



20 August 2025

ASX ANNOUNCEMENT

FY25 Cash NPAT \$5.7M and 4Q25 Cash RoE 24%

FY26 Guidance Lifted 20% to \$12M

Harmony Corp Limited (ASX: HMY) ("Harmony" or the "Company") is pleased to announce its results for the financial year ended 30 June 2025 ("FY25"), and to provide upgraded profit guidance for the current financial year ("FY26").

FY25 Upgraded guidance exceeded

Strong loan book growth, widening lending margins, and automation-driven operating leverage have enabled Harmony to further exceed its upgraded FY25 Cash NPAT and Cash Return on Equity (RoE) guidance.

	FY24	FY25 Guidance	FY25 Achieved
Cash NPAT	\$0.7m	\$5.5m (upgraded in 3Q25 from \$5.0m)	\$5.7m
Cash RoE	2%	20% run-rate in 4Q25	24% for 4Q25

FY26 Profit guidance lifted 20% to \$12M

Continuing loan book growth, together with confidence in the operating leverage delivered by Harmony's highly automated Stellare[®] platform, have resulted in Harmony increasing its FY26 Cash NPAT guidance by 20% to \$12M, representing a 111% increase on FY25 Cash NPAT.

	FY25 Actual	FY26 Guidance
Cash NPAT	\$5.7m	\$12m (previously +\$10m)

FY25 Highlights vs prior year ("pcp"):

- Record **Cash NPAT of \$5.7m**, exceeding the upgraded market guidance of \$5.5m. This represents a \$5.0m increase.
- Statutory NPAT of \$5.5m**, an \$18.7m increase.
- Achieved **24% Cash Return on Equity** (Cash RoE) in 4Q25, surpassing market guidance of 20% run-rate.
- Loan book **growth of 9% to \$829m**.
- Stellare[®] 2.0 delivered **Australian +40% new customer origination growth**, and following its implementation in 4Q25 delivered **New Zealand >50% new customer origination growth** in June 2025 vs June 2024. All lending has been successfully migrated to Stellare[®] 2.0 in both countries and Stellare[®] 1.0 has been fully decommissioned.



- **Net interest margin** ("NIM") on the loan book has **increased to 9.3%** from 8.8%, with **new lending NIM continuing at >10%**.
- **Credit losses contracted to 3.7%**, back towards target levels, down from 4.1%. 90+ day arrears remain low at 0.74% at year end and down to 0.64% in July 2025.
- **Risk-adjusted income increased to 5.7%** from 4.8%, reflecting both higher NIM and lower credit losses.
- **Cost to income ratio improved to 19%**, down from 20%, with automation driving further operational scalability.
- **Unrestricted cash \$23m**, up from \$21m, with profits and improved warehouse advance rates funding operations, loan book growth and increased cash reserves.
- Total **Warehouse credit capacity increased to over \$1b**, providing funding headroom for growth.
- **Active investment funds replacing early series investors**, diversifying the share register. Post-IPO investors now 41% of the register.
- Following a pause from 1 July 2025, the **share buy back of up to 5% of issued capital announced in 4Q25 will resume post today's FY25 results announcement**, as forecast cash generation of the business provides capacity for both this share buy back and an expected reduction in corporate debt in FY26.

Financial Highlights	FY25	FY24	Change (pcp)
Cash NPAT (\$m)	5.7	0.7	+742%
Cash Return on Equity (%)	16% (Q425: 24%)	1.5%	1,450bps improvement
Statutory NPAT (\$m)	5.5	(13.2)	+18.7
Loan Book (\$m)	829	758	+9%
<i>Australian Loan Book (\$m)</i>	<i>489</i>	<i>411</i>	<i>+19%</i>
<i>New Zealand Loan Book (NZ\$m)</i>	<i>366</i>	<i>380</i>	<i>(4%)</i>
Revenue (\$m)	132	123	+8%
Net Interest Margin (%)	9.3	8.8	50bps improvement
Credit Losses (%)	3.7	4.1	40bps improvement
90+ Day Arrears (%)	0.74 (Jul 2025: 0.64)	0.43	31bps increase
Risk Adjusted Income (%)	5.7	4.8	90bps improvement
Cost to Income Ratio (%) ¹	19	20	100bps improvement

1. To align Cost to Income Ratio costs with Cash NPAT, and with peer group ratios, non-cash share-based payments and depreciation and amortisation costs are now excluded. Cost to income for FY25 including those costs is 21%, down from 24% pcp.



Commenting on FY25, Harmony's CEO & Managing Director David Stevens said:

"We are thrilled to have delivered a record result in FY25, exceeding our upgraded guidance with a Cash NPAT of \$5.7 million, a \$5.0 million increase on the prior year. We also surpassed our Cash Return on Equity guidance, achieving a 24% run-rate in the fourth quarter, ahead of our ambitious 20% run-rate guidance.

Alongside this we have also delivered a Statutory NPAT of \$5.5 million, a \$18.7 million improvement on the prior year result, with the prior year being suppressed by a one-off, non-cash write down of our legacy Stellare® 1.0 platform.

This year's results represent the beginning of the foreshadowed benefits unlocked by our next-generation Stellare® 2.0 platform. In Australia, a full year operating on Stellare® 2.0 has boosted new customer originations by 40%. In New Zealand, we completed Stellare® 2.0's rollout during the fourth quarter of this year, and it delivered an immediate impact with a more than 50% increase in New Zealand new customer originations in June 2025 compared to June 2024.

A key strategic driver for implementing Stellare® 2.0 was to provide 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.

Stellare® 2.0-boosted origination growth has driven strong Group loan book growth, up 9% to \$829 million. Our Australian loan book, which benefited from a full year of Stellare® 2.0, grew by 19%. Originations remained intentionally subdued in New Zealand for most of the year, awaiting the full implementation of Stellare® 2.0 in that market, resulting in the New Zealand loan book contracting by -4% to NZ\$366m, however growth returned in June 2025 following Stellare® 2.0's rollout in that market.

Group loan book growth was achieved while strengthening our portfolio metrics. Revenue grew by 8% to \$132 million, our Group Net Interest Margin increased to 9.3% (8.8% pcp), as earlier lower yielding loans made up a smaller proportion of the loan book and funding costs reduced.

Credit losses reduced to 3.7% taking us back down towards our historic trend levels following a temporary lift to 4.1% in the prior year from the lagging impact of an Australian credit scorecard replaced several years earlier. While our 90+ day arrears at 30 June 2025 of 0.74% remain low at less than half the Australian market average of 1.59%, this represented a temporary fourth quarter increase due to operational impacts from the final Stellare® 2.0 migration. This has since passed and as at July 2025, 90+ day arrears are already back down to more typical levels of 0.64%.

The combined impacts 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% pcp.

Harmony's high levels of automation, a key feature of our business model, continue to provide significant operational leverage enabling our loan book and revenue to grow faster than our operating



costs, with our cost-to-income ratio continuing to improve every year since our IPO, with this year now down to 19%. This is a trend we expect to continue as we scale.

Harmony remains extremely well-capitalised to fund future growth, with over \$1 billion in warehouse funding capacity, \$23 million in unrestricted cash, \$13m in accessible cash and positive operating cash flows to reinvest on book growth.

This year's outstanding performance across all key metrics, combined with completion of our transition to our exciting new Stellare® 2.0 platform, have set a strong foundation for the year ahead, giving 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.

Finally, I am also pleased to report that Harmony's track record of growth and profitability, together with its strong prospects for the future are gaining market attention, with a number of active investment funds replacing early series investors during 2H25, with post-IPO investors now comprising 41% of the register, up from 32% 1H25."

Share buy-back and capital management

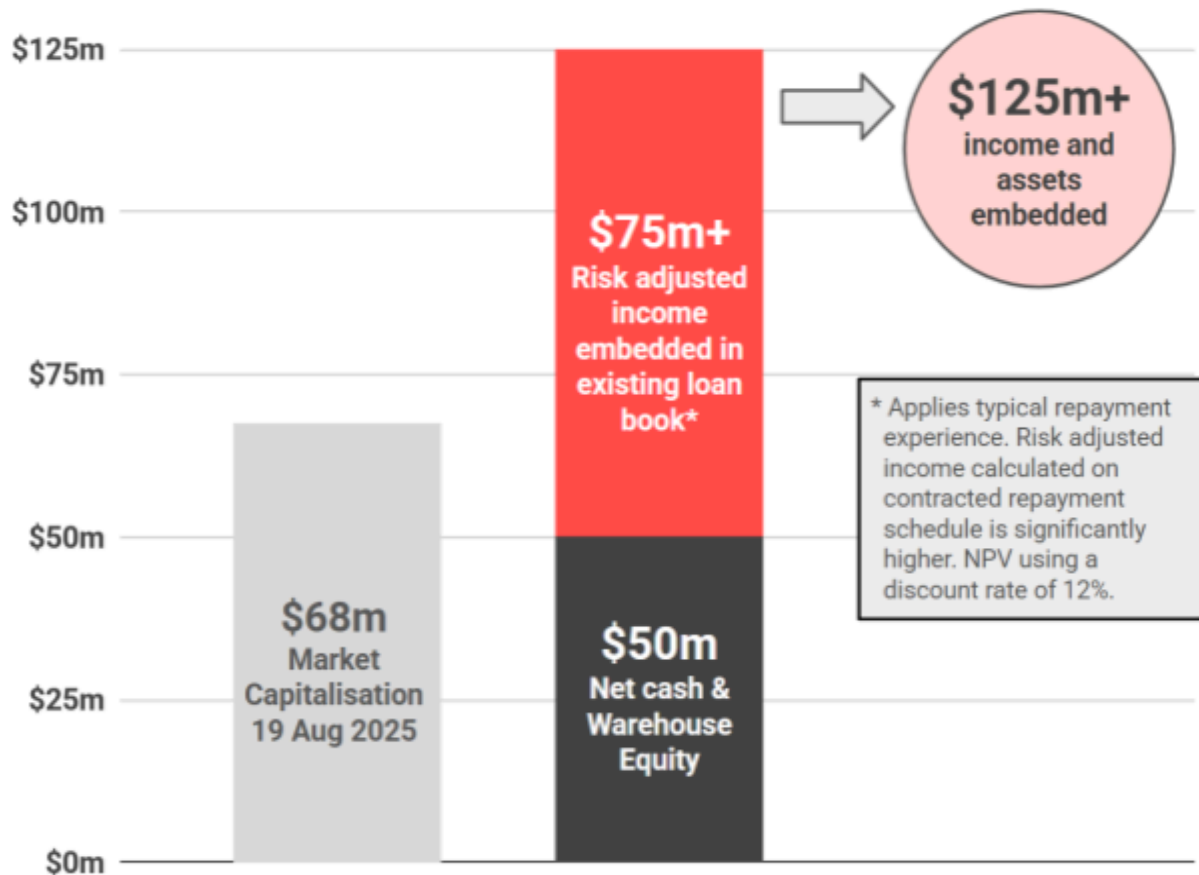
Given Harmony's strong FY25 profit result, capital position and outlook, tomorrow the Company will resume its share buy-back program of up to 5% of its issued capital, which, following this program's initial announcement in April 2025, was paused between the end of the financial year and this results announcement.

The Board and management continue to see significant value in the Company's equity at current levels and believe it is in the best interest of all shareholders for the Company to continue buying back its own shares.

Given Harmony has increased its FY26 Cash NPAT guidance to \$12m, it continues to expect to repay some of its corporate debt, which can't be done without penalty until December 2025, and to retain substantial cash reserves to materially grow its loan book into future financial years without the need to raise any equity.



Market cap vs business value



+ Business value

- Proprietary, highly automated Stellare® 2.0 customer acquisition and credit assessment engine. Over 10,000 new applicants create an account every month.
- Existing customer base return for 150% in additional lending, at near zero cost.
- Proven scalability with 19% cost to income and falling.
- Diversified funding from 3 of the "big-4" Australian banks and an established asset backed security issuance program.
- Loan book growing at >10% NIM and >6% risk adjusted income (income after funding costs and credit losses).

Investor presentation

CEO and Managing Director, David Stevens, and CFO, Simon Ward, will host an online investor presentation, including a Q&A session, tomorrow, Thursday 21 August at 8:00am AEST / 10:00am NZST.

Please register at https://zoom.us/webinar/register/WN_BD8W8n2ISkaIYodgHdbhiA before the start of the presentation. You will then receive a confirmation email explaining how to join.



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

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

INVESTOR HUB

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

Submit questions about this announcement at <https://investorhub.harmony.com.au/link/Pwb73r>.

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

INVESTOR RELATIONS

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

ABOUT HARMONEY

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

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

For further information visit harmony.com.au.

BUSINESS FUNDAMENTALS

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