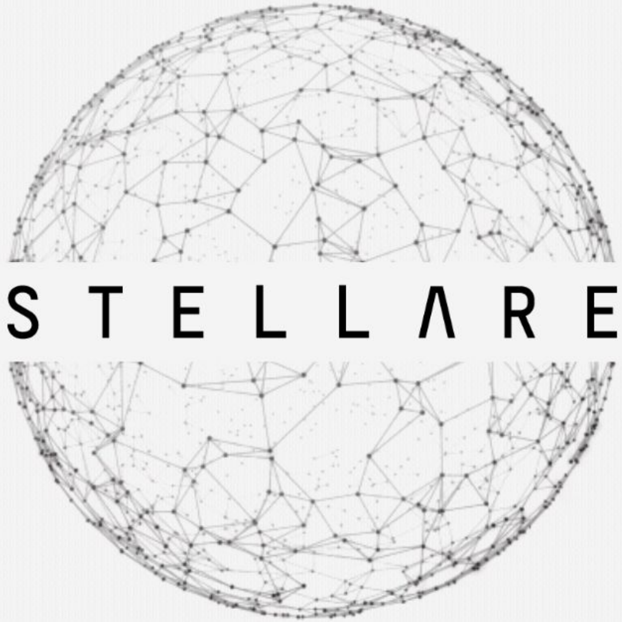
FY24 Investor Presentation

David Stevens CEO and Managing Director
Simon Ward CFO



All values in $AUD unless stated otherwise

Contents

About us

What sets Harmoney apart

Consumer-direct, data driven automation

- AU & NZ's largest 100% consumer-direct online lender
- Market opportunity >$150bn, current market share <1%
- Our algorithms partner with Google's to attract prime, high intent customers at low cost
- Great customer experience attracts customers back at near zero cost
- Deep first party data and AI models deliver prime loan book and ~5% Risk Adjusted Income[1]
- Funded by 3 of "big 4" Australian banks plus public securitisations
- Stellare® automation drives low cost to income of 24%
- Fifth consecutive half of positive Cash NPAT and book growth

1. Risk adjusted income (RAI) is income after funding costs and incurred credit losses.

Fair, simple, personal loan

Loans up to **$70,000,** average $20,000

Personalised pricing **5.7% - 24.99%**

One establishment fee, **no other fees**

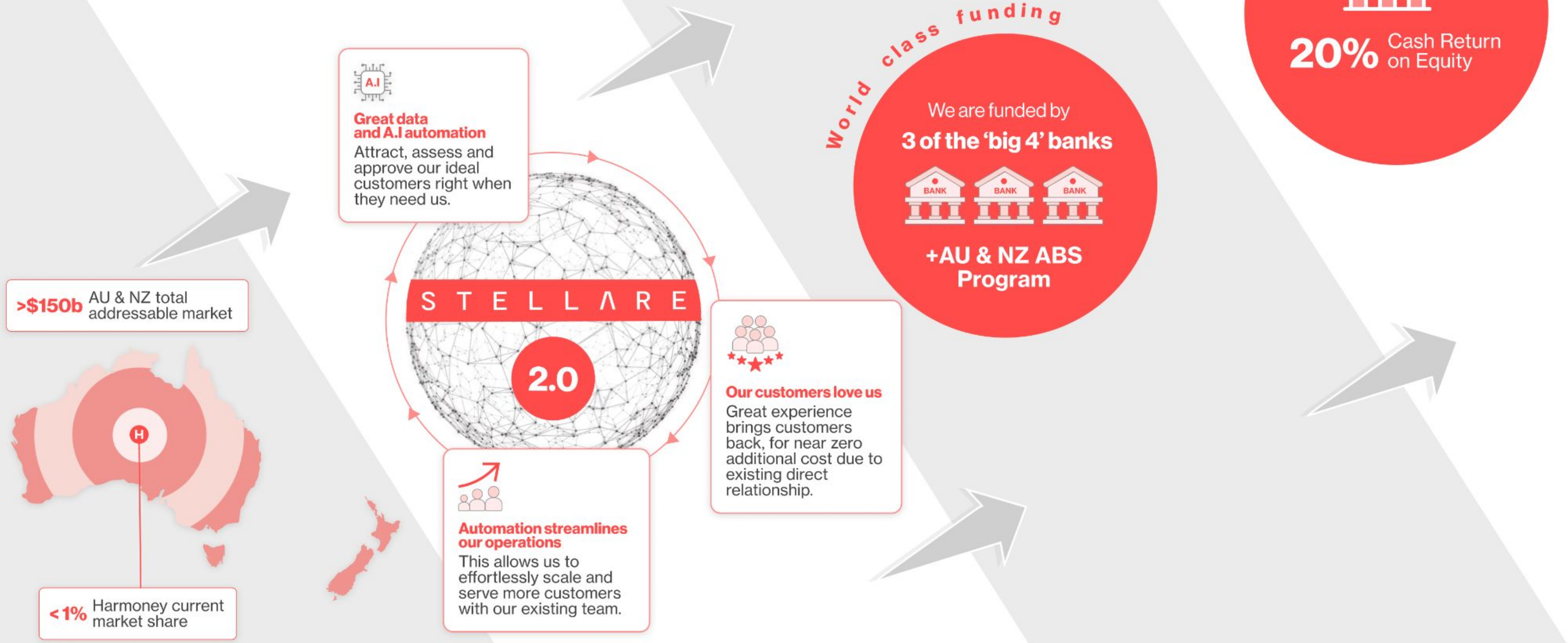
Up to **7 year loan** terms

Secured and **unsecured** options

Disbursals within **minutes**

Typical uses:
Debt consolidation, home renovations, cars, weddings and other life events, education and travel.

Harmoney on a page



Data + AI + Automation

Every month, over 10,000 new customer applications help us improve our AI and automation

2021 & 2023
FINANCIAL REVIEW BOSS
MOST INNOVATIVE COMPANIES
STELLARE

High volumes of up-to-the-moment consumer financial data – combined with our 10+ years of historic data – supercharges training of our AI models, helping us optimise for:

- Highly efficient marketing with Google producing high volumes of desirable customers at low cost.
- Risk Adjusted Income of ~5% through more accurate assessment of customers.

Quality, first-party, consumer-direct data (e.g. bank statements, credit file, ID) to fuel our AI models has been a core feature of Harmoney since our inception.

The Harmoney business model maximises customer lifetime value

Right customer

- Build reliable target customer model through AI and high quality first-party consumer data.
- Partner with large-scale platforms (e.g. Google, Microsoft Ads, Facebook) to implement cost-effective customer acquisition channels.
- Use direct relationship and customer segment fit to devise and offer new products and services.

4.8/5 overall rating   >57,000 reviews

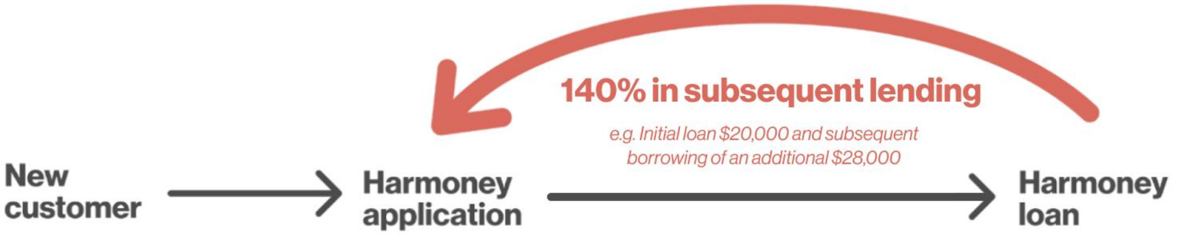
Great experience

- First-class customer experience creates annuity revenue as customers return with minimal customer acquisition cost (CAC).
- Highly automated simple and streamlined 100% online process.

Massive scale

- Exploit tech to build scale, speed, and automation to decouple costs from growth. Harmoney already has a market leading 24% cost to income ratio which continues to reduce.

Existing customers start next big thing



Highlights & Stellare 2.0

FY24 Highlights

Profitable growth cont.
5th consecutive half of both loan book growth and positive Cash NPAT (FY24: $0.7m). On-track for run-rate 20% Cash Return on Equity during 2H25.

>10% NIM 4Q24
New lending NIM >10% will flow through to a higher portfolio NIM.

Acquisition costs down
Acquisition costs reduced by 14% on pcp.

Cost to income %
Automation drove continued efficiency gains with cost to income down to 24%. Further gains from new platform now being realised.

Stellare® 2.0 launched, Orig. +50% July 24
Stellare® 2.0 launched during FY24, delivered +50% increase in Australian new customer originations in July 2024 vs July 2023.

$200m ABS
Successfully completed New Zealand's first ever unsecured personal loan backed ABS.

Warehouse capacity extended
New warehouse added and three existing facilities extended for two years each, creating growth capacity of $181m.

Corporate debt upsized
Refinanced corporate debt with limit increased 50% providing junior note capacity for up to ~$200m additional loan book growth.

Stellare 2.0
Core banking + Automation = Market opportunity

Core banking - Cloud native

Implemented a Tier 1 cloud native core banking suite, used by Global Banks.

Process automation

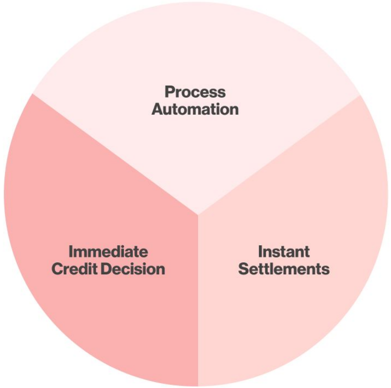
Automated platform enabling scale, speed and a superior customer experience, making the complex feel simple.

Market opportunity

Core banking platform plus process automation reduces implementation time, complexity and risk - growing market opportunities.

Thought Machine

+



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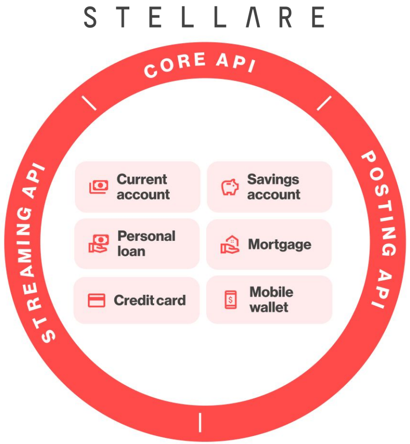
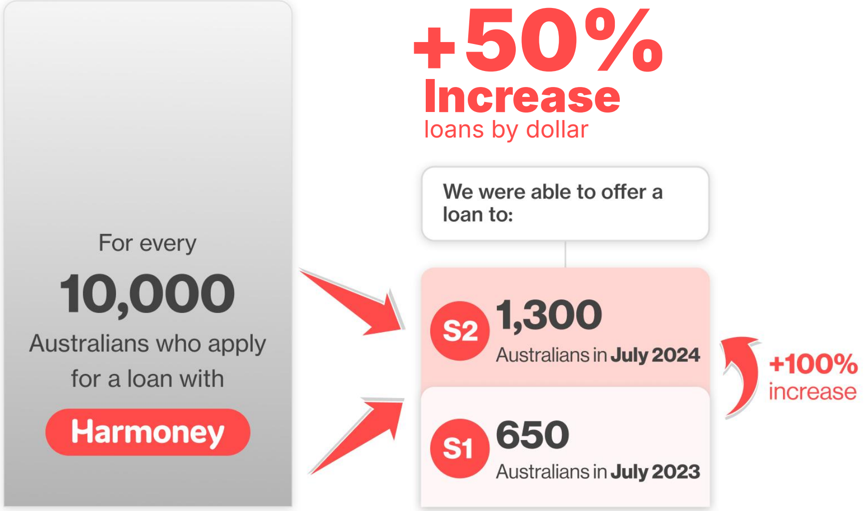


Every month 10,000 customers apply with Harmoney
Stellare 2.0 helps more of them than ever before

Australian new customer originations July 2024 vs July 2023



Stellare 2.0 refined risk rules

In Stellare 1.0 an applicant looking for $5,000 was assessed in a similar way to someone looking for $70,000. Stellare 2.0's advanced algorithms apply the **same risk appetite credit policies** but with refinement of the unique customer risk profile.

10,000 people come to Harmoney every month to start something new. We've built Stellare® 2.0 from the ground up to support a wider range of people and loan sizes, resulting in safely making 650 more offers in July 2024 than in July 2023.

Platform Power: Fueling Consistent Growth Beyond July '24

Scalable	Safe	Profitable
90% Fully automated decisions	**10%** Lower arrears than Stellare® 1.0 (Average Equifax unchanged)	**+50%** Increase in Australian new customer originations
>10% Technology cost saving	**1:1** Every loan audited (post settlement) for continuous learning	**30%** Reduction in cost per loan

July '24 was the first month 100% of Australian new customer applications were assessed by Stellare® 2.0

Harmoney

Financial results

Resilient profitability through rising interest rate cycle

	FY24		FY23	Change
Loan book	$758m		$744m	2%
Revenue	$123m		$107m	15%
Net interest income %	8.8%	*10.2% 4Q24 new business*	9.6%	(80bps)
Risk adjusted income %	4.8%	*6.3% 4Q24 new business*	6.0%	(120bps)
Acquisition costs	$10.6m		$12.3m	(14%)
Cost to income ratio [1]	24%		28%	(400bps)
Statutory NPAT	$(13.2m)		$(7.6m)	(74%)
Statutory NPAT (normalised) [1]	$(3.7m)		$(7.6m)	51%
Cash NPAT	$0.7m		$4.7m	(85%)

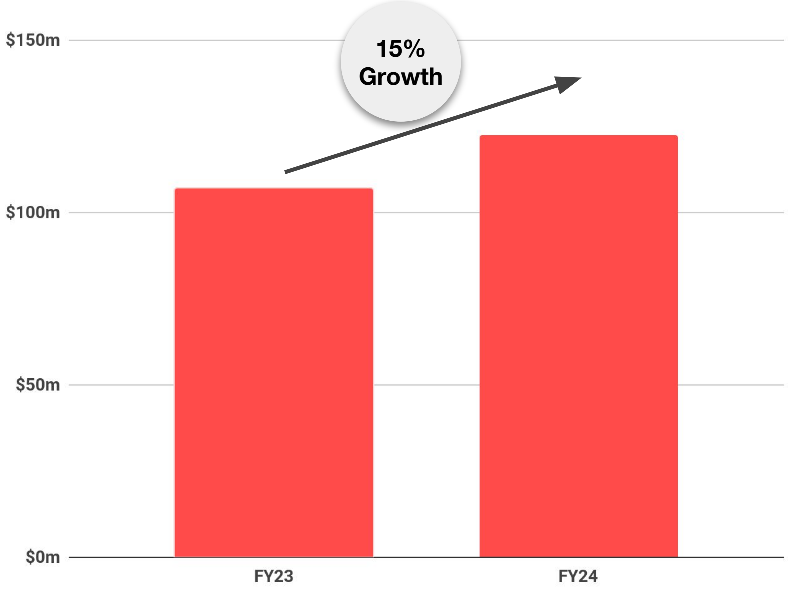
1. FY24 excludes one-off $9.5m non-cash impairment of intangible assets on decision to retire Stellare® 1.0.

Loan book and revenue growth continue through tightening cycle

Revenue growth 15% on pcp

- Higher market interest rates have suppressed borrower appetite and capacity.
- Continued loan book growth with average loan book up 10% on pcp.
- Revenue up 15% on pcp to $123m, with higher market rates passed through on new lending driving average interest rate from 15.5% pcp to 16.2%.
- New lending average rate in 4Q24 of 18%, and amortisation of lower rate earlier period loans, will lift portfolio average higher.

Group revenue growth

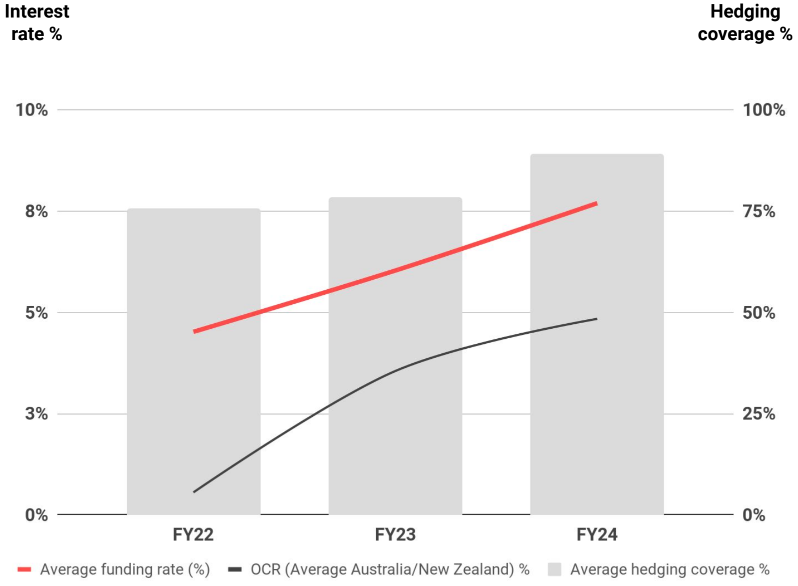


Diversified capital efficient funding program

Funding from 3 of the "Big 4" banks

- FY24 average funding rate 7.7%, +170bps on pcp, on higher market rates and improved funding leverage.
- Capital efficient with borrowings 95% of loan book (incl. restricted cash).
- NIM 8.8%, but new lending NIM 10.2% expected to return portfolio to 9% in FY25.
- Poised for portfolio growth with:
    - Unused warehouse capacity: $181m
    - Unused corporate debt capacity: $7.5m
    - Unrestricted cash: $20.6m

Average funding rate

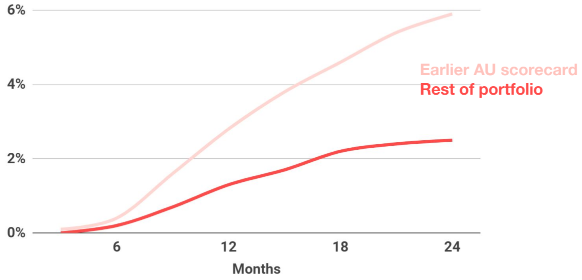


Deep data and AI deliver prime loan book

Falling credit losses

- 2H24 credit losses 4.0%, 20bps lower than 1H24.
- Earlier Australian credit scorecard, replaced over 24 months ago, having diminishing impact on portfolio.
- Risk adjusted income (after losses) at 4.8% remains enviable within the consumer lending market.
- 90+ day arrears at 30 June 2024 0.43%.
- Prime portfolio with 74% employed in professional, office or trades roles and 87% aged 30+.

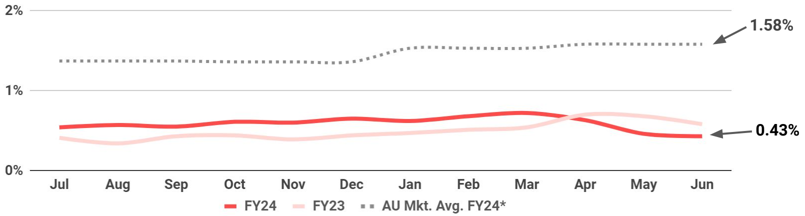
Static loss rate



Portfolio

Composition 30 June 2024

Low 90+ day arrears



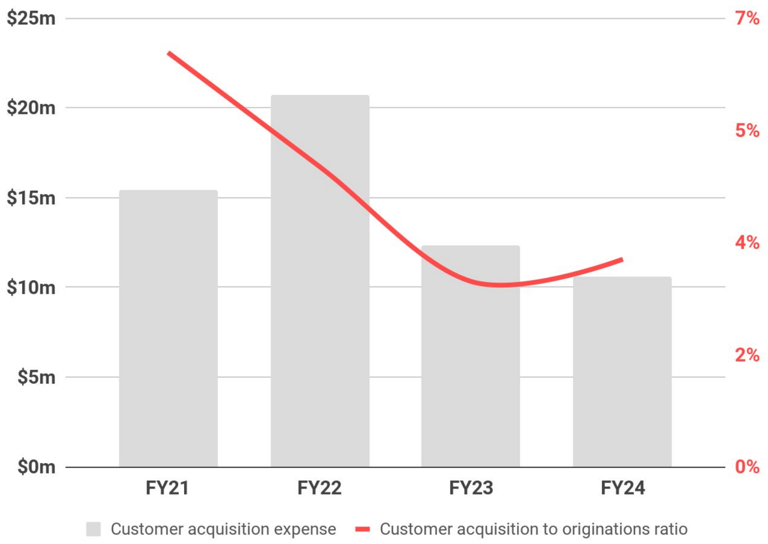
*Source: Equifax Australian Consumer Credit Demand Index 2024 Q2, Personal Loan series.

AI and consumer-direct model drive low Customer Acquisition Cost (CAC)

Flexible consumer-direct model

- Harmoney and Google algorithms work in partnership to find customers likely to take a Harmoney loan.
- Customer acquisition costs 14% lower than pcp.
- Small increase in CAC % to originations driven by lower existing customer (near zero cost) originations. Historic trend expected to return with Stellare 2.0 led origination growth.
- Our direct relationship means existing customers return at near zero CAC next time they want help to start something new.

CAC and CAC % to originations

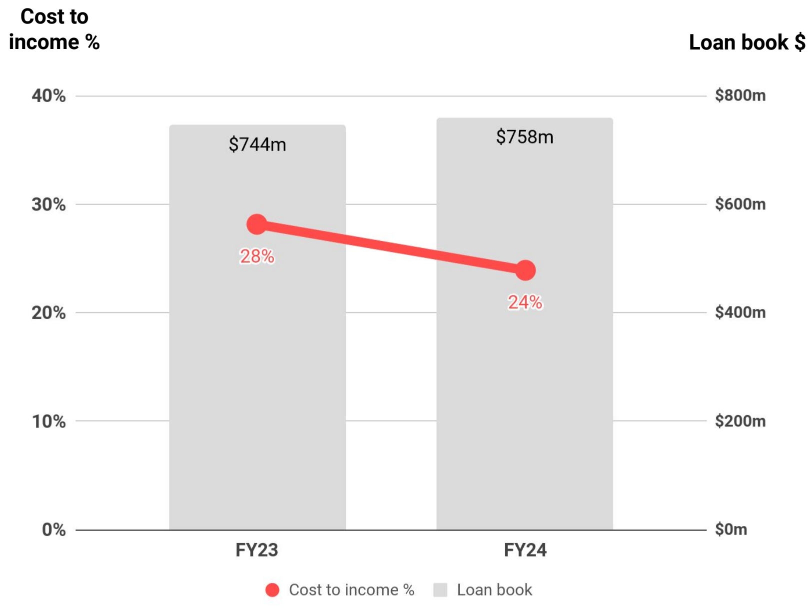


Stellare® automation powers scalability

Scalability drives profitability

- Cost to income ratio improves further to 24%[1].
- Highly automated Stellare® platform delivered:
  - Loan book growth, whilst reducing cash operating expenses by 4% on pcp.
  - Fifth consecutive half Cash NPAT profit, through sustained interest rate tightening cycle; and
  - On track for 20% Cash Return on Equity run-rate during 2H25.

Cost to income ratio 24%



1. FY24 excludes one-off $9.5m non-cash impairment of intangible assets on decision to retire Stellare® 1.0.

Outlook

Strategic Priorities FY25

New core platform to drive growth and expand capability to convert on new opportunities

Platform	Conversion	New Opportunities	Margin
New Zealand rollout	AI driven personalisation	Partnerships	Pricing optimisation engine
Credit scenario backtesting	Partner API integration	New lending products	Process automation

Outlook - Targeting 20% Cash RoE

Interest rates & asset quality

Ability to pass through targeted interest rate increases to achieve **10% net interest margins** on new business

Funding costs managed with a diversified funding panel of **three Big 4 banks** with **85%** of borrowings hedged.

High quality diversified loan book **74%** employed in either professional, office or trades roles. Low arrears rate.

Growth outlook

Harmoney's consumer-direct model is taking market share from banks in **$150bn** Australian market.

Working with **Google** to implement leading **AI** technology to further enhance customer experience, lowering CAC and further reducing cost to income ratio.

Stellare® 2.0 rollout to NZ and set to increase revenue, lower costs and drive higher profitability across entire business.

FY25 outlook

1H25: Stellare 2.0 rollout in NZ

- Completion of Stellare® 2.0 rollout in both countries to set up for significant growth in 2H25 and beyond.

2H25: Acceleration and profitability

- Significant acceleration in loan book growth
- Net interest margin return to 9%
- Cash NPAT growth
- **20% Cash Return on Equity run rate in 2H25** (Cash NPAT/Equity)

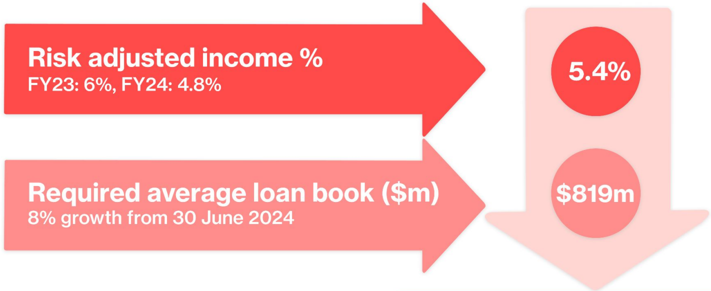
Outlook continued:
20% Cash RoE run rate in 2H25

Within reach: Scenario explained

- Achieved 6.0% risk adjusted income (RAI)%[1] in FY23, 4.8% in FY24 driven by higher funding costs. With RAI% widening (4Q24 new business: 6.3%), scenario shown adopts midpoint 5.4%.
- At midpoint scenario average loan book $819m, only 8% growth on current book, delivers 20% Cash RoE.
- Scenario applies 5% inflation buffer to acquisition and operating expenses, although historically these have been stable or falling due to efficiency gains.
- Multiple alternative pathways to 20% Cash RoE via higher RAI% and/or higher average loan book.

1. Risk adjusted income (RAI) is income after funding costs and incurred credit losses.

Midpoint RAI% scenario



Risk Adjusted Income	**$44m**
Customer acquisition expenses	$11m
Cash operating expenses	$26m
Cash NPAT	**$7m**
Average equity	$36m
Cash ROE	**20%**

Disclaimer: This is an indicative model of Harmoney's business. It is not a forecast but instead represents an illustrative model extrapolating costs and historically achieved risk adjusted income levels to an average loan book scenario and may vary due to changes in a range of underlying assumptions or economic factors.

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- See videos accompanying our ASX announcements, interviews, research reports, and webinars.
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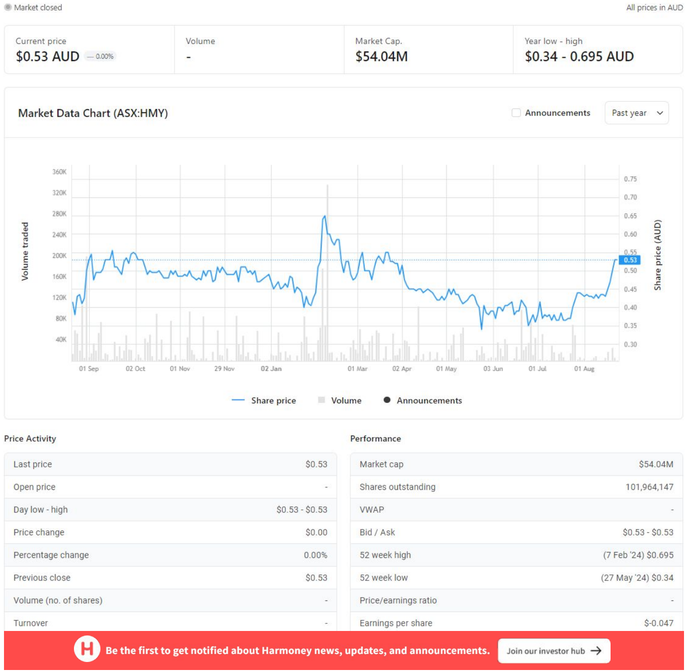
- Join our mailing list to receive the latest news and updates from Harmoney by email.



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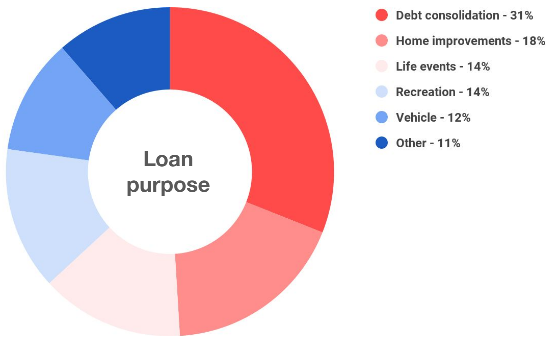
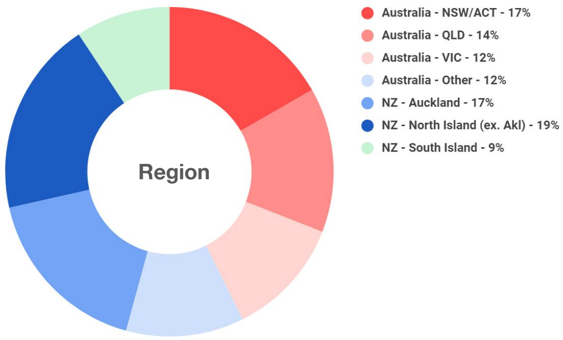
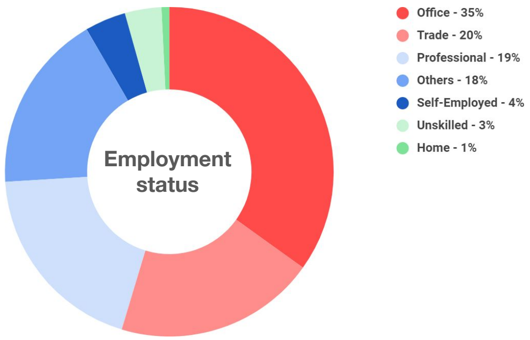
Appendix

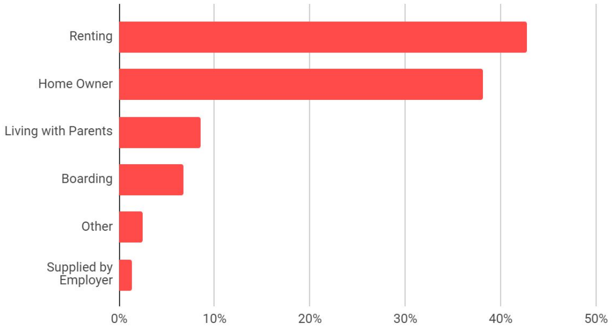
$758m Loan Book



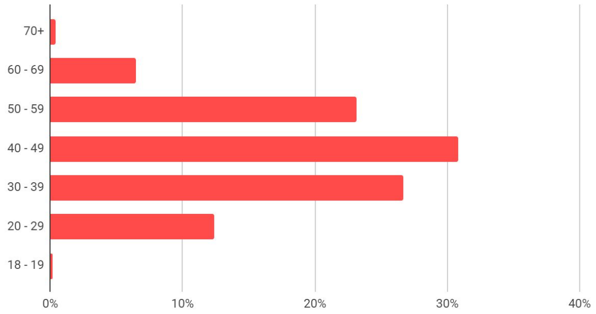




Residential Status



Age of Customers



Profit and loss

	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) / benefit				
Cash NPAT [1]	**674**	**4,728**	**(4,054)**	**(86%)**
Non-cash adjustments				
Movement in expected credit loss provision	202	(7,827)	8,029	n/a
Share based payment 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%)**

FY24 includes a one-off $9.5m impairment of internally developed software, on the launch of Stellare® 2.0, and retirement of Stellare® 1.0, platforms

[1] Cash NPAT provides a more accurate representation of the underlying profitability of the business, adjusting for the impact of non-cash items, most significantly the movement in expected credit loss provision, which is a non-cash provision for credit losses that may occur in future financial years from the existing loan book. With GAAP requiring recognition of an expected credit loss provision expense immediately on origination of a new loan, without any indication of loan impairment and significantly ahead of recognition of the interest income priced to compensate for the expected level of credit loss risk, the expected credit loss provision expense will suppress statutory net profit during periods of loan book growth, all other things being equal.

Key operating and financial metrics

	Year ended 30 June 2024	Year ended 30 June 2023	Change %
Loan book value and growth			
Total originations ($'000)	327,209	426,234	(23%)
New customer originations ($'000)	195,509	253,595	(23%)
Existing customer originations ($'000)	131,700	172,639	(24%)
Loan book (period end) ($'000)	758,129	744,000	2%
Loan book (average) ($'000)	754,171	683,097	10%
Average interest rate (%)	16.2%	15.5%	70bps
Average funding rate (%)	7.7%	6.0%	170bps
Net interest income (%)	8.8%	9.6%	(80bps)
Risk adjusted income (%)	4.8%	6.0%	(120bps)
Loan book quality			
Incurred credit loss ($'000)	30,699	24,552	25%
Incurred credit loss to average gross loans (%)	4.1%	3.6%	50bps
Provision rate (%)	4.8%	4.9%	(10bps)
Productivity metrics			
Customer acquisition to origination ratio	3.2%	2.9%	30bps
Costs to income ratio[1]	24%	28%	(400bps)

1. FY24 excludes one-off $9.5m non-cash impairment of intangible assets on decision to retire Stellare® 1.0.

Cash Flow

	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	**37,744**	**43,454**

Balance Sheet

	30 June 2024 $'000	30 June 2023 $'000
Cash and cash equivalents	37,744	43,454
Trade and other assets	2,959	1,968
Finance receivables	761,471	745,790
Expected credit loss provision	(36,646)	(36,919)
Property and equipment	2,938	3,717
Intangible assets	4,491	11,568
Deferred tax assets	10,633	8,467
Derivative financial instruments	525	7,677
Total assets	**784,115**	**785,722**
Payables and accruals	5,101	6,434
Borrowings	739,546	720,503
Provisions	-	1,524
Lease liability	3,010	3,506
Total liabilities	**747,657**	**731,967**
Net assets	**36,458**	**53,755**
Share capital	124,561	123,985
Foreign currency translation reserve	(622)	(367)
Share based payment reserve	4,463	3,820
Cash flow hedge reserve	349	5,416
Accumulated losses	(92,293)	(79,099)
Equity	**36,458**	**53,755**

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