cash reserves and committed undrawn credit facilities to meet anticipated funding requirements for new business. In addition, the Group can redraw against its committed credit limits if the principal outstanding is reduced. Details of unused available loan facilities are set out in note 19.

The Group manages operational liquidity risk by maintaining cash reserves and available borrowing facilities and by continuously monitoring actual and forecast cash flows. The Group seeks to have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

The receivables funding borrowings are required to be repaid from the finance receivable repayments. If these repayments are not sufficient to repay borrowings Harmoney is not required to make repayments from funds outside the Warehouse Trusts.

25.4. Remaining undiscounted contractual maturities

The following tables detail the Group's remaining contractual maturities for its financial instrument liabilities. The tables are based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The contractual maturity date for borrowings refers to the date until which the Warehouse Trusts may continue to purchase further receivables using principal payments of the finance receivables and further drawdowns of the facility. After that date, unless the agreement terms are extended, which the Group expects to, and has an established history of achieving, the borrowings are required to be paid down as customers make repayments on the finance receivables. If these repayments are not sufficient to repay borrowings, Harmoney is not required to make repayments from funds outside the Warehouse Trusts. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Contractual maturities of financial liabilities at 30 June 2025	Less than 1 year	1 to 2 years	More than 2 years	Total
	$'000	$'000	$'000	$'000
Non-derivatives				
Non-interest bearing				
Payables and accruals	5,545	-	-	5,545
Interest bearing				
Borrowings	191,660	602,698	136,956	931,314
Lease liability	801	816	1,266	2,883
Total non-derivatives	**198,006**	**603,514**	**138,222**	**939,742**
Derivatives				
Interest rate swaps - net outflow	4,692	2,941	1,330	8,963
Total derivatives	**4,692**	**2,941**	**1,330**	**8,963**

Contractual maturities of financial liabilities at 30 June 2024	Less than 1 year	1 to 2 years	More than 2 years	Total
	$'000	$'000	$'000	$'000
Non-derivatives				
Non-interest bearing				
Payables and accruals	3,141	-	-	3,141
Interest bearing				
Borrowings	262,499	410,311	189,999	862,809
Lease liability	781	781	2,054	3,616
Total non-derivatives	**266,421**	**411,092**	**192,053**	**869,566**
Derivatives				
Interest rate swaps - (net inflow)/net outflow	(1,952)	387	1,078	(487)
Total derivatives	**(1,952)**	**387**	**1,078**	**(487)**

25.5. Capital risk management

The Group's objectives when managing capital are to safeguard the ability to continue as a going concern and to maintain an optimal capital structure to facilitate growth in the business while reducing the cost of capital. The Group's capital structure comprises equity raised by the issue of ordinary shares and external borrowings. As shown in note 19, the Group has capacity to fund finance receivables growth with warehouse facility headroom of $177m (June 2024: $181m).

25.6. Credit risk management

Refer to note 15.1 for details of the Group's credit risk management.

26. Remuneration of auditors

	Year ended 30 June 2025 $'000	Year ended 30 June 2024 $'000
Fees for audit and assurance services		
Statutory audit fees	310	461
Non-audit assurance services	28	48
Agreed-upon procedures	-	6
Total fees for audit and assurance services	**338**	**515**

Fees for audit and assurance services are paid to BDO for the year ended 30 June 2025 (2024: KPMG). Non-audit assurance services relate to Harmoney's Australian Financial Services Licence and Australian Prudential Regulation Authority compliance audits. Agreed-upon procedures in the prior year were in relation to information extracted from the new Stellare® 2.0 Loan Management System.

27. Contingent liabilities and commitments

There are no contingent liabilities and capital commitments as at 30 June 2025 (2024: Nil).

28. Events after the reporting period

There were no material events subsequent to year end.

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF HARMONEY CORP LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Harmoney Corp Limited ("the Company") and its subsidiaries (together, "the Group"), which comprise the consolidated statement of financial position as at 30 June 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at date, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and IFRS® Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our firm carries out other assignments for the Group in relation to the review of the Group's consolidated interim financial statements, subsidiary audit services and regulatory assurance services. In addition to this, subject to certain restrictions partners and employees of our firm deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. The firm has no other relationship with, or interests in, the Company or its subsidiaries."

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

BDO

The valuation of Expected Credit Loss provision

Key audit matter	How the matter was addressed in our audit
The valuation of Expected Credit Loss ('ECL') provision at 30 June 2025 of $36.8m (30 June 2024 $36.6m). Refer to Note 15 to the Financial Report. The ECL provision on finance receivables is a key audit matter due to the financial significance of finance receivables $795.4m (30 June 2024 $724.8m). The total ECL provision is a material balance subject to a high degree of management judgement and estimation including incorporating forward-looking information reflecting expected future economic conditions across New Zealand and Australia. There is also high degree of complexity involved in the Group's ECL models.	Our audit work included, but was not limited to: • Testing key controls relating to the Group's lending processes including controls over new loan origination; • Critically evaluating whether the provisions methodology and ECL model prepared by the Group complies with the requirements of the accounting standards; • Developing, with the help of our ECL technical specialists, an alternative challenger ECL model using the observable industry data to assess whether the Groups provision is within an acceptable range; • Performing procedures to assess the allocation of loans to the appropriate ECL loan staging; • Performing procedures to assess the completeness and accuracy of key data feeding into the ECL models; and • Evaluating the Group's disclosures in the consolidated financial statements in reference to the requirements of the accounting standards.

Other Information

The directors are responsible for the other information. The other information comprises the Highlights, Board of Directors biographies, Chairman's report, Chief Executive's report, Review of Operations, Sustainability Report, Directors' report and disclosures relating to corporate governance, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements 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.

Directors' Responsibilities for the Consolidated Financial Statements

The directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS and IFRS Accounting Standards, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are 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 ISAs (NZ) 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 decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at: https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/.

This description forms part of our auditor's report.

Who we Report to

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Tim Aman.

BDO Audit Pty Ltd

BDO

Tim Aman
Director

Sydney, Australia
20 August 2025

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Shareholder Information

The shareholder information set out below was applicable as at 31 July 2025.

Distribution of equitable securities

Analysis of number of equitable holders by size of holding.

	Ordinary shares		Options over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total shares issued
1 to 1,000	121	0.05	0	0
1,001 to 5,000	214	0.60	0	0
5,001 to 10,000	110	0.82	0	0
10,001 to 100,000	220	6.93	0	0
100,001 and over	68	91.60	0	0
Total	**733**	**100.00**	**0**	**0**

There were 89 holders of less than a marketable parcel of ordinary shares.

Equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

Number of holders	% of total shares issued
Neil Roberts	14.77
Heartland Bank Limited	9.77
Lookman Family Trust	8.72
Trade Me Limited	7.32
J P Morgan Nominees Australia Pty Limited	6.50
HSBC Custody Nominees (Australia) Limited	6.36
Citicorp Nominees Pty Limited	4.93
Waterfall Asset Management	3.78
Brad Hagstrom, Renai Hagstrom, and Guy Hagstrom	2.63
David Stevens	2.44
Sharesies Australia Nominee Pty Limited	1.88
Australian Farmlands Pty Ltd	1.73
Monde Five Limited	1.39
Tap Capital Pty Ltd	1.30
New Tricks Limited	1.29
Andrew Cathie	1.19
Duncan Gross	1.11
Netwealth Investments Limited	1.07
Mono Lake Trustee Limited	1.10
Sheffield Management Pty Ltd	1.03
Total	**80.31**

Unquoted equity securities

	Number on issue	Equity securities on conversion	Number of holders
Performance rights	1,628,816	1,628,816	2

Substantial holders

Substantial holders in the Company are set out below:

Name of holder	Number held	% of total shares issued
Neil Roberts	15,368,002	14.77
Heartland Bank Limited	10,161,461	9.77
Lookman Family Trust	9,069,618	8.72
Trade Me Limited	7,620,959	7.32

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and, upon a poll, each share shall have one vote.

There are no other classes of equity securities.

Corporate Information

For the year ended 30 June 2025

This section is presented in NZD.

NZBN 9429041215272

Directors

The following persons held office as Directors of the Company and the Company's subsidiaries during the year ended 30 June 2025.

Harmoney Corp Limited
Monique Cairns
Paul Lahiff
John Quirk
Neil Roberts
David Stevens

Harmoney Australia Pty Ltd
Brad Hagstrom
David Nesbitt
David Stevens
Simon Ward

Harmoney Services Australia Pty Ltd
Brad Hagstrom
David Nesbitt
David Stevens
Simon Ward

Harmoney Services Limited
Brad Hagstrom
David Stevens
Simon Ward

Directors' shareholding

Directors are not compelled to hold shares in the Company, but informally it is encouraged (provided the Trading Policy is complied with) to align the interests of non-executive directors with those of shareholders.

Directors' attendances

The following table shows the Board and Committee meetings held and the Directors' attendances during the financial year ended 30 June 2025.

	Board		Audit and Risk Committee		Nomination and Remuneration Committee [1]	
	Attended	Held [2]	Attended	Held [2]	Attended	Held [2]
Monique Cairns	7	7	4	4	2	2
Paul Lahiff	7	7	4	4	2	2
John Quirk	7	7	4	4	2	2
Neil Roberts	7	7	N/A	N/A	N/A	N/A
David Stevens	7	7	4	4	2	2

1. Nomination and Remuneration Committee discussions were also held at Director-only sessions of Board meetings.
2. Number of meetings held during the time the Director held office or was a member of the committee.

Directors' interests

The following are particulars of general disclosures of interest by Directors of Harmoney Corp Limited holding office at 30 June 2025, pursuant to section 140(2) of the Companies Act 1993. Where applicable, the disclosures also include directorships of subsidiaries of the relevant companies.

Monique Cairns	
30 Seconds Limited	Director
30 Seconds Pty Limited	Director
30 Seconds Group Limited	Director
BoatCo R3500-5 Limited	Shareholder
Cairns Family Trust	Beneficiary
Caribou Consulting Limited	Director and Shareholder
Ingenium NZ Limited	Director
Kaihere Trust	Trustee
Monstar Trust	Trustee and Beneficiary
The Almo Trust	Trustee and Beneficiary
The New Zealand Home Loan Company Limited	Director
The New Zealand Portrait Gallery / Te Pūkenga Whakaata	Trustee
The Northern Club	Committee Member
Younity Limited	Director

Paul Lahiff	
86 400 Holdings Ltd	Director (ceased 31 December 2024)
86 400 Ltd	Director (ceased 31 December 2024)
86 400 Technology Pty Ltd	Director (ceased 31 December 2024)
Advanced Encryption Standard Migration Steering Committee	Committee Member
Lahiff Consulting Australia Pty Ltd	Director and Shareholder
NESS Super Pty Ltd	Director
P&R Lahiff Pty Ltd	Director and Shareholder
RSW Lane Cove Pty Ltd	Director and Shareholder
Sezzle Inc.	Director (ceased 21 July 2024)

John Quirk	
Aeroqual Limited	Director and Shareholder
Portainer.io Limited	Director and Shareholder
Quirk International Limited	Director and Shareholder
Television New Zealand Limited	Director

Neil Roberts	
Harmoney Share Sale Company Limited	Director (ceased 18 December 2024)
Neil Roberts Business Trust	Trustee and Beneficiary
Neil Roberts Trustee Company Limited	Director and Shareholder
Roberts Family Trust	Trustee and Beneficiary

David Stevens	
Harmoney Australia Pty Ltd	Director
Harmoney Services Australia Pty Ltd	Director
Harmoney Services Limited	Director
Harmoney Share Sale Company Limited	Director (ceased 18 December 2024)

The following are particulars of general disclosures of interest by Directors of Harmoney Corp Limited's subsidiaries (other than those who are also Directors of Harmoney Corp Limited) holding office at 30 June 2025, pursuant to section 140(2) of the Companies Act 1993. Where applicable, the disclosures also include directorships of subsidiaries of the relevant companies.

Brad Hagstrom	
Hagstrom Family Trust	Trustee and Beneficiary

David Nesbitt	
Neslan Pty Limited	Director and Shareholder
Nesbitt Family Trust	Beneficiary

Simon Ward	
Monde Five Limited	Director and Shareholder

Indemnities and insurance

Pursuant to section 162 of the Companies Act 1993 and the Constitution, Harmoney Corp Limited has entered into insurance for the directors of the Group to indemnify them, against liabilities which they may incur in the performance of their duties as directors of any company within the Group.

Remuneration and other benefits received by Directors during the year

	Directors' fees (NZ$)[1]
Paul Lahiff	197,831
Monique Cairns	94,000
John Quirk	94,000

1. Harmoney does not offer share options, or any benefits on retirement, to non-executive directors.

Employee remuneration

Harmoney paid total remuneration for FY25 in excess of NZ$100,000 in the following bands:

Remuneration including share-based remuneration (NZ$)	Number of employees
100,000 - 110,000	4
110,000 - 120,000	7
120,000 - 130,000	1
130,000 - 140,000	3
140,000 - 150,000	8
150,000 - 160,000	6
160,000 - 170,000	5
170,000 - 180,000	2
180,000 - 190,000	4
190,000 - 200,000	2
210,000 - 220,000	1
220,000 - 230,000	2
230,000 - 240,000	1
240,000 - 250,000	2
250,000 - 260,000	1
270,000 - 280,000	1
340,000 - 350,000	1
350,000 - 360,000	1
390,000 - 400,000	1
400,000 - 410,000	1
410,000 - 420,000	1
440,000 - 450,000	1
480,000 - 490,000	1
640,000 - 650,000	1
750,000 - 760,000	1
880,000 - 890,000	1
960,000 - 970,000	1
1,270,000 - 1,280,000	1

Donations

The Group donated NZ$1,100 during the year ended 30 June 2025 (2024: NZ$1,000). $Nil donations were made to political parties (2024: $Nil).

Directory

Registered office

Harmoney Corp Limited
Level 3, 110 Customs Street West
Auckland 1010
New Zealand

Auditor

BDO
Level 25, 252 Pitt Street
Sydney NSW 2000
Australia

Share register

Automic Pty Ltd
ACN 152 260 814
Level 5, 126 Phillip Street
Sydney
NSW 2000
Australia

Stock exchange listing

Harmoney Corp Limited shares are listed in the Australian Securities Exchange (ASX).
Harmoney Corp Limited was admitted to the official list of the ASX on 19 November 2020 (ASX issuer code HMY).

Notice of Annual General Meeting

The Annual General Meeting of Harmoney Corp Limited will be held on 2 December 2025.

Corporate Governance Statement

https://investorhub.harmoney.com.au/governance

Harmoney websites

www.harmoney.co.nz | www.harmoney.com.au