

3 February 2026

Federal Court Judgment - SMBC Leasing and Finance, Inc. v Flexirent Capital Pty Limited and humm Group Limited

humm Group Limited (ASX: HUM) announces that on Friday, 30 January 2026 the Federal Court of Australia delivered judgment in proceedings commenced by SMBC Leasing and Finance, Inc. (SMBC) against Flexirent Capital Pty Ltd (a wholly owned subsidiary of humm Group) (Flexirent) and humm Group Limited (**hummgroup**)¹.

Background

As has previously been announced, the proceedings arose from a fraud perpetrated by Mr Bill Papas through his associated Forum Group of Companies. Between 2018 and 2021, SMBC entered into financing arrangements with Flexirent and later directly with Forum Enviro (Aust) Pty Ltd (**FEA**) relating to purported contracts with Veolia Environmental Services (Australia) Pty Ltd (**Veolia**). Flexirent was not aware the contracts and underlying assets did not exist, and Veolia's signatures on relevant documents were forged by Mr Papas.

Court's Decision

SMBC made claims against Flexirent and humm based on two sets of arrangements being:

- i) arrangements in 2018 whereby certain receivables of Veolia were sold by Flexirent to SMBC – SMBC's claim with respect to the 2018 arrangements was in the sum of \$15,259,500.00 plus interest; and
- ii) arrangements in 2020 which SMBC entered into directly with FEA in relation to Veolia receivables – SMBC's claim with respect to the 2020 arrangements was in the sum of \$76,677,709.47 plus interest

In relation to the 2018 arrangement, the Court found in favour of SMBC on its contractual claims against Flexirent for breach of warranty. humm Group is also liable under a guarantee.

In relation to the claim with respect to the 2020 arrangement, the Court found in favour of Flexirent and **hummgroup**, dismissing each of SMBC's claims in respect of the 2020 arrangements. The Court held that:

- a) Flexirent was not aware of the fraud perpetrated by Mr Papas at any of the relevant times;
- b) Flexirent was not aware that SMBC was proposing to enter into the 2020 arrangement directly with FEA;
- c) SMBC conducted its own due diligence in respect of the 2020 arrangement with FEA;

¹ **hummgroup** made announcements to the ASX on 9 July 2021, 22 July 2022 and 11 July 2023 in relation to its potential historical exposure to Forum Finance.

- d) the representations made by Flexirent in respect of the 2018 arrangement were not a material cause of SMBC's losses under the 2020 arrangement; and
- e) FEA's knowledge of the fraud should not be imputed to Flexirent.

Financial Impact

The Court awarded damages based on expectation loss of approximately \$19 million, which includes an adjustment to reflect anticipated recoveries from the liquidation of the Forum Group of Companies, an apportionment of legal fees incurred in proceedings against the Forum Group of Companies, financing and break costs. The Company is assessing the quantum of the overall financial impact arising from the judgment, which will depend on the final orders made by the Court.

hummgroup had previously recognised a provision of \$18.2 million for this matter for the year ended 30 June 2024. This was revised to \$12 million following receipt of expert advice². A separate provision of \$3 million was recognised for regulatory matters in its financial statements for the year ended 30 June 2025. Given no regulatory exposures have arisen as at the date of this announcement, the Company is considering whether the regulatory provision may be released.

The parties have been directed to confer and attempt to reach agreement on final orders by 13 February 2026, including as to costs. If agreement is not reached on any issue, the proceedings will be listed for argument on 20 February 2026.

The Company will provide a further update once final orders have been determined. **humm**group is reviewing the reasons for judgment with its legal advisers to assess all available options.

Authorised for release by the Board of humm Group Limited

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Media Contact

Rebecca Emery - Head of Communications
communications@humm-group.com
+64 275 580 946

ABOUT HUMMGROUP

humm Group Limited ACN 122 574 583 (ASX: HUM) ("Company", and with its other group and consolidated entities "**humm**group" or "Group") is a diversified financial services company that provides instalment plans which enable businesses and consumers to make large purchases. **humm**group operates in Australia, New Zealand, Ireland, Canada, and the United Kingdom. Its principal activities include the provision of Commercial Lending in Australia and New Zealand; Point of Sale Payment Plans; Australia Cards (**humm**[®]90, and Lombard); and New Zealand Cards (including Farmers Finance Card, Farmers Mastercard[®], Q Card, Q Mastercard[®] and Flight Centre Mastercard[®]).

² The revised provision was based a number of considerations, including GST input tax credits claimed by SMBC, receipt of a \$1.5 million security deposit provided by Forum to SMBC in relation to the 2018 arrangement, and claimed depreciation by SMBC.