Harmoney

Annual Report

2024

Contents

HMY 2024

Highlights

Performance

$758m Group loan book	Loan book up 2% and average loan book up 10%
$123m Group revenue	Revenue up 14% to $123m
$13.2m Statutory loss	Includes one-off $9.5m intangible impairment on retirement of Stellare® 1.0, following launch of Stellare® 2.0. Normalised statutory loss $3.7m
$0.7m Cash NPAT	Fifth consecutive half of Cash NPAT profitability
24% Cost to income ratio	Highly automated Stellare® platform driving further cost to income ratio gains
0.43% Group 90+ day arrears	Group arrears of 0.43%, significantly lower than personal loan market average 1.58%[1]
$21m Unrestricted cash	Funding capacity for growth with undrawn facilities of $181m and unrestricted cash of $21m

1. Equifax Australian Consumer Credit Demand Index 2024 Q2, Personal Loan series.

Achievements

Stellare® 2.0 +50%

Increase in Australian new customer originations July 2024 on prior comparative period (pcp)

Award winning

AFR Boss most innovative award September 2023

4.8/5

Customers rate us! Google and Shopper Approved scores of 4.8/5 from more than 57,000 reviews

83

Customer Net Promoter Score 83
Applicant Net Promoter Score 50

83%

Employee Engagement Score

Funding leader

Funded by 3 of the "Big-4" banks and New Zealand’s first non-credit card consumer Asset Backed Securitisation, NZ$200m rated by Moody's

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 Australian neo-bank UBank, and NESS Super. Paul was previously 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 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.

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, and SMX, and was a member of the Ministerial Advisory Board for the TVNZ / RNZ merger. 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.

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 a member of the General 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.

Neil Roberts
Founder, Chief Strategy Officer & Executive Director

Neil Roberts founded Harmoney, and was CEO over 6 years, 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, with forecasted PBT of $50m six years later, 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,

In a year of significant achievements, it is with great pride this year that Harmoney has launched its new, internally developed, Stellare® 2.0 lending platform in Australia. It has been a huge focus for our team, drawing on their exceptional skills and deep consumer lending experience, incorporating leading technologies and some of the latest thinking in machine learning and artificial intelligence large language models.

Stellare® 2.0 provides an easier customer experience, an improved ability for us to safely help more applicants, even higher levels of automation, and importantly, a much faster platform for our team to iterate on and to release new features and products.

Prioritising the development of Stellare® 2.0 this year has impacted origination volumes as we've elected to forego certain enhancements to our Stellare® 1.0 platform. While those enhancements would have supported current year originations, particularly in a year where consumers have been facing significant economic headwinds, strategically they wouldn't have delivered the sustained benefits that Stellare® 2.0 brings for the years ahead.

Pleasingly, even spending this year investing for the future, and despite the challenging economic climate for consumer lending with higher market interest rates and increased economic uncertainty, we have delivered another year of both Cash NPAT profitability and loan book growth, this marking our fifth consecutive half of doing so.

Alongside a strong financial performance, Harmoney has achieved some significant sustainability goals this year, including introduction of a Sustainability Policy and a Modern Slavery Statement, as well as an impressive 57% reduction in our Scope 1, 2 and 3 emissions. Harmoney has offset all residual emissions to maintain net zero emissions for the year. These achievements support our ongoing commitment to creating long-term value for all our stakeholders while minimising our environmental impact and making a positive impact on the communities we serve.

Finally, I would like to thank my fellow Board members for their contributions this year and to thank and acknowledge both Tracey Jones, who retired at our Annual General Meeting after nine years as an Independent Director and as Chair of the Audit and Risk Committee, and John Quirk who has assumed the role of Chair of the Audit and Risk Committee. On behalf of the Board, I would like to congratulate David Stevens, our CEO, and the entire Harmoney team for a year of great progress and to thank them for all their hard work and commitment to our customers, our values and to each other. I would also like to thank our shareholders for their ongoing support.

Paul Lahiff,
Chair

From the CEO David Stevens

Stellare 2.0 - A transformative leap forward

The launch of our Stellare® 2.0 platform in Australia marks a pivotal moment for Harmoney. This groundbreaking platform promises to revolutionise our customer experience, accelerating the delivery of personalised solutions and innovative products that cater to their evolving needs.

After a year of dedicated development by our talented team of engineers and consumer lending experts, we have achieved a long-held ambition of transforming our development agility. Stellare® 2.0 replaces our Stellare® 1.0 platform, which served us well for a decade, but being founded in our now completed peer-to-peer business, was ultimately hindering our pace of innovation. While the retirement of Stellare® 1.0 has resulted in a one-off $9.5 million impairment expense this year, Stellare® 2.0 is an investment we believe will yield substantial long-term returns for many years ahead.

Stellare® 2.0 harnesses the power of automation, machine learning, and artificial intelligence large language models to enhance every step of the customer journey. From working in partnership with Google's algorithms to efficiently identify those applicants most likely to take out a Harmoney loan, to simplifying the application process and managing repayments, to identifying and marketing to qualifying existing customers next time they are looking for a loan, Stellare® 2.0 empowers us to deliver a seamless and personalised experience. The results are already evident: In July 2024, new customer originations in Australia surged by 50% year-on-year. Our focus now shifts to innovating on Stellare® 2.0 and extending its benefits to our valued New Zealand customers.

Sustained growth amidst market challenges

Harmoney's fifth consecutive half of both Cash NPAT profitability and loan book growth is a testament to the strength and flexibility of our consumer-direct model. Despite investing heavily in Stellare® 2.0 and navigating a year of higher interest rates and economic uncertainty, we achieved Cash NPAT of $0.7 million and grew our loan book to $758 million.

While rising market interest rates have temporarily compressed our net interest margin (NIM) to 8.8%, we anticipate a rebound in the coming year, with our 4Q24 new lending margin already at 10.2%. Our highly automated platform and the agility of our consumer-direct model responding to market conditions allowed us to reduce acquisition costs by 14% and cash operating expenses by 4%, even in the face of very high annual inflation levels.

Financial strength and improving credit performance

Despite economic headwinds, Harmoney's credit performance is showing positive trends. Our incurred credit loss to average gross loans has decreased from 4.2% in the first half of the year to 4.0% in the second half, driven by the replacement of an earlier, less accurate Australian scorecard. We are also seeing improvements in arrears performance, with 90+ day arrears down to 43bps from 65bps at 31 December 2023.

Harmoney's financial position remains strong and well positioned for growth. We successfully refinanced and upsized our corporate debt facility to $30 million, of which $7.5 million remains undrawn. Additionally, we issued a NZ$200 million asset-backed securitisation, New Zealand's first ever unsecured personal loan backed securitisation, and further enhancing our funding capacity. With strong support from three of the "Big-4" major Australian banks and ample cash reserves, we are well-capitalised for future growth.

On track for 20% cash return on equity in FY25

We remain confident in achieving our stated goal of a 20% cash return on equity run rate in FY25. Stellare® 2.0 is set to accelerate originations growth, particularly in the second half of the year as its rollout is completed across our New Zealand as well as our Australian customers. This growth, combined with our widening NIM, operational leverage from increased automation, and strong funding capacity, positions us well for the coming year.

On behalf of the Management Team, I extend our gratitude to the entire Harmoney team for their exceptional dedication and the successful launch of Stellare® 2.0. We also thank our shareholders for their continued support. We look forward to a year of further growth and are excited to demonstrate the full potential of Stellare® 2.0.

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.

	Year ended 30 June 2024 $'000	Year ended 30 June 2023 $'000	Change $'000	Change %
Interest income	121,663	105,539	16,124	15%
Other income	878	1,534	(656)	(43%)
Total income	**122,541**	**107,073**	**15,468**	**14%**
Interest expense	55,848	39,824	16,024	40%
Incurred credit losses	30,699	24,552	6,147	25%
Risk adjusted income	**35,994**	**42,697**	**(6,703)**	**(16%)**
Customer acquisition expenses	10,592	12,316	(1,724)	(14%)
Net operating income	**25,402**	**30,381**	**(4,979)**	**(16%)**
Personnel expenses	11,025	10,993	32	0%
Customer servicing expenses	5,918	6,174	(256)	(4%)
Technology expenses	4,954	4,816	138	3%
General and administrative expenses	2,831	3,670	(839)	(23%)
Cash operating expenses	**24,728**	**25,653**	**(925)**	**(4%)**
Income tax expense	-	-	-	-
Cash NPAT	**674**	**4,728**	**(4,054)**	**(86%)**
Non-cash adjustments				
Movement in expected credit loss provision	202	(7,827)	8,029	N/A
Share-based payments expenses	(1,488)	(1,937)	449	23%
Depreciation and amortisation expenses	(12,582)	(2,545)	(10,037)	(394%)
Statutory loss after income tax	**(13,194)**	**(7,581)**	**(5,613)**	**(74%)**

For the year ended 30 June 2024 the Group reported Cash Net Profit After Tax (NPAT) of \$0.7m (FY23: \$4.7m), delivering its fifth consecutive half of Cash NPAT profitability.

Total income increased by 14% to \$122.5m (FY23: \$107.1m) from a combination of higher average loan book and interest rates. Risk adjusted income decreased by 16% to \$36.0m (FY23: \$42.7m) predominantly due to increased interest expense, with higher market rates through the period, and to higher incurred credit losses.

Customer acquisition and cash operating expenses fell \$2.6m, demonstrating Harmoney's ability to generate incremental income while maintaining a low cost base, facilitating continued Cash NPAT profitability.

Notably this year, non-cash adjustments included a one-off \$9.5m impairment loss recognised on the retirement of Harmoney's Stellare® 1.0 platform, following the successful launch of Harmoney's new Stellare® 2.0 platform. The Group determined there was no reduction in useful life or impairment of Stellare® 1.0 at 30 June 2023 as at the time there were no plans to transition the existing Stellare® 1.0 loan book onto the new Stellare® 2.0 platform. Given Stellare® 2.0 platform's superior loan management capabilities, and associated cost efficiencies, the Group now plans to migrate the Stellare® 1.0 loan book in FY25, after which Stellare® 1.0 will no longer be in use.

Other regular non-cash adjustments included \$3.1m of other depreciation and amortisation expenses, \$1.5m employee share-based payment expenses and a \$0.2m reduction in the expected credit loss provision driven by improved arrears performance and loss outlook. Together, these non-cash adjustments to Cash NPAT generate a \$13.2m statutory loss after tax. Excluding the one-off \$9.5m impairment loss, normalised statutory loss after tax was \$3.7m (FY23: \$7.6m) representing a 51% improvement on the prior year.

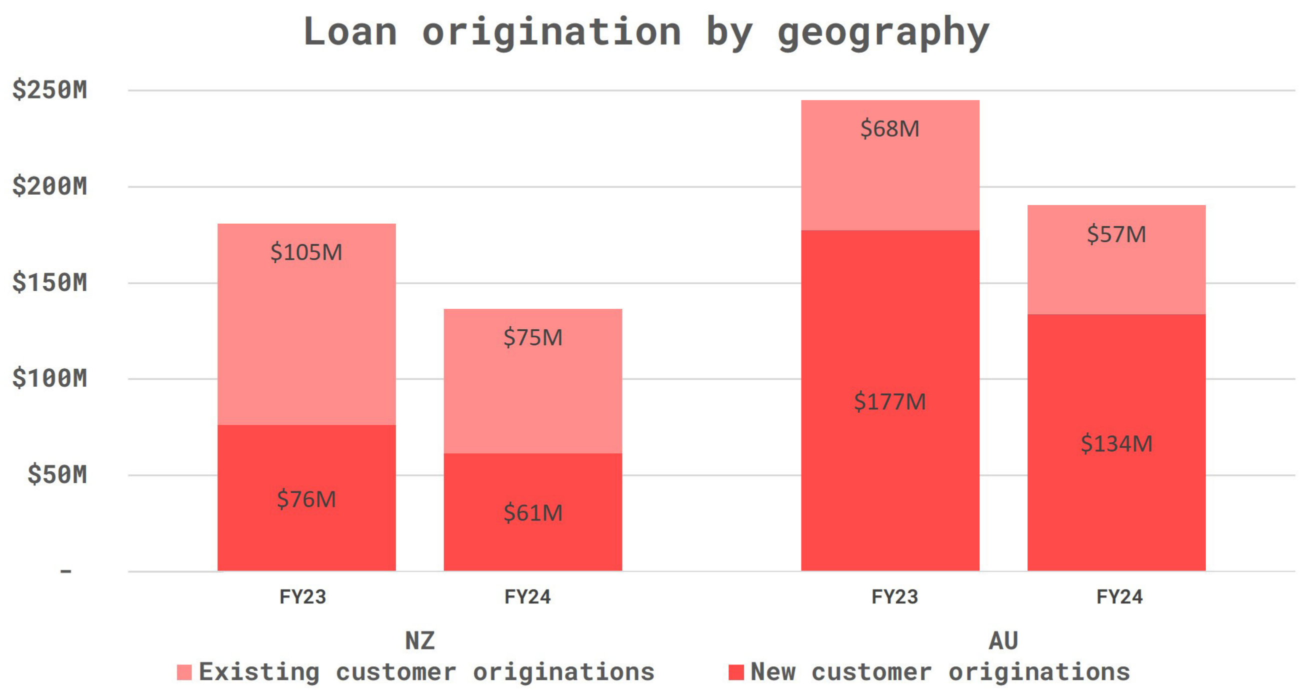
Loan originations

	Year ended 30 June 2024	Year ended 30 June 2023	Change	Change %
Total originations ($'000)	327,209	426,234	(99,025)	(23%)
New customer originations ($'000)	195,509	253,595	(58,086)	(23%)
Existing customer originations ($'000)	131,700	172,639	(40,939)	(24%)
Number of originations	20,166	26,202	(6,036)	(23%)
Average value of new customer originations ($)	20,268	21,158	(890)	(4%)
Average value of existing customer incremental originations ($)	12,519	12,144	375	3%

This year, Harmoney has chosen to focus resources towards the development and launch of its new Stellare® 2.0 platform, replacing its existing Stellare® 1.0 platform. While this decision, and the launch of the superior Stellare® 2.0 platform, is expected to deliver faster growth in future years, the lower investment in the retiring platform this year, in combination with consumer lending headwinds as consumers have adjusted to higher market interest rates, has moderated originations, which were down 23% to $327m (FY23: $426m). However, Harmoney's flexible consumer-direct marketing model was also able to respond to these circumstances and reduce customer acquisition expenses by 14% to maintain positive Cash NPAT through this transitional year.

Despite facing the same market conditions, originations from existing customers fell by less than those from new customers, demonstrating the strength of the annuity income Harmoney is able to generate from its direct relationship with its existing customers, with these originations also carrying near zero acquisition costs due to that existing direct relationship.

Larger market Australian originations continued to predominate, accounting for 58% of total originations (FY23: 58%).

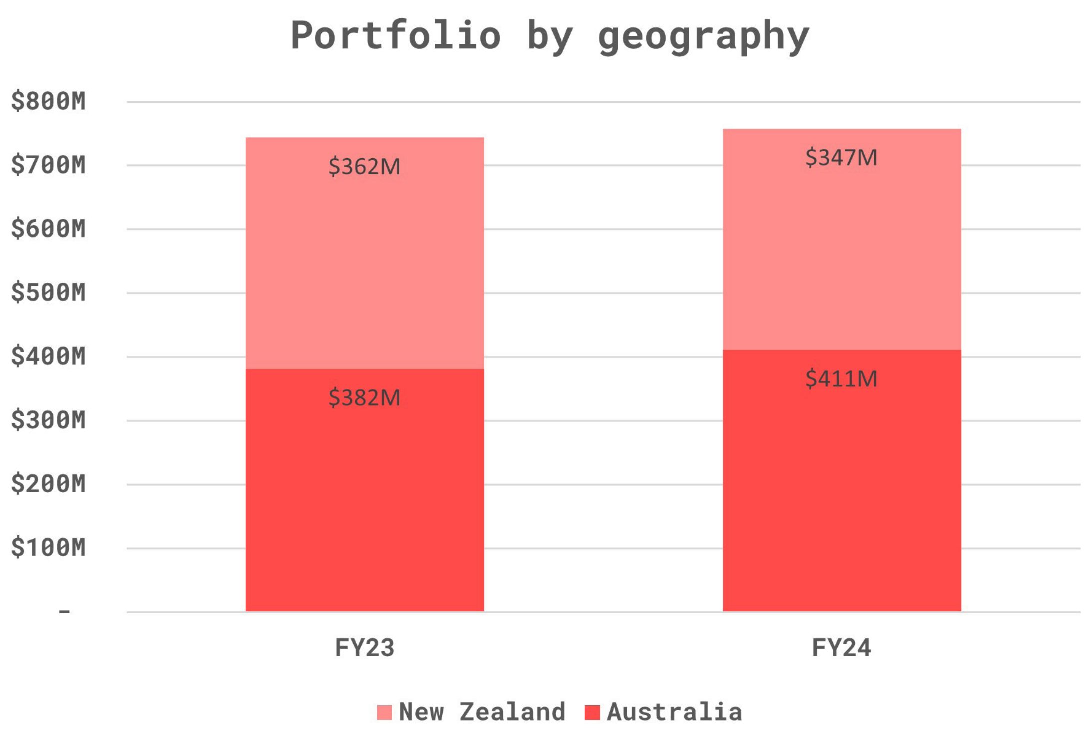


Portfolio

	Year ended 30 June 2024	Year ended 30 June 2023	Change	Change %
Loan book (period end) ($'000)	758,129	744,000	14,129	2%
Loan book (average) ($'000) - Group	754,171	683,097	71,074	10%
Loan book (average) ($'000) - Australia	392,051	342,361	49,690	15%
Loan book (average) ($'000) - New Zealand	362,120	340,736	21,384	6%

Despite lower than prior year originations, the loan portfolio grew $14m, closing the year at $758m (FY23: $744m). Harmoney has maintained growth through the year evidenced by the average loan book being $50m larger in Australia and $21m larger in New Zealand compared to FY23. The higher growth in Australia sees it now making up 54% of the loan portfolio (FY23: 51%).

With lower originations this year, the average age of the loans in the portfolio (measured as the time since they were issued) has increased from 11 months last year to 14 months this year. This has placed upward pressure on the incurred credit loss to average gross loans (%), as described in more detail in the risk adjusted income section.



Risk adjusted income

	Year ended 30 June 2024	Year ended 30 June 2023	Change	Change %
Average interest rate (%)	16.2%	15.5%	70bps	N/A
Funding debt (period end) ($'000)	739,546	720,503	19,043	3%
Funding debt (average) ($'000)	725,802	660,269	65,533	10%
Average funding rate (%)	7.7%	6.0%	170bps	N/A
Net interest income (%)	8.8%	9.6%	(80bps)	N/A
Incurred credit loss ($'000)	30,699	24,552	6,147	25%
Incurred credit loss to average gross loans (%)	4.1%	3.6%	50bps	N/A
Risk adjusted income (%)	4.8%	6.0%	(120bps)	N/A

Risk Adjusted Income (RAI) is calculated by deducting funding costs and incurred credit losses from income. It is expressed in the table above as a percentage of the average loan book.

RAI has decreased by $6.7m to $36.0m in the current year with a $16.1m increase in interest income being offset by $16.0m increase in interest expense, followed by a $6.1m increase to incurred credit losses. Other income decreased by $0.7m with the wind down of Harmoney's legacy peer-to-peer platform, which was completed in October 2023.

Harmoney's risk adjusted income percentage, while down to 4.8% (FY23: 6.0%), remains attractive within the consumer lending market, demonstrating the strength of Harmoney's underlying business model and its resilience through the economic cycle.

Interest income grew by 15% to $121.7m (FY23: $105.5m) driven by growth in the average loan portfolio size and an increase in the average loan portfolio interest rate to 16.2% (FY23: 15.5%), as higher market interest rates have been passed through on new originations and now make up a larger proportion of the portfolio. This trend is expected to continue.

Interest expense increased by 40% to $55.8m (FY23: $39.8m), driven by average portfolio growth and an increase in the average funding rate to 7.7% (FY23: 6.0%). This increase in the average funding rate, while predominantly due to increased market rates, is in part also due to Harmoney achieving higher leverage across its facilities due to the quality of its loan portfolio.

Net Interest Income (NII) has remained stable at $66.7m (FY23: $67.2m). NII as a percentage of average loan book decreased 80bps to 8.8% (FY23: 9.6%) due to the average funding rate increasing at a faster pace than the impact of new lending rates on the average loan portfolio interest rate. The new lending (front book) NII has maintained at approximately 10% through the current year, which is expected to lift the portfolio NII back within target range of 9-10%.

Incurred credit losses, representing loans written off during the period, increased $6.1m to $30.7m (FY23: $24.6m). Incurred credit loss to average gross loans % increased to 4.1% (FY23: 3.6%), 10bps higher than Harmoney's target range of 3-4%, in large part driven by lower originations this year increasing the average age of the loans in the portfolio (measured as the time since they were issued), from 11 months last year to 14 months this year. Personal loans tend to reach 'peak hazard' for loss during the period 12 to 18 months after origination, so this year a higher proportion of the loan book transitioned through this "peak hazard" period, including the final cohorts of a less accurate earlier Australian scorecard which was replaced two years ago. The better performing current Australian scorecard is beginning to dominate, with the 2H24 credit loss % 20bps lower than 1H24, and back within the target range at 4.0%.

As discussed further below, in anticipation of a cyclically driven lower risk adjusted income, Harmoney reduced both customer acquisition expenses and operating expenses, to maintain a balance of both cash profitability and growth.

Credit provisioning

	Year ended 30 June 2024	Year ended 30 June 2023	Change	Change %
Movement in expected credit loss (ECL) provision ($'000)	(202)	7,827	(8,029)	N/A
Provision rate (%)	4.8%	4.9%	(10bps)	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, and is not designed to 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 reduced to $36.6m (FY23: $36.9m), with a 10bps reduction in the overall provision rate from 4.9% at 30 June 2023 to 4.8% offsetting additional provisioning driven by loan portfolio growth. The reduction in the provision rate to 4.8% is driven by improvements in the base model drivers e.g. improved arrears rate, moderated by increased conservatism in the economic overlay adjustment applied to that base.

Customer acquisition metrics

	Year ended 30 June 2024	Year ended 30 June 2023	Change	Change %
Customer acquisition expenses to origination ratio	3.2%	2.9%	30bps	N/A
Customer acquisition expenses to income ratio	8.6%	11.5%	(290bps)	N/A

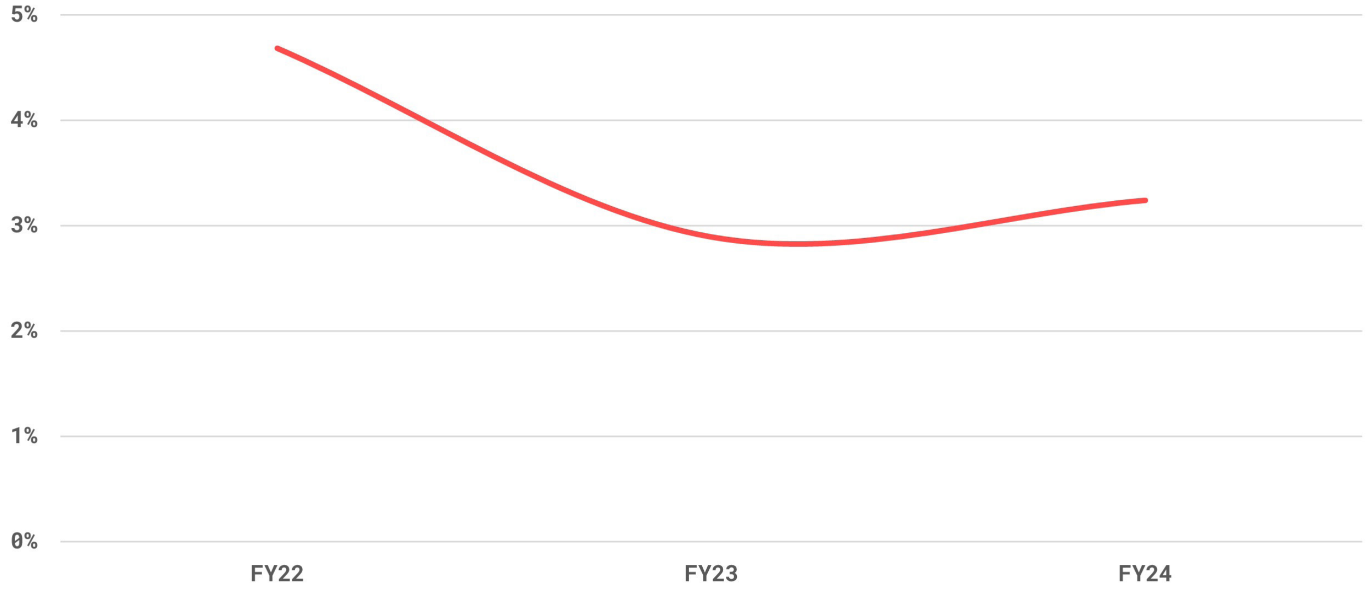
Anticipating the headwinds to consumer lending proclivity and affordability brought about by higher market interest rates and cost-of-living inflation pressures, Harmoney leveraged the flexibility inherent in its consumer-direct marketing model to reduce customer acquisition expenses by $1.7m (14%) to maintain a balance of both cash profitability and growth.

The success of this strategy is demonstrated by the improved customer acquisition expenses to income ratio of 8.6% (FY23: 11.5%), reflecting Harmoney's continued portfolio and revenue growth, despite moderating customer acquisition expenses.

A key metric for Harmoney's consumer-direct model is the cost to acquisition ratio, shown in the chart below. This ratio has typically trended down, driven in part by 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. This year this ratio has seen a slight increase to 3.2% from 2.9% in FY23, while still well below FY22's 4.7%. This year's increase was predominantly driven by economic headwinds impacting originations to existing customers, who have near zero acquisition costs and therefore, when originations to existing customers reduce there is no commensurate cost reduction. Likewise, there is not expected to be any commensurate cost increase when existing customer origination growth resumes.

Accordingly, the downward trend in this ratio is expected to resume once macro economic conditions allow for origination growth to return, and in particular as existing customer origination growth returns.

Customer acquisition expenses to originations ratio



Cost to income metrics

	Year ended 30 June 2024	Year ended 30 June 2023	Change	Change %
Cost to income ratio [1]	23.9%	28.1%	(420bps)	N/A

1. Excludes FY24 one-off impairment loss on internally developed software

Harmoney achieved a further 420bps improvement in its cost to income ratio this year, now down to 23.9% (FY23: 28.1%).

The ratio includes all operating costs below net operating income (personnel, share-based payments, customer servicing, technology, administrative and depreciation and amortisation expenses), with the exception of the one-off impairment loss expense on internally developed software, recognised this year with the launch of Harmoney's new Stellare® 2.0 platform and the retirement of the Stellare® 1.0 platform.

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

Cash operating expenses reduced by $1.0m to $24.7m (FY23: $25.7m). This reduction was largely due to lower administrative expenses, down $0.8m while other cash operating expenses remained relatively stable with cost management initiatives offsetting inflationary pressures.

Financial position

	30 June 2024 $'000	30 June 2023 $'000	Change $'000	Change %
Assets				
Cash and cash equivalents	37,744	43,454	(5,710)	(13%)
Finance receivables	761,471	745,790	15,681	2%
Expected credit loss provision	(36,646)	(36,919)	273	1%
Other assets	21,546	33,397	(11,851)	(35%)
Total assets	**784,115**	**785,722**	**(1,607)**	**(0%)**
Liabilities				
Borrowings - Receivables funding	717,796	700,692	17,104	2%
Borrowings - Corporate debt facility	21,750	19,811	1,939	10%
Other liabilities	8,111	11,464	(3,353)	(29%)
Total liabilities	**747,657**	**731,967**	**15,690**	**2%**
Net assets	**36,458**	**53,755**	**(17,297)**	**(32%)**

Cash and cash equivalents of $37.7m consists of unrestricted cash of $20.6m (FY23: $27.5m), and restricted cash of $17.1m (FY23: $15.9m); the latter may only be used for funding finance receivables and other purposes defined in the relevant trust documents.

Unrestricted cash decreased by $6.9m, with $28.4m invested supporting loan portfolio growth and $4.7m invested in the development of Stellare® 2.0 with these investments being largely offset by $24.3m generated from operating activities and $2.5m additionally drawn corporate debt.

Net assets have decreased to $36.5m (FY23: $53.8m) driven by a one-off $9.5m impairment loss recognised on the retirement of Harmoney's Stellare® 1.0 platform, following the successful launch of its new Stellare® 2.0 platform, and by a $7.2m reduction in the value of derivative financial instruments which at $0.5m have fixed rates closely aligned with market expectations for future rates.

Sustainability Report

Helping people access the right financial services at the right time can be transformational.

Harmoney leverages data and machine-learning to make faster, better decisions, providing fair and simple financial services directly to consumers.

It's our commitment to do this in a way that creates a positive impact on our customers, stakeholders, communities, and planet.

Our sustainability report examines the sustainability risks and opportunities, and our continued progress in key areas relevant to our business.

Environment

As the impacts of climate change continue to be felt in communities through the likes of extreme weather events, addressing climate-related challenges are becoming increasingly urgent. Harmoney recognises the vital roles businesses play in transitioning towards a low carbon economy.

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

Climate strategy

This year Harmoney has set a target of maintaining 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 the Net Zero Carbon certification from Ekos Kamahi Limited NZ for FY24, and have offset our remaining emissions for the period. Ekos conducted a comprehensive carbon footprint measurement of our Scope 1, 2 and 3 greenhouse gas (GHG) emissions which are represented in our Carbon Inventory Report below.

NET ZERO CARBON Organisation ekos +

FY24 marks a significant reduction (73%) in our scope 2 emissions. By transitioning our NZ office to a 100% renewable and climate positive electricity provider starting from January 2023, Harmoney has been able to mostly eliminate all scope 2 emissions in FY24, being purchased electricity emissions.

We actively promote sustainable practices in our offices, encouraging staff to reduce, reuse, and recycle. We promote environmentally friendly commuting, such as public transportation, walking, and cycling. Our sustainable initiatives include:

- An office recycling program with clear guidelines.
- Provision of reusable water bottles, coffee mugs, and biodegradable utensils.
- Incentives and recognition for employees who consistently follow sustainable practices.
- Designed and promoted areas for e-scooter parking.

This year, in our ongoing efforts to increase employee involvement in environment sustainability and give back to our community, we also volunteered with the Kaipātiki Project, where our teams bonded while participating in native plant restoration activities.

Emissions Inventory Report

Emissions breakdown	FY24 (tCO2e)	FY23 (tCO2e)	Change %
Total Scope 1 emissions	-	-	-
Purchased electricity	2.70	10.16	(73%)
Total Scope 2 emissions	**2.70**	**10.16**	**(73%)**
Air travel	10.87	35.66	(70%)
Cloud computing services	14.53	21.97	(34%)
Other scope 3 emissions	4.07	7.31	(45%)
Total Scope 3 emissions	**29.47**	**64.94**	**(55%)**
Total Scope 1, 2 and 3 emissions	**32.17**	**75.10**	**(57%)**

- The emissions 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.

In FY24, our total GHG emissions reduced by 57% to 32.17 tCO2e (FY23: 75.10 tCO2e). Harmoney has no direct (scope 1) emissions, with near zero scope 2 emissions. Our most notable improvement in FY24 is the 73% reduction in purchased electricity emissions, resulting in a carbon footprint primarily composed of indirect (scope 3) emissions.

Scope 3 emissions decreased by 35.47 tCO2e (55%), mainly due to reduced business air travel (down 70% from FY23). Our cloud computing services emissions reduced by 34% and we anticipate further reductions as we transition to a supplier with more ambitious emission reduction targets.

As a result, the carbon intensity for Scope 1, 2 and 3 emissions per $1 million of revenue, improved by 63% to 0.26 tCO2e (FY23: 0.70 tCO2e). This is a key indicator of our environmental operational efficiency.

Similarly, our Scope 1, 2 and 3 emissions per employee improved to 0.43 tCO2e (FY23: 0.85 tCO2e), maintaining a low environmental impact.

We continue to work on expanding our measurement of Scope 3 emissions by capturing further optional and recommended areas for indirect emissions. Our emissions inventory report currently excludes any outsourced services.

We are proud of our achievements this year and remain dedicated to improving our operational carbon emissions performance.

Social

Customer experience

Since our beginnings in 2014, Harmoney has sought to transform the way people borrow and lend money. We envision a future where technology responsibly and invisibly analyses financial information to optimise customers' choices and opportunities. Our broad-based online application process leverages technology to assess creditworthiness based on reliably sourced financial data, with machine-learning developed scoring systems evaluating customer suitability.

We believe that access to money at the right time can have a profound impact on someone's life.

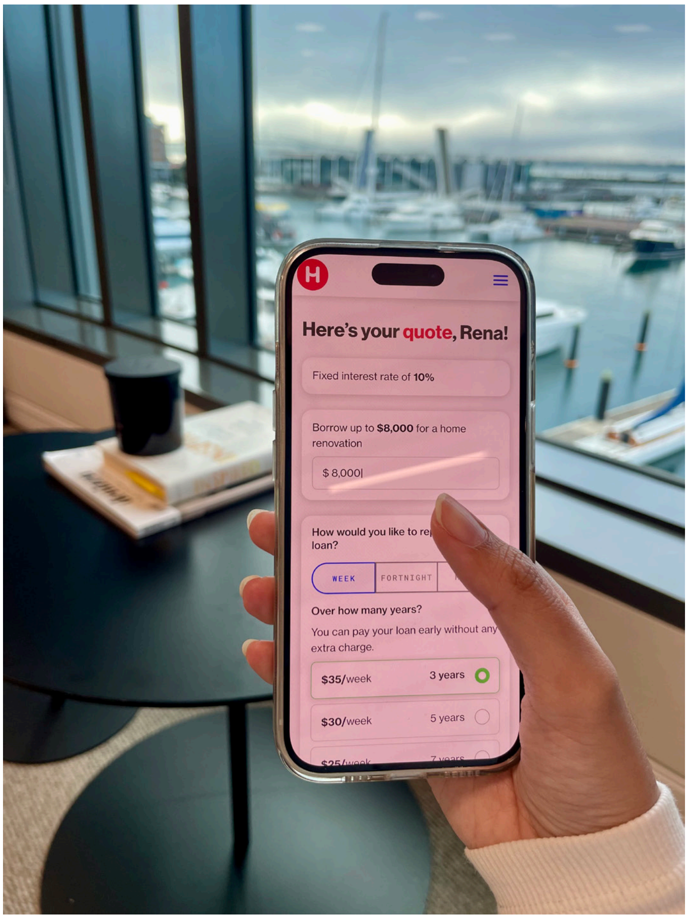
We've created Australasia's largest direct online lending experience, having facilitated over $3.8 billions in loans to over 174,000 customers on both sides of the Tasman.

Our primary objective is to provide all customers with a fair and transparent experience. Over the past year, we have introduced a new platform in Australia. We conducted thorough research and engaged with our current customers to identify pain points and understand what is important to our customers. We made several enhancements to our application process by improving design and simplifying the legal language, making it easier for customers to complete their applications with less effort and time.

The product and design team closely collaborates with the customer service and engineering teams to create more empathetic conversations with users and assist them when they need help. We have significantly improved the user experience by reducing the average time taken to complete applications and improving the proportion of successful applications.

We follow our Complaints and Internal Dispute Resolution Policy to ensure consistent handling of customer complaints, and perform call quality assessments to monitor calls against policies. We have Google and Shopper Approved scores of 4.8/5 from 57,000 reviews, and a low complaint rate with less than 0.02% of active customers raising a complaint with Australian Financial Complaints Authority (AFCA) over the 2024 financial year.

It remains Harmoney's core priority, to continue to deliver good customer outcomes by building better customer experiences and providing support to customers that need it the most, especially those in financial hardship.



Hardship and supporting customers

Amid rising cost of living pressures and increasing cybercrime, scams, and fraud, we understand the importance of supporting vulnerable customers and those facing unexpected financial hardships. We assess personal hardship circumstances on a case-by-case basis and work together with customers to reach a solution. This can include variations to payment arrangements to more manageable repayments, a postponement of repayments for a set time, or a combination of options.

We also have responsible lending and credit policies to prevent extending credit that could worsen a borrower's financial situation or increase their risk of hardship. Additionally, we use analytics to identify potentially vulnerable borrowers, such as those showing signs of problem gambling or unstable financial behaviours, as well as applicants currently experiencing financial hardship.

Financial inclusion and accessibility

We strive to offer financial opportunities to a wider population by continuing to identify and address barriers in our application process. One of the ways this is achieved is by automating the credit assessment process, which eliminates human biases. We also aim to build more personalised offerings for different segments such as different age groups with varying financial profiles. Harmoney is committed to delivering a product and service that is inclusive and accessible to everyone.

Customer financial wellbeing

In periods of economic uncertainty, it is increasingly important for customers to build their financial resilience. Harmoney promotes customer financial literacy and awareness through educational blog articles and content on our website covering a range of topics including finance, loans, debt consolidation and more.

In FY24, we refreshed our blog and implemented continuous review processes to ensure we provide continuing up-to-date and useful resources.

Data and cyber security

As a 100% online lending business entrusted with sensitive customer information, we recognise the critical role we have to play on cyber security. It remains a key focus area for Harmoney to secure and protect customer data by preventing, detecting and mitigating cyber threats.

The Australian Cyber Security Centre (ACSC) reported nearly 94,000 cybercrime incidents in Australia for the fiscal year 2022-23, a 23% increase from the previous year, averaging one report every six minutes. 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 has comprehensive cybersecurity policies and stringent measures in place to safeguard and protect customer financial and credit-related data. We continue to strengthen our various technical and policy controls to ensure the security, availability, and integrity of customer data. Some of these include but are not limited to:

- 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.
- Staff cybersecurity training to increase cyber awareness and literacy.

Employee wellness and training

At the core of Harmoney are our people whose inspiration, imagination, creativity, and passion drive our efforts.

As at 30 June 2024, Harmoney's total workforce consisted of 75 full-time employees across Australia and New Zealand.

Our People and Culture team's strategy embraces a people-first approach, aligning with both employee and organisational goals. Our goal is to maintain a safe and healthy work environment that creates a positive experience with highly engaged employees.

At Harmoney, engagement is a measure of the level of involvement, motivation, and positivity employees feel towards their work. We conduct annual employee surveys to identify areas for focus and improvement and to measure our progress. Our overall company engagement score was 83% for the year (2023: 87%).

To maintain a high-performing team and cultivate a culture of reward and recognition, our leaders set clear goals, provide continuous feedback and support, and celebrate achievements openly and consistently. This builds motivation, engagement, and a sense of accomplishment among team members. Each employee has a development plan where they are encouraged to explore and identify opportunities for personal and professional development. We annually review remuneration and benefits to ensure they remain fair and competitive. We also provide:

- An annual training budget for upskilling or certifications.
- Health insurance.
- Wellness days.
- Employee Assistance Programmes.

- First-aid and mental first-aid certifications.
- Flu vaccinations.
- Top up maternity benefit & flexi-return policy for parental leave.

By supporting the mental, physical and social wellbeing of our employees, we can continue to nurture a positive and productive work environment.

Diversity, equity and inclusion

Harmoney supports creating an inclusive workplace that reflects the communities we serve. Diverse perspectives enhance innovation, lead to better decision-making and increase employee satisfaction.

Key highlights in FY24 include the following:

- Hosting an internship programme 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 celebrate various cultural festivals to build cultural understanding and create an inclusive company culture.

These efforts collectively contribute to building a workplace that not only values diversity and inclusion but also actively cultivates an environment where every individual can thrive.

Modern slavery

Harmoney will be publishing its second annual Modern Slavery Statement under Australia's Modern Slavery Act 2018 in December, incorporating feedback from the Attorney-General's Department (who administer the Australian Government's Modern Slavery Statements Register), and reflecting additional work done by Harmoney to expand its vendor due diligence.

Harmoney has also introduced staff training in order to raise awareness about modern slavery.

Governance

Effective governance is crucial for achieving sustainable long-term value. By aligning financial outcomes with societal impact, ensuring accountability, and enhancing stakeholder trust, we can drive purposeful sustainability strategies.

Governance and risk management

Harmoney integrates sustainability risks into our overall governance framework, with the Board retaining oversight and responsibility 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.

Harmoney has recently introduced a Sustainability Policy which outlines our commitment to sustainable practices and our approach to embedding economic, environmental, social and governance elements within the business.

Our governance framework is set out on our website (https://investorhub.harmoney.com.au/governance) and comprises our Code of Conduct, 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 Recommendations, which is current as at 30 June 2024. Harmoney has elected to comply with all of the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations (4th Edition)" (the ASX Recommendations). Harmoney has also considered the Consultation Draft for a proposed 5th Edition of the ASX Recommendations.

We regularly review our policies to ensure compliance with statutory requirements, ASX Listing Rules, and obligations under our Australian Financial Services Licence, Australian Credit Licence, and Fit and Proper Person certification under the CCCFA (New Zealand). These policies are also reviewed by external experts, including law firms and AML specialists, to maintain 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, both internally and externally on risk and compliance testing. We continue to develop and implement our risk and compliance assurance testing program for which we have a dedicated Compliance Manager role. To date we have achieved this across AML-CFT/CTF and the CCCFA, including updates to a number of policies. We continue to introduce accurate and independently-validated regulatory obligations registers across the enterprise and have already commenced policy updates, refreshing training programmes, and conducting controls testing.

With an aim to improve visibility of sustainability-related risks and opportunities, in FY24 we enhanced our enterprise-wide risk framework to specifically address 'risk to people', allowing for a more comprehensive analysis of risks.

Board of Directors

The Board retains the ultimate responsibility for the oversight of sustainability-related risks and opportunities and approval of sustainability reporting and objectives.

Audit & Risk Committee

The Board delegates to the Audit & Risk Committee (ARC) – a Board Committee - which assesses and manages sustainability-related risks and opportunities and monitors progress towards targets.

Senior Leadership Team and Sustainability Officer

Operationalises sustainability risks and opportunities identified by the ARC, drives progress to meet reporting obligations and targets.

Ethics and integrity

Ethics and integrity are fundamental to Harmoney's values and are crucial for establishing trust and credibility with stakeholders, including investors, employees, customers, and the community.

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

To uphold ethical standards and ensure transparency and responsible business practices, 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 recognise potentially vulnerable applicants.
- Ongoing staff training on pertinent 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

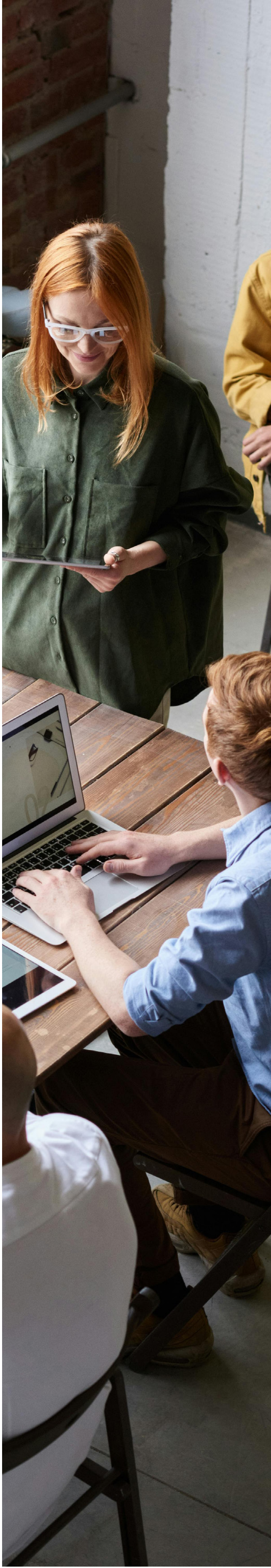
Harmoney actively engages with our stakeholder groups which include investors, employees, customers and regulators, to understand their concerns and priorities. Regular communications and information are provided to our stakeholders through the Investor Centre on our website. In early 2024, we launched an interactive Investor Hub where investors can engage with us and access our latest updates and announcements.

As discussed in the Customer experience section of this report, we conduct systematic qualitative surveys to identify customers needs and preferences, guiding the development of our products in line with our Product Governance Framework.

Harmoney also has a Complaints and Internal Dispute Resolution Policy to ensure consistent and fair handling of customer queries. Our Feedback and Complaints Committee meets regularly to analyse customer feedback, identify patterns, address systemic issues, and identify areas for improvement. Any significant matters are reported to the Board.

FY24 was Harmoney's inaugural year for the reporting of 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 Financial Services Complaints Limited (FSCL), a financial ombudsman service, in New Zealand.



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 2024 ("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, Chief Strategy Officer and 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 2024.

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
Auckland
22 August 2024

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 2024.

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 2024 and its financial performance and cash flows for the year ended on that date.

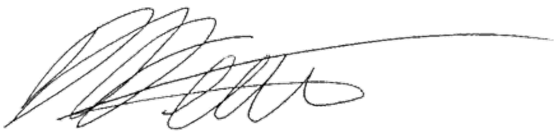
The Directors consider that the consolidated financial statements of the Group have been prepared using appropriate accounting policies consistently applied and supported by reasonable judgements and estimates and that all the relevant financial reporting and accounting standards have been followed.

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 32-63 for issue on 22 August 2024.

For and on behalf of the Board

Paul Lahiff
Chairman



David Stevens
Chief Executive Officer and Managing Director

22 August 2024

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2024

	Notes	Year ended 30 June 2024 $'000	Year ended 30 June 2023 $'000
Interest income	5	121,663	105,539
Other income	6	878	1,534
Total income		**122,541**	**107,073**
Interest expense	5	55,848	39,824
Impairment expense	7	30,497	32,379
Customer acquisition expenses		10,592	12,316
Personnel expenses		12,513	12,930
Customer servicing expenses		5,918	6,174
Technology expenses		4,954	4,816
General and administrative expenses		2,831	3,670
Depreciation and amortisation expenses	8	12,582	2,545
Loss before income tax		**(13,194)**	**(7,581)**
Income tax expense	9	-	-
Loss for the year attributable to shareholders of Harmoney Corp Limited		**(13,194)**	**(7,581)**
Other comprehensive income / (loss)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(255)	962
Loss on cash flow hedge reserve, net of tax	10	(5,067)	(145)
Other comprehensive (loss) / income for the year, net of tax		**(5,322)**	**817**
Total comprehensive loss for the year attributable to shareholders of Harmoney Corp Limited		**(18,516)**	**(6,764)**
Earnings per share for loss attributable to the ordinary equity holders of the Company:		Cents	Cents
Basic earnings per share	11	(13)	(7)
Diluted earnings per share	11	(13)	(7)

THE ABOVE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING NOTES.

Consolidated Statement of Financial Position

As at 30 June 2024

	Notes	30 June 2024 $'000	30 June 2023 $'000
Assets			
Cash and cash equivalents	12	37,744	43,454
Trade and other assets	13	2,959	1,968
Finance receivables	14	724,825	708,871
Property and equipment	15	2,938	3,717
Intangible assets	16	4,491	11,568
Deferred tax assets	9	10,633	8,467
Derivative financial instruments	10	525	7,677
Total assets		**784,115**	**785,722**
Liabilities			
Payables and accruals	17	5,101	6,434
Borrowings	18	739,546	720,503
Provisions		-	1,524
Lease liability	15	3,010	3,506
Total liabilities		**747,657**	**731,967**
Net assets		**36,458**	**53,755**
Equity			
Share capital	19	124,561	123,985
Foreign currency translation reserve	20	(622)	(367)
Share-based payment reserve	20	4,463	3,820
Cash flow hedge reserve	10	349	5,416
Accumulated losses		(92,293)	(79,099)
Total equity		**36,458**	**53,755**

THE ABOVE CONSOLIDATED STATEMENT OF FINANCIAL POSITION SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING NOTES.

KPMG

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

	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 2022		**123,265**	**(1,329)**	**3,146**	**5,561**	**(71,518)**	**59,125**
Loss for the year		-	-	-	-	(7,581)	(7,581)
Other comprehensive income / (loss), net of income tax		-	962	-	(145)	-	817
Total comprehensive income / (loss)		**-**	**962**	**-**	**(145)**	**(7,581)**	**(6,764)**
Recognition of share-based payments	20	-	-	3,009	-	-	3,009
Transfer to share capital	20	720	-	(720)	-	-	-
Share option cancellations	20	-	-	(1,615)	-	-	(1,615)
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	20	-	-	3,043	-	-	3,043
Transfer to share capital	20	576	-	(576)	-	-	-
Share option cancellations	20	-	-	(1,824)	-	-	(1,824)
Balance at 30 June 2024		**124,561**	**(622)**	**4,463**	**349**	**(92,293)**	**36,458**

THE ABOVE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING NOTES.

KPMG

Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	Notes	Year ended 30 June 2024 $'000	Year ended 30 June 2023 $'000
Cash flows from operating activities			
Interest received		119,123	102,134
Interest paid		(57,243)	(38,734)
Fee income rebated		(714)	(1,684)
Payments to suppliers and employees		(36,872)	(38,203)
Net cash generated by operating activities		**24,294**	**23,513**
Cash flows from investing activities			
Net advances to customers		(47,660)	(181,210)
Payments for software intangibles and equipment		(4,712)	(5,019)
Net cash used in investing activities		**(52,372)**	**(186,229)**
Cash flows from financing activities			
Net proceeds from finance receivables borrowings		20,443	143,988
Net proceeds from debt financing		2,500	5,000
Principal element of lease payments		(517)	(474)
Net cash generated by financing activities		**22,426**	**148,514**
Cash and cash equivalents at the beginning of the period		43,454	56,805
Net decrease in cash and cash equivalents		**(5,652)**	**(14,202)**
Effects of exchange rate changes on cash and cash equivalents		(58)	851
Cash and cash equivalents at the end of the period	12	**37,744**	**43,454**

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

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Notes to the Consolidated Group Financial Statements

For the year ended 30 June 2024

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. The Company relinquished its peer-to-peer lending service licence on 30 November 2023, with its operations no longer requiring the holding of this licence, and consequently from this date the Company also ceased to be an "FMC reporting entity" under the Financial Market Conducts Act 2013.

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 International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

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. Where applicable, certain comparatives have been restated to comply with the accounting presentation adopted in the current year.

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 24.4.

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.

The assets and liabilities of entities whose functional currency is not AUD are translated at the exchange rates ruling at balance 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 1 January 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective:

- *Disclosure of Accounting Policies (Amendments to NZ IAS 1 and IFRS Practice Statement 2)*

  The amendments to NZ IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2 *Making Materiality Judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance the accounting policy information is likely to be considered material and therefore requiring disclosure.

  These amendments have no effect on the measurement or presentation of any items in the consolidated group financial statements but affect the disclosure of accounting policies of the Group.

- *Definition of Accounting Estimates (Amendments to NZ IAS 8)*

  The amendments to NZ IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* clarify the distinction between changes in accounting estimates, changes in accounting policies, and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

  The amendments had no impact on the consolidated group financial statements.

- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to NZ IAS 12)*

  The amendments to NZ IAS 12 *Income Taxes* narrow the scope of the initial recognition exemption, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

  The amendments have resulted in the separate presentation of the Group's deferred tax on right-of-use assets and lease liabilities in the note disclosures (refer to note 9.3). In the previous financial year, the Group presented the net deferred tax asset in the notes to the consolidated financial statements.

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.

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 14 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 14.

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 23. For interest rate sensitivity analysis see note 24.

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 (NPAT) basis. Cash NPAT is a non-GAAP measure and consists of profit/(loss) after income tax, adjusted for determined non-cash items. It 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.

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 2024 $'000

	Australia	New Zealand	Group
Interest income	61,911	59,752	121,663
Other income	26	852	878
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 tax	**5,121**	**(4,447)**	**674**
Income 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)
Statutory profit / (loss) after income tax	**6,358**	**(19,552)**	**(13,194)**

Segmented income statement for the year ended 30 June 2023 $'000

	Australia	New Zealand	Group
Interest income	52,687	52,852	105,539
Other income	50	1,484	1,534
Total income	**52,737**	**54,336**	**107,073**
Interest expense	17,490	22,334	39,824
Incurred credit losses	16,750	7,802	24,552
Customer acquisition expenses	8,518	3,798	12,316
Personnel expenses (excl. share-based payments)	424	10,569	10,993
Customer servicing expenses	2,963	3,211	6,174
Technology expenses	-	4,816	4,816
General and administrative expenses	751	2,919	3,670
Cash profit / (loss) before tax	**5,841**	**(1,113)**	**4,728**
Income tax expense	-	-	-
Cash NPAT	**5,841**	**(1,113)**	**4,728**
Non-cash adjustments			
Movement in expected credit loss provision	(8,023)	196	(7,827)
Share-based payments expenses	-	(1,937)	(1,937)
Depreciation and amortisation expenses	(49)	(2,496)	(2,545)
Statutory loss after income tax	**(2,231)**	**(5,350)**	**(7,581)**

5. Interest

5.1. Interest income

	Year ended 30 June 2024 $'000	Year ended 30 June 2023 $'000
Interest income	121,663	105,539

5.2. Interest expense

	Year ended 30 June 2024 $'000	Year ended 30 June 2023 $'000
Interest on receivables funding	52,054	37,498
Interest on corporate debt	3,520	2,170
Interest on lease liability	274	156
Total interest expense	**55,848**	**39,824**

Interest income includes interest and loan establishment fees. Interest income and interest expense are recognised in the Income Statement 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 14).

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6. Other income

	Year ended 30 June 2024 $'000	Year ended 30 June 2023 $'000
Fee income	105	1,082
Grant income	773	452
Total other income	**878**	**1,534**

6.1. Fee income

Fee income largely related to fees received for the peer-to-peer lending services previously provided by the Group.

6.2. Grant income

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 2024 $'000	Year ended 30 June 2023 $'000
Incurred credit loss	30,699	24,552
Change in expected credit loss provision	(202)	7,827
Impairment expense	**30,497**	**32,379**

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.

7.2. Change in expected credit loss provision

This records the movement in the provision due to the composition of the finance receivables (note 14). 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.

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8. Depreciation and amortisation

	Year ended 30 June 2024 $'000	Year ended 30 June 2023 $'000
Depreciation charge on right-of-use assets	661	583
Depreciation charge on property and equipment [1]	192	138
Amortisation charge on intangible assets	2,220	1,824
Impairment loss on intangible assets	9,509	-
Total depreciation and amortisation expense	**12,582**	**2,545**

1. The depreciation charges presented in the prior year have been combined for simpler presentation.

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 are being replaced by Stellare® 2.0.

Refer to note 15 for further information on property and equipment, and leases. Refer to note 16 for further information on intangible assets.

9. Income taxes

9.1. 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 2024 $'000	Year ended 30 June 2023 $'000
Current tax		
In respect of the current year	119	102
Deferred tax		
In respect of the current year	(119)	(102)
Total income tax expense	-	-

	Year ended 30 June 2024 $'000	Year ended 30 June 2023 $'000
Loss before income tax	(13,194)	(7,581)
Income tax benefit calculated	(3,719)	(2,273)
Effect of expenses that are not deductible	(72)	407
Under/(over) adjustment to prior period taxation	597	(626)
Income tax benefit not recognised	3,197	2,412
Foreign exchange differences	(3)	80
Total income tax expense	-	-

9.2. Amounts recognised in other comprehensive income

	30 June 2024 $'000	30 June 2023 $'000
Aggregate current and deferred tax arising in the reporting period relating to components of other comprehensive income:		
Cash flow hedge reserve	(2,085)	(26)
Other	38	(69)

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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 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. The current tax for this reporting period relates to foreign tax credits utilised. 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.

9.3. Deferred tax balances

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

	30 June 2024 $'000	30 June 2023 $'000
Deferred tax assets		
Expected credit loss (ECL) provision	8,841	9,423
Accruals	1,333	1,387
Lease liability	843	975
Share-based payments	343	249
Plant & equipment and intangibles	276	-
Deferred tax assets	**11,636**	**12,034**
Deferred tax liabilities		
Derivatives	(175)	(2,260)
Right of use asset	(772)	(944)
Distributing services	(56)	(61)
Plant & equipment and intangibles	-	(302)
Deferred tax liabilities	**(1,003)**	**(3,567)**
Net deferred tax assets	**10,633**	**8,467**

The Group has retrospectively restated its deferred tax assets and deferred tax liabilities disclosures in the comparative period in accordance with the amendments to NZ IAS 12 *Income taxes* (as explained in note 2.3) which has resulted in the separate presentation of the deferred tax on lease liabilities and right of use assets. The Group previously presented the net position. The net deferred tax asset remains unchanged.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer 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 further tax losses and temporary differences of $22.9m at 30 June 2024 (June 2023: $21.2m) which have not been recognised as an asset in the statement of financial position and are available to offset future taxable profits of $80.9m (June 2023: $75.2m). 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.

10. Cash flow hedge

Cash flow hedge reserve

	30 June 2024 $'000	30 June 2023 $'000
Opening balance	5,416	5,561
Analysis of amounts recognised in Other Comprehensive Income		
Loss arising on changes in fair value of derivatives	(7,152)	(171)
Deferred tax on derivatives	2,085	26
Loss on cash flow hedge reserve	**(5,067)**	**(145)**
Closing balance	**349**	**5,416**

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 2024 $'000	30 June 2023 $'000
Derivative financial assets	1,431	7,677
Derivative finanical liabilities	(906)	-
Net derivative financial instruments	**525**	**7,677**

Movements in the derivative financial instruments are as follows:

Interest rate swaps	30 June 2024 $'000	30 June 2023 $'000
Opening balance	7,677	7,848
Loss arising on changes in fair value of derivatives	(7,152)	(171)
Closing balance	**525**	**7,677**

The Group obtains financing (note 18) in order to fund finance receivables (note 14). 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.

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 24 for financial risk management disclosures.

The valuations for New Zealand were based on market rates at 30 June 2024 of 5.60% for the 1-month BKBM and 4.38% for the 5-year swap rate (2023: 5.61% and 5-year swap rate 4.66%) and for Australia 4.30% for the 1-month BBSW and 4.26% for the 5-year swap rate (2023: 4.14% and 5-year swap rate 4.19%).

Refer to note 23 for further information on the fair value measurement of interest rate swaps.

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11. Earnings per share

	30 June 2024 $'000	30 June 2023 $'000
Loss after tax for the year attributable to the owners of the Group	(13,194)	(7,581)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	101,969,555	101,556,798
Weighted average number of ordinary shares used in calculating diluted earnings per share	101,969,555	101,556,798
	Cents	**Cents**
Basic earnings per share	(13)	(7)
Diluted earnings per share	(13)	(7)

Options

Performance rights (zero strike price options) under the Group's share-based compensation plan as detailed in note 20 are considered to be potentially ordinary shares. As at 30 June 2024, 2,875,270 options 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 2024 (2023: 1,725,080).

Convertible notes

Convertible notes attached to the previous corporate debt facility which were considered to be potentially ordinary shares, were extinguished in December 2023 (as detailed in note 18). In the prior comparative period, the calculation of diluted earnings per share did not include 3,333,333 note options granted because they were antidilutive.

12. 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 2024 $'000	30 June 2023 $'000
Cash on hand and demand deposits	20,609	27,327
Short term deposits	-	185
Restricted cash	17,135	15,942
Total cash and cash equivalents	**37,744**	**43,454**

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.

Short-term demand deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours' notice with no loss of interest.

Restricted cash is held by the Warehouse Trusts (note 22). 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 loss for the year to net cash generated by operating activities

	Year ended 30 June 2024 $'000	Year ended 30 June 2023 $'000
Loss for the year	(13,194)	(7,581)
Adjustments for:		
Impairment expense	29,974	31,955
Share-based payments	1,231	1,401
Depreciation, amortisation and impairment	12,582	2,545
Change in deferred establishment fee	(169)	(719)
Borrowing establishment fees	(1,576)	377
Other movements	(113)	63
Change in operating assets and liabilities:		
Increase in trade and other assets	(334)	(188)
(Decrease)/Increase in payables and accruals	(1,271)	177
Decrease in provisions	(1,529)	(3,682)
Increase in accrued interest	(1,307)	(835)
Net cash generated by operating activities	**24,294**	**23,513**

Non-cash transactions

During the current year, the Group did not enter into any non-cash investing and financing activities (2023: Nil).

Change in liabilities arising from financing activities

	Borrowings $'000	Lease liability $'000	Total $'000
Balance at 1 July 2022	**(564,211)**	**(216)**	**(564,427)**
Operating cash flows [1]	(125)	156	31
Financing cash flows	(148,989)	474	(148,515)
Non-cash adjustments [2]	(1,129)	(156)	(1,285)
New leases	-	(3,748)	(3,748)
Foreign exchange differences	(6,049)	(16)	(6,065)
Balance at 30 June 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	-	(45)	(45)
Foreign exchange differences	2,421	24	2,445
Balance at 30 June 2024	**(739,546)**	**(3,010)**	**(742,556)**

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

13. Trade and other assets

	30 June 2024 $'000	30 June 2023 $'000
Trade receivables	1,341	206
Prepayments	1,542	1,469
GST receivable	76	173
Current tax assets	-	120
Total trade and other assets	**2,959**	**1,968**

Trade receivables include grant income of $0.4m (2023: $Nil) and $0.7m (2023: $Nil) 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.

14. Finance receivables

	30 June 2024 $'000	30 June 2023 $'000
Finance receivables	758,129	744,000
Accrued interest	6,128	4,748
Deferred establishment fees	(2,786)	(2,958)
Expected credit loss (ECL) provision	(36,646)	(36,919)
Total finance receivables	**724,825**	**708,871**

14.1. 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.

14.2. 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.

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

30 June 2024	Stage [1]	Stage 2 [1]	Stage 3 [2]	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**

30 June 2023	Stage 1	Stage 2	Stage 3	Total
Expected loss rate	3.06%	52.32%	75.38%	4.93%
	$'000	**$'000**	**$'000**	**$'000**
Gross carrying amount	722,507	21,599	4,642	748,748
Expected credit loss provision	(22,119)	(11,301)	(3,499)	(36,919)
Net carrying amount	**700,388**	**10,298**	**1,143**	**711,829**

1. The stage 2 expected credit loss rate has reduced compared to the prior period due to this year having a higher proportion of the stage 2 finance receivables comprised of loans that have been in stage 3 within the last 12 months, but are not currently in arrears, and a lower proportion comprised of loans between 30 and 89 days in arrears.

2. The stage 3 expected loss rate has reduced compared to the prior period due to an improved cure rate, and improved recoveries, for stage 3 finance receivables this period.

Movements in the expected credit loss provision are as follows:

	30 June 2024 $'000	30 June 2023 $'000
Opening balance	36,919	28,862
Movement in the provision recognised due to:		
Increase/(Decrease) in economic overlay	5,093	(3,233)
Impact of increase in gross finance receivables	25,333	35,842
Finance receivables written off during the period as uncollectible	(30,699)	(24,552)
Total provision	**36,646**	**36,919**

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.

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Expected credit loss provision by stage

	Not credit-impaired	Not credit-impaired	Credit-impaired	
	Stage 1	Stage 2	Stage 3	Total
	$'000	$'000	$'000	$'000
Total provisions for ECL on loans as at 30 June 2022	**20,869**	**6,032**	**1,961**	**28,862**
Transfers to Stage 1	14,476	(12,234)	(2,242)	-
Transfers to Stage 2	(9,929)	11,015	(1,086)	-
Transfers to Stage 3	(1)	(23,552)	23,553	-
Business activity during the year	10,191	17	227	10,435
Net remeasurements of provision for ECL	(13,364)	31,969	6,373	24,978
Incurred credit loss	(246)	(2,009)	(25,304)	(27,559)
Foreign exchange differences	123	63	17	203
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**

Gross finance receivables by stage

	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
	$'000	$'000	$'000	$'000
Gross carrying amount as at 30 June 2022	**571,743**	**10,263**	**1,967**	**583,973**
Transfers to Stage 1	23,119	(20,916)	(2,203)	-
Transfers to Stage 2	(66,703)	67,751	(1,048)	-
Transfers to Stage 3	(44)	(29,578)	29,622	-
Net of new financial assets and repayments during the year	191,735	(3,001)	566	189,300
Gross incurred credit loss (before recoveries)	(3,276)	(3,056)	(24,287)	(30,619)
Foreign exchange differences	5,933	136	25	6,094
Gross carrying amount as at 30 June 2023 [1]	**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**

1. The line items presented in the prior period have been reclassified for simpler presentation.

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15. Property and equipment

	30 June 2024 $'000	30 June 2023 $'000
Right-of-use assets	2,758	3,394
Furniture and fixtures	63	75
IT equipment	117	248
Total property and equipment	**2,938**	**3,717**

Property and equipment are 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.

15.1. 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 2024 $'000	30 June 2023 $'000
Buildings	2,758	3,394
Total right-of-use assets	**2,758**	**3,394**

Lease liabilities	30 June 2024 $'000	30 June 2023 $'000
Current lease liabilities	553	495
Non-current lease liabilities	2,457	3,011
Total lease liability	**3,010**	**3,506**

Other lease disclosures

	30 June 2024 $'000	30 June 2023 $'000
Amounts recognised in the consolidated statement of comprehensive income relating to leases		
Depreciation charge on right-of-use assets	661	583
Interest expense (included in interest expense)	274	156
Expense relating to short-term leases	12	11
Cash outflows relating to leases		
Cash outflow for leases in the year	791	630
Additions to right-of-use assets		
Buildings	45	3,748

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.

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

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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.

16. Intangible assets

The intangible assets held consist of internally developed software. The carrying amount of the Group's software is:

	30 June 2024 $'000	30 June 2023 $'000
Cost - completed	11,207	10,453
Cost - work in progress	7,545	3,791
Total cost	**18,752**	**14,244**
Accumulated amortisation and impairment	(14,261)	(2,676)
Net book amount	**4,491**	**11,568**
Opening net book amount	11,568	8,524
Additions - internal development	4,615	4,730
Amortisation charge	(2,220)	(1,824)
Impairment loss	(9,509)	-
Foreign exchange differences	37	138
Closing net book amount	**4,491**	**11,568**

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.

These costs included projects relating to the Group's initial platform, Stellare® 1.0, which was built on functionality supporting the peer-to-peer lending model that the Group launched its business with, which added complexity to further development on the Stellare® 1.0 platform. In prior financial years the Group commenced developing a replacement platform, with a prototype tested in 2023. During the course of 2024 the Group purchased remaining peer-to-peer funded loans and launched its Stellare® 2.0 platform, replacing the prototype platform and enabling it to retire Stellare® 1.0.

As Stellare® 1.0 is being retired, and the prototype platform has been replaced, an impairment expense has been recognised for the remaining net book value of those assets. There is no recoverable amount expected for these assets, with no value in use given plans to migrate existing borrower loan contracts to Stellare® 2.0 and no scrap value given the nature of the assets. The Group determined there was no reduction in useful life or impairment of Stellare® 1.0 at 30 June 2023 as at the time there were no plans to transition the existing Stellare® 1.0 loan book onto the new Stellare® 2.0 platform. Given Stellare® 2.0 platform's superior loan management capabilities, and associated cost efficiencies, the Group now plans to migrate the Stellare® 1.0 loan book in FY25, after which Stellare® 1.0 will no longer be in use.

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, on the same basis as intangible assets that are acquired separately.

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 (2023: 5 years). The amortisation period and method are reviewed annually.

17. Payables and accruals

	30 June 2024 $'000	30 June 2023 $'000
Accruals	2,039	2,779
Employee benefits accrual	1,719	1,813
Trade and other payables	1,165	1,747
GST payable	178	95
Total payables and accruals	**5,101**	**6,434**

Employee benefits accrual

	30 June 2024 $'000	30 June 2023 $'000
Current employee incentives		
Employee incentive accrual	901	943
Annual leave accrual	662	756
Long service leave accrual	134	45
Total current employee incentives	**1,697**	**1,744**
Non-current employee incentives		
Long service leave accrual	22	69
Total employee benefits accrual	**1,719**	**1,813**

18. Borrowings

	30 June 2024 $'000	30 June 2023 $'000
Receivables funding	717,796	700,692
Corporate debt	21,750	11,811
Convertible notes	-	8,000
Total borrowings	**739,546**	**720,503**

18.1. Receivables funding

Receivables funding relates to borrowings specific to the Warehouse Trusts (note 22) of $717.8m and are secured by their assets of $748.7m. The maturity profile of the receivables funding borrowings is aligned with the receivables held in the relevant Warehouse Trusts, and therefore considered current. As detailed in note 24.4, the borrowings have a contractual maturity which may be more than 12 months from the reporting date. The contractual maturity date 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, the borrowings are required to be paid down as customers make repayments on the finance receivables.

18.2. Warehouse financing arrangements

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

Warehouse facilities	30 June 2024 $'000	30 June 2023 $'000
Total facilities	947,070	760,634
Drawn at reporting date	766,259	751,848
Undrawn at reporting date	180,811	8,786

The increase in total facilities is attributable to capacity added through Harmoney Australia Warehouse No.3 Trust (A$140m) and Harmoney NZ ABS 2023-1 Trust (NZ$200m) during the reporting period. This is partially offset by the closure of Harmoney ABS Trust 2021-1PP as mentioned in note 22.

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 12 for further information.

The drawn amount includes $49.4m (2023: $53.0m) 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.

18.3. Corporate debt facility

The Group refinanced and upsized its corporate debt facility in December 2023 to further support its expected loan book growth. The convertible notes attached to the previous facility were extinguished.

The new facility has market standard financial covenants and interest rates with no equity or convertible component attached, with a term of two and half years to June 2026 and a limit of $30m. As at 30 June 2024, $22.5m of the facility was drawn down.

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 22).

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 2024.

19. Share capital

	30 June 2024 Number of shares	30 June 2024 Share capital $'000	30 June 2023 Number of shares	30 June 2023 Share capital $'000
Fully paid ordinary shares	101,964,147	124,561	101,555,587	123,985
Total issued capital	**101,964,147**	**124,561**	**101,555,587**	**123,985**

	Ordinary shares
As at 30 June 2023	101,555,587
Shares issued under share-based payment arrangements	408,560
As at 30 June 2024	**101,964,147**

19.1. Share issued under share-based payment arrangements

408,560 shares were issued in settlement of performance rights on 29 August 2023. The performance rights were settled for an exercise price of $Nil.

19.2. 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.

20. Reserves

20.1. 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.

20.2. Share-based payment reserve

	30 June 2024 $'000	30 June 2023 $'000
Opening balance	3,820	3,146
Arising on equity settled benefits	3,043	3,009
Transferred to share capital	(576)	(720)
Share option cancellations	(1,824)	(1,615)
Closing balance	**4,463**	**3,820**

In relation to equity-settled share-based payment transactions, the Group recognised an expense of $1.5m (2023: $1.9m) within the consolidated income statement for the year ended 30 June 2024.

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 2024 was $0.41 (2023: $0.65). 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 3.08 years (2023: 3.08 years).

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

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**	**-**

30 June 2023			Number of share options					
Grant date	Exercise price	Grant date fair value	Opening balance 01/07/2022	Granted	Exercised	Forfeited	Closing balance 30/06/2023	Vested & exercisable
15 Jun 2021	$ nil	$ 1.40	8,172,958	-	513,443	1,153,015	6,506,500	-
1 Dec 2021	$ nil	$ 1.77	200,000	-	23,180	14,820	162,000	-
1 Jul 2022	$ nil	$ 0.71	-	360,000	-	-	360,000	-
Total			**8,372,958**	**360,000**	**536,623**	**1,167,835**	**7,028,500**	**-**

The current option plan was approved by the Board on 27 April 2021. The plan is designed to provide long-term incentives for senior managers to attract, motivate and retain talent while also aligning interests of management and shareholders with regards to Company performance. The Board may determine which persons will be eligible to participate in the plan from time to time and will invite them to participate.

The amount of performance rights that will 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. The hurdles relate to revenue and loan book growth as well as strategic initiatives. The rights expire 5 years from grant date.

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

21. 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 2024 $'000	30 June 2023 $'000
Short-term employee benefits	2,731	2,885
Share-based payments	710	1,086
Total remuneration of key management personnel	3,441	3,971

22. Controlled entities

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

	Footnote	Date of incorporation	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group 2024	2023
Subsidiary Companies					
Australia					
Harmoney Australia Pty Ltd		20-Feb-15	Australia	100%	100%
Harmoney Services Australia Pty Ltd		22-Sep-15	Australia	100%	100%
New Zealand					
Harmoney Services Limited		16-May-14	New Zealand	100%	100%
Warehouse Trusts					
Australia	2				
Harmoney Australia Warehouse No.1 Trust		4-Dec-19	Australia	100%	100%
Harmoney Collections Trust		22-Jan-20	Australia	100%	100%
Harmoney Australia Warehouse No.2 Trust		23-Nov-21	Australia	100%	100%
Harmoney Australia Warehouse No.3 Trust		16-May-23	Australia	100%	n/a
New Zealand					
Harmoney Warehouse No.1 Trust	1	3-Dec-18	New Zealand	n/a	n/a
Harmoney Collections Trust	1	22-Dec-20	New Zealand	n/a	n/a
Harmoney Warehouse No.3 Trust	1	3-Jun-22	New Zealand	n/a	n/a
Harmoney NZ ABS 2023-1 Trust	1	18-May-23	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.
2. Harmoney ABS Trust 2021-1PP was wound up on 29 November 2023.

23. Financial assets and liabilities

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

	30 June 2024 $'000	30 June 2023 $'000
Financial assets at amortised cost		
Cash and cash equivalents	37,744	43,454
Trade and other receivables	1,341	206
Finance receivables	724,825	708,871
	763,910	**752,531**
Financial liabilities at amortised cost		
Payables and accruals	3,141	4,435
Borrowings	739,546	720,503
Lease liability	3,010	3,506
	745,697	**728,444**
Financial assets at fair value		
Derivative financial instruments	525	7,677
	525	**7,677**

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

30 June 2023 $'000	Level 1	Level 2	Level 3
Financial assets			
Derivative financial instruments			
Hedging derivatives - interest rate swaps	-	7,677	-

There have been no transfers between levels in the year (2023: Nil).

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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 profit and loss 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.

24. Financial risk management

24.1. 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 have 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. Market risk and credit risk are monitored and managed separately for Australia and New Zealand. 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.

24.2. 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.

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 2024 $'000	30 June 2023 $'000
Financial assets		
Cash on hand and demand deposits	20,609	27,327
Short term deposits	-	185
Restricted cash	17,135	15,942
Total financial assets	**37,744**	**43,454**
Financial liabilities		
Borrowings - Receivables funding	(717,796)	(700,692)
Borrowings - Corporate debt	(21,750)	(11,811)
Total financial liabilities	**(739,546)**	**(712,503)**

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 2024, no amount was reclassified into profit or loss (2023: 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 2024, the notional value of swaps was 85% (2023: 76%) of RFB.

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

	30 June 2024 $'000	30 June 2023 $'000
Carrying amount held in derivative financial instruments	525	7,677
Notional amount	610,329	532,480
Hedge ratio	1:1	1:1
Change in fair value of outstanding hedging instruments during the year	(7,152)	(171)
Change in fair value of outstanding hedged item used to determine hedge effectiveness	7,152	171

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.

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 2024 would decrease/increase by $1.1m (2023: $1.7m). 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 2024 would increase by $11.0m (2023: $6.0m) or decrease by $7.9m (2023: $6.1m). 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 2024 $'000	30 June 2023 $'000
Financial instruments		
Foreign currency receivable	(1,233)	(642)
Net exposure	**(1,233)**	**(642)**

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 2024 $'000	Year ended 30 June 2023 $'000
AUD/NZD +5%	62	32
AUD/NZD -5%	(62)	(32)

24.3. 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 18.

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.

24.4. Remaining 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 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 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)**

Contractual maturities of financial liabilities at 30 June 2023	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	4,435	-	-	4,435
Interest bearing				
Borrowings	548,915	229,423	-	778,338
Lease liability	767	764	2,857	4,388
Total non-derivatives	**554,117**	**230,187**	**2,857**	**787,161**
Derivatives				
Interest rate swaps - (net inflow)	(5,832)	(1,840)	(263)	(7,935)
Total derivatives	**(5,832)**	**(1,840)**	**(263)**	**(7,935)**

24.5. 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 18, the Group has capacity to fund finance receivables growth with warehouse facility headroom of $181m (June 2023: $8.8m).

24.6. Credit risk management

Refer to note 14.1 for details of the Group's credit risk management.

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25. Remuneration of auditors

	Year ended 30 June 2024 $'000	Year ended 30 June 2023 $'000
Fees for audit and assurance services		
Statutory annual audit fees	337	282
Statutory half-year review	124	117
Other non-audit assurance services	48	85
Agreed-upon procedures	6	-
Total fees for audit and assurance services	**515**	**484**
Total remuneration of auditors	**515**	**484**

Other non-audit assurance services relate to Harmoney's Australian Financial Services Licence and Australian Prudential Regulation Authority compliance audits. Agreed-upon procedures are in relation to information extracted from the new Stellare® 2.0 Loan Management System.

26. Contingent liabilities and commitments

There are no contingent liabilities and capital commitments as at 30 June 2024 (2023: Nil).

27. 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

In our opinion, the consolidated financial statements of Harmoney Corp Limited (the 'Company') and its subsidiaries (the 'Group') on pages 32 to 63 present fairly, in all material respects:

i. the Group's financial position as at 30 June 2024 and its financial performance and cash flows for the year ended on that date;

ii. in accordance with New Zealand Equivalents to International Financial Reporting Standards issued by the New Zealand Accounting Standards Board and International Financial Reporting Standards issued by the International Accounting Standards Board.

We have audited the accompanying consolidated financial statements which comprise:

— the consolidated statement of financial position as at 30 June 2024;

— the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended; and

— notes, including material accounting policy information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

Our firm has also provided other services to the Group in relation to the review of the Group's consolidated interim financial statements, regulatory assurance services and agreed upon procedure engagements. Subject to certain restrictions, partners and employees of our firm may also deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. These matters have not impaired our independence as auditor of the Group. The firm has no other relationship with, or interest in, the Group.

Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the consolidated financial statements as a whole. The materiality for the consolidated financial statements as a whole was set at $3,960,000 determined with reference to a benchmark of Group's total assets. We chose the benchmark because, in our view, this is a key measure of the Group's performance.

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 in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the shareholders as a body may better understand the process by which we arrived at our audit opinion. Our procedures were undertaken in the context of and solely for the purpose of our statutory audit opinion on the consolidated financial statements as a whole and we do not express discrete opinions on separate elements of the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
The valuation of expected credit loss provision (30 June 2024: $36.6m)	
Refer to Note 14 to the Financial Report. The expected credit loss ('ECL') provision on finance receivables is a key audit matter due to the financial significance of finance receivables and the high degree of judgement and complexity involved in the Group's ECL models. The models use historical data which is adjusted for forward looking information and arrears status. Additionally, management apply judgemental overlays incorporating forward-looking information to reflect future economic conditions across New Zealand and Australia. The level of judgement involved in determining the provision requires us to challenge the appropriateness of management's assumptions.	Our audit procedures included: — Testing key controls relating to the Group's lending, provision and monitoring processes including the approval of new lending, review of the provision and arrears calculation; — Developing, with the help of our technical specialists, an alternative comparison ECL model using the observable industry data relating to the probability of default and loss given default. The provision derived from the alternative comparison ECL model was compared to the Group's provision to assess if the Group's provision is within an acceptable range; — Assessing the integrity of data used as inputs into the alternative comparison ECL model by tracing a sample of inputs including staging, term of loan and maturity date used to underlying loan documents; — Assessing the Group's material accounting policies and ECL modelling methodology against the requirements of the standards and underlying accounting records; and — Evaluating the Group's disclosures in the consolidated financial statements using our understanding obtained from our testing against the requirements of the accounting standards.

Other information

The Directors, on behalf of the Group, are responsible for the other information included in the entity's Annual Report. Other information includes 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. Our opinion on the consolidated financial statements does not cover any other information and we do not express any form of 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 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.

Use of this independent auditor's report

This independent auditor's report is made solely to the shareholders as a body. Our audit work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the independent 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 shareholders as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of the Directors for the consolidated financial statements

The Directors, on behalf of the Company, are responsible for:

— the preparation and fair presentation of the consolidated financial statements in accordance with generally accepted accounting practice in New (being New Zealand Equivalents to International Financial Reporting Standards issued by the New Zealand Accounting Standards Board) and International Financial Reporting Standards issued by the International Accounting Standards Board;

— implementing necessary internal control to enable the preparation of a consolidated set of financial statements that is free from material misstatement, whether due to fraud or error; and

— assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate 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 objective is:

— to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and

— to issue an independent 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. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of these consolidated financial statements is located at the External Reporting Board (XRB) website at:

http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1/

This description forms part of our independent auditor's report.

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

KPMG
KPMG Auckland

22 August 2024

Shareholder Information

The shareholder information set out below was applicable as at 31 July 2024.

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	116	0.05	0	0
1,001 to 5,000	205	0.59	0	0
5,001 to 10,000	113	0.84	0	0
10,001 to 100,000	222	7.27	0	0
100,001 and over	52	91.25	0	0
Total	**708**	**100.00**	**0**	**0**

There were 123 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	18.60
Heartland Bank Limited	10.06
Lookman Family Trust	8.89
Citicorp Nominees Pty Limited	8.35
Lisa Capital Pty Ltd	7.88
Trade Me Limited	7.47
HSBC Custody Nominees (Australia) Limited	4.69
Alternative Credit Investments Plc	3.86
David Stevens	2.49
Brad Hagstrom, Renai Hagstrom, and Guy Hagstrom	2.32
Sharesies Australia Nominee Pty Limited	1.60
Tap Capital Pty Ltd	1.33
Monde Five Limited	1.20
Andrew Cathie	1.07
Duncan Gross	1.04
New Tricks Limited	1.01
Mono Lake Trustee Limited	0.97
Denise Campbell	0.95
Sheffield Management Pty Ltd	0.86
David Flacks	0.80
Total	**85.44**

Unquoted equity securities

	Number on issue	Equity securities on conversion	Number of holders
Performance rights	8,654,000	8,654,000	19

Substantial holders

Substantial holders in the Company are set out below:

Name of holder	Number held	% of total shares issued
Neil Roberts	18,968,002	18.60
Heartland Bank Limited	10,257,870	10.06
Lookman Family Trust	9,069,618	8.89
Citicorp Nominees Pty Limited	8,511,379	8.35
Lisa Capital Pty Ltd	8,039,461	7.88
Trade Me Limited	7,620,959	7.47

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 2024

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 2024.

Harmoney Corp Limited
Monique Cairns
Tracey Jones (Resigned 15 November 2023)
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 2024.

	Board		Audit and Risk Committee		Nomination and Remuneration Committee [1]	
	Attended	Held [2]	Attended	Held [2]	Attended	Held [2]
Monique Cairns	9	9	4	5	4	4
Tracey Jones (resigned 15 November 2023)	5	5	3	3	1	1
Paul Lahiff	9	9	4	5	4	4
John Quirk	8	9	5	5	4	4
Neil Roberts	9	9	N/A	N/A	N/A	N/A
David Stevens	9	9	5	5	4	4

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 2024, 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 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

Paul Lahiff	
86 400 Holdings Ltd	Director
86 400 Ltd	Director
86 400 Technology Pty Ltd	Director
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 (retired 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
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

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 2024, 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	141,043
Monique Cairns	94,000
John Quirk	89,833
Tracey Jones	33,808

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

Employee remuneration

Harmoney paid total remuneration for FY24 in excess of NZ$100,000 in the following bands:

Remuneration including share-based remuneration (NZ$)	Number of employees
100,000 - 110,000	9
110,000 - 120,000	8
120,000 - 130,000	4
130,000 - 140,000	7
140,000 - 150,000	11
150,000 - 160,000	3
160,000 - 170,000	5
170,000 - 180,000	2
180,000 - 190,000	3
200,000 - 210,000	2
220,000 - 230,000	2
230,000 - 240,000	2
240,000 - 250,000	1
310,000 - 320,000	2
350,000 - 360,000	1
370,000 - 380,000	1
380,000 - 390,000	1
440,000 - 450,000	2
520,000 - 530,000	1
560,000 - 570,000	1
750,000 - 760,000	1
890,000 - 900,000	1
1,940,000 - 1,950,000	1

Donations

The Group donated NZ$1,000 during the year ended 30 June 2024 (2023: NZ$1,000). $Nil donations were made to political parties (2023: $Nil).

Directory

Registered office

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

Auditor

KPMG
KPMG Centre
18 Viaduct Harbour Avenue
Auckland 1010
New Zealand

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 14 November 2024.

Corporate Governance Statement

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

Harmoney websites

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