2026

Annual Report

Harmoney

Contents

HMY 2026 Highlights

Performance

$13.5m ▲ 139% ($5.7m, FY25) Cash NPAT	Exceeding upgraded market guidance of $13m
$10.2m ▲ 86% ($5.5m, FY25) Statutory profit	Statutory NPAT increased 86% to $10.2m
$889m ▲ 7% ($829m, FY25) Group loan book	In local currency, Australia loan book up 14% and New Zealand loan book up 11%
$145m ▲ 10% ($132m, FY25) Group income	Income up 10% to $145m
18% ▼ 110bps improvement (19%, FY25) Cost to income ratio	Automation driving further improvements in cost to income ratio
0.67% ▼ 7bps improvement (0.74%, FY25) Group 90+ day arrears	Group arrears of 0.67%, remain significantly lower than the personal loan market average of 1.61%[1]
$27m ▲ 17% ($23m, FY25) Unrestricted cash	Unrestricted cash of $27m and total warehouse credit capacity of >$1b provide funding capacity for growth

1. Equifax Australian Quarterly Consumer Credit Insights 2026 Q2, Personal Loan series.

Achievements

Deployed AI Capabilities

Deployed advanced AI pilots across our entire business lifecycle - from leveraging Google's generative models, to launching real-time AI assistants.

Customer Loyalty

41% increase in existing customer originations

4.7/5 Customers rate us!

Google + Shopper Approved rating 4.7/5 from more than 60,000 reviews
Customer Net Promoter Score 89

86% Employees rate us!

Proudly recognised as a Finalist in the 2025 Best Places To Work™ Awards

Award Winning

Finder 2026 - Best Used Car Loan & Lending Innovation

MoneyHub NZ - Editor's Choice Awards 2026

Canstar NZ - Outstanding Value Car Loan (2023 - 2025) & Outstanding Value Personal Loan (2015 - 2025)

Embedded Finance Growth

Expanded our car product distribution through our first intermediary partnership in New Zealand and we have launched a programme embedding lending within selected online retailers.

Board of Directors

Paul Lahiff
Independent Chair

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

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

Monique Cairns
Independent Director

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

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

John Quirk
Independent Director

John Quirk (Bachelor of Science) is an independent non-executive director with over 40 years' experience in the technology sector, including roles in international and multinational organisations and in strategic investment and corporate advisory. He is currently Chair of Portainer.io and is a director of Television New Zealand. John has extensive governance experience and has previously served as Chair of Kordia Group (a State-Owned Enterprise), ClearPoint Group, Aeroqual Ltd, Farm IQ Systems Limited, FrameCAD Group, WhereScape Software, Cumulo9, Axon Computers and SMX. He has held senior executive roles, including Chief Executive Officer (Asia Pacific) of MI Services Group, an international management consulting and information systems company. He is a Chartered Member of the Institute of Directors in New Zealand and has also contributed to public sector governance, including serving as an advisor on the proposed TVNZ/RNZ public media entity.

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

Neil Roberts
Founder & Non-Executive Director

Neil Roberts founded Harmoney, and was CEO over six 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, which 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 forecast PBT of $50m six years later, prior to the business being sold to GE Money in 2006.

David Stevens
Chief Executive Officer & Managing Director

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

From the Chair
Paul Lahiff

Dear Shareholders,

I am pleased to present Harmoney's Annual Report for the year ended 30 June 2026.

Harmoney has delivered another record result. Cash net profit after tax of $13.5m exceeded the upgraded guidance of $13.0m we gave the market in February, and statutory net profit after tax of $10.2m was also a record.

Governance moved forward on several fronts. The Board reviews Harmoney's policies under an annual programme, and this year we updated our Board and subcommittee charters and our internal Board review process. Our Corporate Governance Statement, current as at 30 June 2026, records Harmoney's compliance with all of the ASX Corporate Governance Council's Principles and Recommendations. We have also reviewed the consultation draft of the proposed fifth edition, which for the first time directs recommendations at entities incorporated outside Australia. As Harmoney is a New Zealand company listed on the ASX, the Board has begun work on what it would mean for us.

Harmoney is a licensed lender in both of its markets, holding an Australian Financial Services Licence and an Australian Credit Licence, and a market-services licence in New Zealand under the Financial Markets Conduct Act. Those licences carry obligations that do not scale down with the size of the lender holding them, and the Board takes assurance from a compliance programme built on independently-validated obligation registers, tested by internal teams and by independent auditors, with our policies also reviewed by external counsel and anti-money-laundering specialists. The Audit and Risk Committee, chaired by John Quirk, oversees this work alongside credit risk, capital and liquidity, and technology and cyber resilience.

A measure the Board watches closely is how Harmoney's customers fare. Fewer than one in ten thousand active customers escalated a complaint in Australia (to the Australian Financial Complaints Authority) or in New Zealand (to Financial Services Complaints Limited) during the year, and 93% of those customers who began a hardship application saw it through, which I take as evidence that asking Harmoney for help is not a difficult thing to do. Our Feedback and Complaints Committee examines complaint data for systemic causes rather than treating cases in isolation, and material matters come directly to the Board. FY26 was our third consecutive year of reporting internal dispute resolution data to ASIC.

Machine learning has been central to Harmoney's credit decisioning for years, and the Board's attention has shifted with the technology. The question is no longer whether automation is faster, which it plainly is, but whether it is fairer. Harmoney is introducing a new generation of tools to build a real-time picture of each applicant's circumstances, and it is doing so inside its existing responsible lending and governance controls: beginning with an income verification pilot covering a subset of applicants, and extending only where the tools demonstrably improve customer outcomes. During the year we introduced further controls around Harmoney's use of AI, and we fully redrafted our Australian and New Zealand privacy policies, both to meet legislative change and to explain to customers how we use it. Automation that a lender cannot explain to a customer or to a regulator is not automation this Board will support.

The same discipline applies to the data behind it. During the year we expanded our information security policies and completed an audit of our data governance, and Harmoney obtained SOC 2 Type II attestation through independent audit.

The Board also continued Harmoney's on-market buy-back, extended in April 2026 for a further twelve months. Since the buy-back commenced, Harmoney has acquired and cancelled 1,050,596 shares, about one per cent of issued capital, reducing shares on issue to 103,006,118. The Board and management continue to see significant value in Harmoney's equity at current levels, and purchases will recommence in August 2026 under the extended mandate.

At the Annual General Meeting in December, shareholders re-elected John Quirk and Monique Cairns to the Board and approved the grant of performance rights to the Chief Executive Officer under Harmoney's long term incentive plan. The Board recommended that grant unanimously, with David abstaining. It is built on two equally-weighted hurdles, compound annual growth in cash earnings per share from a fixed FY26 baseline and Harmoney's total shareholder return measured against the constituents of the S&P/ASX Small Ordinaries Index, and neither pays out on a result that shareholders do not share in.

This year, for the first time, Harmoney has published a full set of sustainability metrics, setting out how we performed in FY26 alongside the targets we have set ourselves for FY27, across governance, the environment, our people, our customers, and data and cyber security. That structure is a deliberate choice. Reporting metrics together with forward targets is the fourth pillar of the framework established by the Task Force on Climate-related Financial Disclosures in 2017, which has since been carried into the standards of the International Sustainability Standards Board and from there into the climate reporting regimes now taking effect in both Australia and New Zealand. Harmoney is not yet required to report under these regimes, but chooses to publish targets to which it can be held to account, because the Board would rather be measured on progress than intention.

With respect to the environment, Harmoney has now held Net Zero Carbon certification for four consecutive years, and our carbon intensity remained at a low 0.4 tonnes of carbon dioxide equivalent for every million dollars of income. Harmoney's Sustainability Report (on pages 19 to 29) sets out the year's work in full. The Board oversees it directly, supported by the Audit and Risk Committee, and our Sustainability Policy is built on the principle that these matters belong inside the business strategy rather than alongside it.

Your directors and senior management together hold about 28% of Harmoney's shares, and the long term incentive plan ties a further meaningful holding to performance that the whole register shares in. Nobody on this Board or in this management team is indifferent to the share price. The register has also continued to change shape, with active institutional funds joining over the past two years in place of early-stage investors, and trading in Harmoney shares is considerably deeper than it was. If you would like to follow the company more closely, our Investor Hub (investorhub.harmoney.com.au) carries our announcements alongside interviews, research and webinars, and is where you can put questions to us directly.

Finally, my thanks. David Stevens and his leadership team have converted a platform investment into a record result, and the people of Harmoney have done it while serving more customers than ever before. To my fellow directors, thank you for your counsel and for your willingness to test management and each other. And to you, our shareholders, together with our warehouse funding partners and the customers who choose Harmoney, thank you for your continued confidence.

Sincerely,

Paul Lahiff,
Chair

From the CEO
David Stevens

A record result from operating leverage

FY26 was a year in which Harmoney's operating model really proved itself. With Stellare® 2.0 fully deployed and our legacy systems retired in prior periods, this year was about execution: scaling originations, widening margins, holding prime credit quality, and converting the platform's automation into operating leverage. Cash net profit after tax rose 139% to $13.5m, ahead of the $13.0m guidance we upgraded at the half year, and statutory net profit after tax rose 86% to $10.2m. Both are the highest in Harmoney's history, and the first half alone earned more than the whole of FY25. Cash return on equity doubled, from 16% to 33%, and statutory return on equity reached 25%.

We set FY26 guidance at $12m when we reported last August, held it through the first quarter and at the Annual General Meeting in December, upgraded it to $13m at the half year, and have finished $0.5m ahead of the upgrade.

Three compounding drivers produced that result, rather than volume growth alone: a wider net interest margin, a larger and more valuable repeat customer base, and automation that let costs stand still while the book grew.

Margin and credit

Our portfolio net interest margin widened 90bps to 10.2%. The average interest rate on the loan book held steady at 16.9%, so the improvement came from the funding side, where our average funding rate fell 100bps to 6.8%. Warehouse facilities make up almost all of our borrowings, and lower warehouse margins together with lower interest rate swap resets account for most of the improvement. The December 2025 refinancing of our corporate debt facility contributed on two fronts, a materially lower margin and a smaller facility after we repaid $7.5m of principal. It also mattered for a reason beyond cost: securing three year corporate debt support from a Big-4 bank is a rare endorsement for a non-bank lender, and shows real confidence in the quality of our loan book and in our profitability.

Incurred credit losses were $33.1m, or 3.9% of average gross loans, up 20bps on FY25 and within our 3% to 4% target range. Group 90+ day arrears improved to 0.67%, from 0.74%, less than half the Australian personal loan market average of 1.61%. Together with the wider margin and a larger portfolio, that lifted risk adjusted income 23% to $54.5m, or 6.4% of average gross loans.

Originations and the customer flywheel

Group originations grew 21% to $482.5m. The engine was our existing customer base, where originations rose 41% to $216.3m and now account for 45% of the Group total. Because returning borrowers come back directly through our own channels, repeat originations carry effectively no acquisition cost, against about 5.6% of loan value for a new customer. Almost all of our $14.8m of customer acquisition expense went to winning new customers, and the $216.3m of existing customer lending cost us very little to write. That is what pulled our customer acquisition expense to origination ratio down 30bps to 3.1%.

New customer originations grew 8% to $266.1m, with the increase led by New Zealand's first full year on Stellare® 2.0. Australian new customer originations were steady at $187m, against $188m in FY25.

That origination strength drove the Australian loan book up 14% to $555.5m and the New Zealand loan book up 11% in local currency to NZ$406.3m. The group loan book closed the year at $888.9m, up 7%, suppressed by the lower year end New Zealand dollar, which reduced the translated Australian dollar value of the New Zealand loan book. The lower New Zealand dollar did not have a material impact on Group profitability, with our New Zealand income naturally hedged by our New Zealand dollar cost base.

Operating leverage

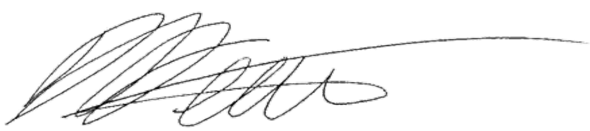
Stellare® 2.0's automated underwriting and digital workflows let us support 21% origination growth and 10% income growth while cash operating expenses grew just 3%, to $25.9m, below inflation in both of our markets. Personnel expenses, on a cash basis, fell 2% and technology expenses fell 9% following the decommissioning of our legacy systems, partly absorbing an 8% increase in customer servicing costs and a $1.0m increase in general and administrative expenses, the latter largely reflecting non-recurring legal and advisory fees on product development, funding structures and the new long term incentive plan. Our cost to income ratio improved another 110bps, to 17.8%.

What we delivered, and what comes next

Last year I wrote that Stellare® 2.0's value would show up as new products. In the first quarter we launched our secured car loan direct online, using the platform's money in seconds capability to let a customer shop as a cash buyer with a pre-approved secured credit line rather than depending on dealer finance. The vehicle portfolio grew 20% over the year to $119.4m, 13.4% of the Group book. In the fourth quarter we began onboarding car partners in New Zealand, with Australia to follow.

In FY27 we are building on all four stages of our customer flywheel:

- Multi-product relationships. Personal and vehicle lending for the same customer, and lending triggered by life events, to increase lifetime value and widen our addressable market.
- Acquisition. Next generation AI underwriting on Stellare® 2.0, and embedded finance partnerships such as auto marketplaces, to lift approval rates without loosening credit and to reach customers through partners.
- Customer returns. A mobile application with streamlined access to funds to shorten the time between loans and reduce our blended acquisition cost.
- Data intelligence. AI personalisation at scale and predictive retention models, extending our current tools beyond pilot only where they demonstrably improve customer outcomes and within our existing responsible lending and governance controls.



David Stevens,
CEO and Managing Director

Review of Operations

Financial performance

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

	Year ended 30 June 2026 $'000	Year ended 30 June 2025 $'000	Change $'000	Change %
Interest income	144,971	131,828	13,143	10%
Other income	-	419	(419)	(100%)
Total income	**144,971**	**132,247**	**12,724**	**10%**
Interest expense	57,376	58,997	(1,621)	(3%)
Incurred credit losses	33,062	28,843	4,219	15%
Risk adjusted income	**54,533**	**44,407**	**10,126**	**23%**
Acquisition transaction expenses	14,822	13,678	1,144	8%
Net operating income	**39,711**	**30,729**	**8,982**	**29%**
Personnel expenses	11,379	11,610	(231)	(2%)
Customer servicing expenses	6,451	5,967	484	8%
Technology expenses	4,495	4,936	(441)	(9%)
General and administrative expenses	3,546	2,539	1,007	40%
Cash operating expenses	**25,871**	**25,052**	**819**	**3%**
Cash tax expense	292	-	292	-
Cash NPAT	**13,548**	**5,677**	**7,871**	**139%**
Non-cash adjustments				
Movement in expected credit loss provision	(4,460)	(16)	(4,444)	<(500%)
Share-based payments expenses	(2,167)	(724)	(1,443)	(199%)
Depreciation and amortisation expenses	(1,982)	(1,629)	(353)	(22%)
Movement in deferred tax assets	5,301	2,210	3,091	140%
Statutory profit after income tax	**10,240**	**5,518**	**4,722**	**86%**

Earnings per share attributable to the ordinary equity holders of the Company:	**Cents**	**Cents**	**Cents**	
Cash earnings per share	13	6	7	117%
Statutory (Basic) earnings per share	10	5	5	100%

For the year ended 30 June 2026, the Group delivered a record Statutory net profit after tax of $10.2m (FY25: $5.5m), up 86% and a record Cash NPAT of $13.5m (FY25: $5.7m), a 139% increase on the prior year. The Cash NPAT result exceeded market guidance of $13.0m, which had itself been increased at the half year from $12.0m.

Three effects compounded to produce that result. Total income grew 10% to $145.0m (FY25: $132.2m) as loan portfolio growth lifted income while the average loan portfolio interest rate held steady and the average cost of funds fell, absorbing a modest increase in credit losses, widening risk adjusted income to 6.4% (FY25: 5.7%). Existing customers, who return at near-zero acquisition cost, provided 45% of originations (FY25: 38%), carrying more of that margin through to net operating income, which rose 29% to $39.7m.

Automation within the Stellare® 2.0 platform then allowed the portfolio to grow without a commensurate increase in operating costs, improving the cost to income ratio to 17.8% (FY25: 18.9%).

Non-cash adjustments added net expenses of $3.3m (FY25: $0.2m), with Harmoney's increasing profitability supporting a $5.3m deferred tax credit, principally from the recognition of deferred tax assets on prior period tax losses, partly offset by non-cash expense items: movement in expected credit loss provision, share-based payments and depreciation and amortisation.

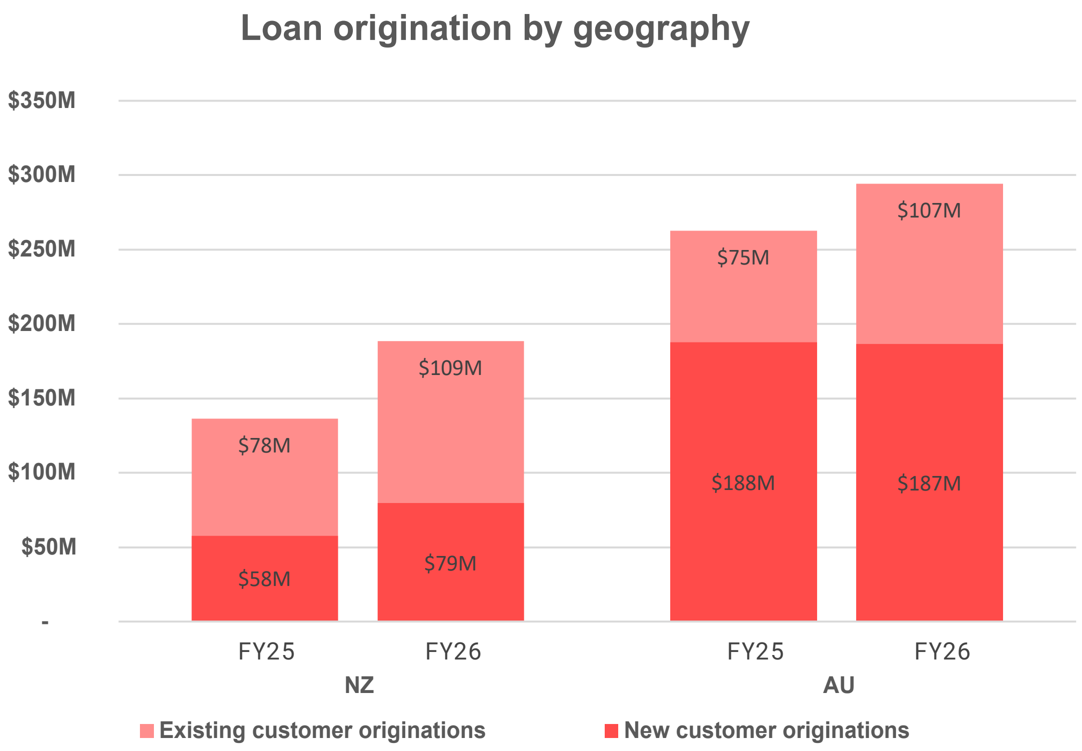
Intermediary transaction costs are new this year, following the launch of a New Zealand intermediary channel in the final quarter. These costs of $19k are included in acquisition transaction expenses in the table above, rather than as a deduction from total income, which is how they are presented in the consolidated statement of profit or loss (statutory total income $144,952k). Presenting them as an acquisition cost treats intermediary-introduced and consumer-direct lending on the same basis, so that income and margin measures remain comparable as the mix between the two channels changes.

Loan originations

	Year ended 30 June 2026	Year ended 30 June 2025	Change	Change %
Total originations ($'000)	482,454	398,845	83,609	21%
New customer originations ($'000)	266,145	245,610	20,535	8%
Existing customer originations ($'000)	216,309	153,235	63,074	41%
Number of originations	31,544	26,280	5,264	20%
Average value of new customer originations ($)	17,893	17,165	728	4%
Average value of existing customer incremental originations ($)	12,976	12,801	175	1%

Group loan originations grew by 21% to $482.5m (FY25: $398.8m). This was led by existing customer originations, which increased 41% to $216.3m (FY25: $153.2m). Australian existing customer originations grew by $32.6m (44%) and New Zealand existing customer originations grew by $30.5m (39%).

Group new customer originations increased 8% to $266.1m (FY25: $245.6m). New Zealand new customer originations increased $21.7m, benefiting from a full year of the Stellare® 2.0 platform, while Australian new customer originations remained steady at $186.6m (FY25: $187.8m).



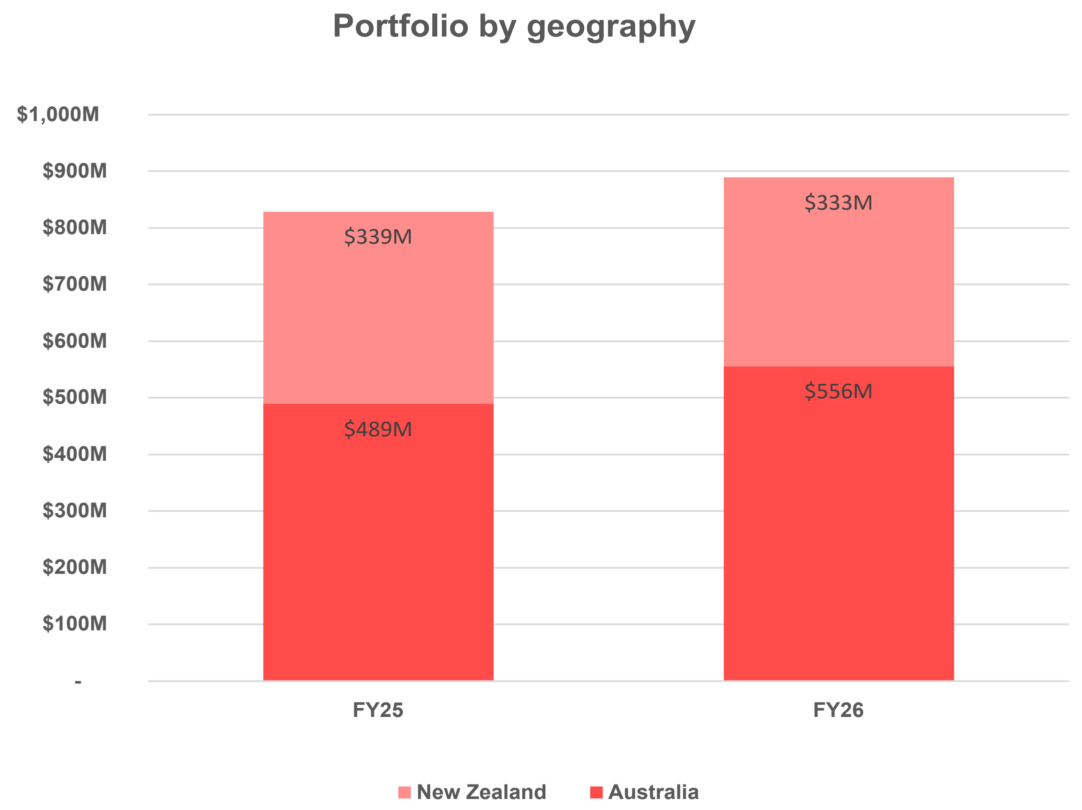
Portfolio

	Year ended 30 June 2026	Year ended 30 June 2025	Change	Change %
Loan book (period end) ($'000)	888,861	828,693	60,168	7%
Loan book (average) ($'000) - Group	857,381	784,630	72,751	9%
Loan book (average) ($'000) - Australia	521,521	445,661	75,860	17%
Loan book (average) ($'000) - New Zealand	335,860	338,969	(3,109)	(1%)

Strong origination growth, particularly existing customer originations, grew the group loan portfolio by $60.2m to $888.9m (FY25: $828.7m), up 7% on the prior year. Group ending and average gross loans were suppressed by a weaker New Zealand dollar, which reduced the translated Australian dollar value of the New Zealand loan book. The lower New Zealand dollar did not have a material impact on Group profitability, with New Zealand dollar income largely matched by New Zealand dollar costs from Harmoney's New Zealand-based operational headquarters.

The Australian loan portfolio grew by 14% to $555.5m (FY25: $489.3m) and is now 62% of the total loan portfolio (FY25: 59%).

The New Zealand loan portfolio grew by 11% in New Zealand dollars to NZ$406.3m (FY25: NZ$366.4m).



Risk adjusted income

	Year ended 30 June 2026	Year ended 30 June 2025	Change	Change %
Average interest rate (%)	16.9%	16.9%	0bps	N/A
Funding debt (period end) ($'000)	874,457	824,267	50,190	6%
Funding debt (average) ($'000)	838,367	758,756	79,611	10%
Average funding rate (%)	6.8%	7.8%	(100bps)	N/A
Net interest income (%)	10.2%	9.3%	90bps	N/A
Incurred credit loss ($'000)	33,062	28,843	4,219	15%
Incurred credit loss to average gross loans (%)	3.9%	3.7%	20bps	N/A
Risk adjusted income (%)	6.4%	5.7%	70bps	N/A

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

Income grew 10% to $145.0m (FY25: $132.2m) on average portfolio growth, while the portfolio average interest rate held at 16.9%.

The average funding rate fell 100bps to 6.8% (FY25: 7.8%), reducing interest expense 3% to $57.4m (FY25: $59.0m) despite a 10% increase in average funding debt. The improvement came principally from the warehouse facilities, through lower margin rates and lower interest rate swap resets. The December 2025 refinancing of the corporate debt facility also contributed, repaying $7.5m of principal, reducing the facility limit to $15.0m and securing a materially lower margin with a Big-4 Australian bank.

Together these lifted NII by $14.3m to $87.6m (FY25: $73.3m), and 90bps to 10.2% of average loan book (FY25: 9.3%).

Incurred credit losses increased $4.2m to $33.1m (FY25: $28.8m), largely reflecting portfolio growth, with the loss rate on average gross loans rising 20bps to 3.9% (FY25: 3.7%).

RAI therefore increased $10.1m to $54.5m (FY25: $44.4m). The 90bps gain in NII less the 20bps increase in credit losses lifted the RAI margin 70bps to 6.4% of average loan book (FY25: 5.7%).

In the second half NII eased to 10.1% of average loan book (1H26: 10.3%), as the portfolio average interest rate declined to 16.6% (1H26: 17.2%) on lower lending rates offered to high quality existing customers, largely offset by a further reduction in the average funding rate to 6.7% (1H26: 7.0%). With the incurred credit loss rate also improving to 3.8% (1H26: 3.9%), second half RAI was 6.3% (1H26: 6.4%).

Credit provisioning

	Year ended 30 June 2026	Year ended 30 June 2025	Change	Change %
Movement in expected credit loss (ECL) provision ($'000)	4,460	16	4,444	>500%
Provision rate (%)	4.4%	4.4%	0bps	N/A

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

The provision rate was unchanged at 4.4%; consequently the $3.2m increase in Harmoney's expected credit loss provision to $40.0m (FY25: $36.8m) reflects growth in the loan book rather than a change in the expected rate of loss across the portfolio. This $3.2m balance sheet movement is lower than the $4.5m expense recognised in the consolidated statement of profit or loss and other comprehensive income due to foreign exchange translations. Specifically, income and expenses are translated at average exchange rates throughout the year, whereas the balance sheet provision is revalued using year-end spot rates (refer to the foreign exchange differences line in note 15.2).

Acquisition transaction metrics

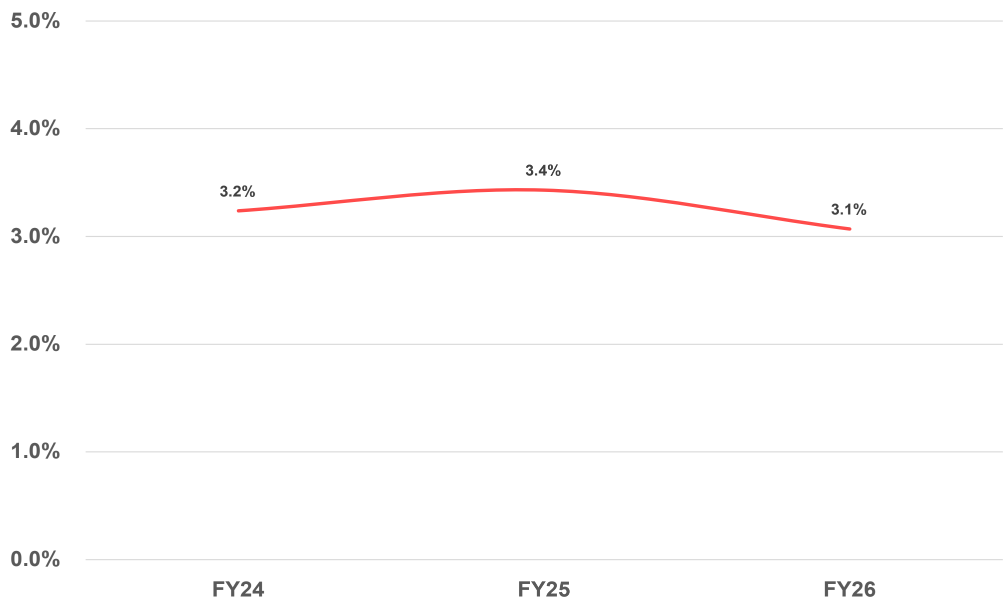
	Year ended 30 June 2026	Year ended 30 June 2025	Change	Change %
Acquisition transaction expenses to origination ratio	3.1%	3.4%	(30bps)	N/A
Acquisition transaction expenses to income ratio	10.2%	10.3%	(10bps)	N/A

Acquisition transaction expenses increased 8% to $14.8m (FY25: $13.7m) while originations grew 21%, improving the ratio of acquisition expense to originations by 30bps to 3.1% (FY25: 3.4%). Existing customers, who return at near-zero acquisition cost, provided much of that origination growth, and it is this repeat lending that drives this ratio down as the portfolio matures.

The same expense measured against total income improved 10bps to 10.2% (FY25: 10.3%). This ratio understates the improving economics while the portfolio is growing, because acquisition expense is recognised when a loan is written whereas the interest income it generates is earned over the multi-year life of that loan.

The new intermediary channel is accounted for differently from direct acquisition. Commissions paid to intermediaries are capitalised into the carrying amount of the finance receivable and amortised as a reduction in income over the life of the loan, whereas the cost of acquiring a customer directly is expensed as incurred. Both are presented as acquisition transaction expenses in this review, so that interest income, net interest income, risk adjusted income and the ratios above are measured on the same basis across the two channels.

Acquisition transaction expenses to origination ratio



Cost to income metrics

	Year ended 30 June 2026	Year ended 30 June 2025	Change	Change %
Cost to income ratio	17.8%	18.9%	(110bps)	N/A

Harmoney achieved a cost to income ratio of 17.8%, a 110bps improvement on the prior year (FY25: 18.9%). The improvement reflects the high level of automation within the Stellare® 2.0 platform, which allows the loan book and income to grow without a commensurate increase in operating costs. It is this scalability that drives the Group's improving unit economics, with a greater proportion of each additional dollar of income converting to profit.

The ratio includes all cash operating costs below net operating income, being personnel, customer servicing, technology and administrative expenses. Non-cash items are excluded, being share-based payments, depreciation and amortisation, and the movement in deferred tax assets.

Cash operating expenses increased 3% to $25.9m (FY25: $25.1m), below consumer price inflation of 3.8% in Australia and 4.1% in New Zealand, while income grew 10%, almost three times the rate of cost growth. Combined personnel and technology costs, the largely fixed components of the cost base, fell $0.7m.

Personnel expenses decreased 2% to $11.4m (FY25: $11.6m), as automated underwriting and digital processing workflows absorbed higher volumes without additional remuneration cost.

Customer servicing expenses increased 8% to $6.5m (FY25: $6.0m), in line with the higher volume of active customer accounts and loan transaction activity.

Technology expenses decreased 9% to $4.5m (FY25: $4.9m), reflecting efficiency gains and cloud infrastructure optimisation following the decommissioning of legacy systems.

General and administrative expenses increased to $3.5m (FY25: $2.5m), reflecting non-recurring legal and advisory fees on product development, funding structures and the establishment of the new long term incentive plan, together with higher regulatory compliance costs.

Financial position

	30 June 2026 $'000	30 June 2025 $'000	Change $'000	Change %
Assets				
Cash and cash equivalents	43,201	52,617	(9,416)	(18%)
Finance receivables	894,499	832,187	62,312	7%
Expected credit loss provision	(39,982)	(36,812)	(3,170)	(9%)
Derivative financial instruments	131	-	131	N/A
Deferred tax assets	17,283	15,600	1,683	11%
Intangible assets	10,366	8,323	2,043	25%
Other assets	5,536	5,933	(397)	(7%)
Total assets	**931,034**	**877,848**	**53,186**	**6%**
Liabilities				
Derivative financial instruments	-	8,733	(8,733)	N/A
Receivables funding — non-recourse	859,782	802,000	57,782	7%
Corporate debt facility — recourse	14,675	22,267	(7,592)	(34%)
Other liabilities	9,701	10,365	(664)	(6%)
Total liabilities	**884,158**	**843,365**	**40,793**	**5%**
Net assets	**46,876**	**34,483**	**12,393**	**36%**

Cash and cash equivalents of $43.2m consist of unrestricted cash of $26.9m (FY25: $22.8m) and restricted cash of $16.3m (FY25: $29.8m). Restricted cash may only be used for funding finance receivables and other purposes defined in the relevant trust documents.

Unrestricted cash increased by $4.1m, being the surplus from $40.6m of cash generated from operating activities after funding, less $21.5m invested in loan portfolio growth, $7.5m repayment of corporate debt principal, $4.5m continued investment in Stellare® 2.0, $1.9m of translation losses on New Zealand dollar balances, $0.6m of treasury share purchases and $0.5m of lease payments.

Finance receivables increased $62.3m to $894.5m (FY25: $832.2m) and comprise the $888.9m loan book (FY25: $828.7m), plus $9.8m of accrued interest (FY25: $7.2m), less deferred establishment fees and transaction costs of $4.2m (FY25: $3.7m). The expected credit loss provision is shown separately.

Borrowings of $874.5m comprise $859.8m of receivables funding drawn by the warehouse trusts, secured solely against those trusts' assets of $908.8m and without recourse to the Group's other assets, and $14.7m of corporate debt, equal to 31% of shareholders' equity. Corporate debt reduced $7.6m following the December 2025 refinancing, which also extended the facility to December 2028 and reduced the margin. Net cash generated by operating activities of $40.6m covered corporate debt 2.8 times.

Deferred tax assets increased $1.7m to $17.3m (FY25: $15.6m) as forecast taxable profits supported the recognition of a greater portion of the Group's available deferred tax assets, principally on unutilised tax losses (refer to note 10). The increase is less than the $5.3m deferred tax credit in profit because $3.6m of deferred tax was recognised directly in other comprehensive income, on interest rate swaps and the translation of foreign operations.

Net assets increased $12.4m to $46.9m (FY25: $34.5m). The increase comprises the $10.2m profit for the year, a $6.3m after-tax gain in the cash flow hedge reserve as market rates aligned with the Group's locked-in swap rates, and $1.8m of share-based payments recognised in equity, partly offset by a $5.3m foreign currency translation loss on New Zealand dollar assets and a $0.6m reduction in share capital under the on-market share buy-back.

Sustainability Report

Empowering dreams and fresh starts through simple, smart, and secure finance.

By combining advanced digital technology with data-driven insights and a commitment to responsible lending, Harmoney connects people with the right financial products when they need them most. We are driven by a dual purpose: to enhance individual financial wellbeing while fostering inclusive and sustainable economic growth.

We are committed to creating a positive impact for our customers, stakeholders, communities, and the planet. This Sustainability Report examines our foundational sustainability risks and opportunities, highlighting our progress in areas critical to our long-term success and responsibility.

Sustainability Metrics

The sustainability metrics in the table below set out, for the first time, Harmoney's FY26 performance against the targets we have set for FY27, across governance, the environment, our employees, our customers, and data and cyber security. Publishing metrics alongside forward targets follows the fourth pillar of the framework published by the Task Force on Climate-related Financial Disclosures in 2017, now carried into international sustainability standards and the climate reporting regimes taking effect in Australia and New Zealand. Harmoney is not required to report under those regimes. We publish these targets because we would rather be measured on progress than intention. The indicators were selected by the Board and Senior Leadership Team as the measures most relevant to Harmoney's business model and stakeholders. The emissions data underpinning our carbon metrics has been independently verified by Ekos. The remaining metrics are drawn from internal records and are not externally assured.

GOVERNANCE	FY26 ACTUAL	FY27 AMBITION
Representation of women on the Board	**20%**	≥20%
Audit and Risk Committee meetings at which progress towards environmental, social and governance goals is assessed	**100%**	100%
Conduct an annual sustainability pulse check to ensure topics remain current	**Completed**	Complete by 30 June 2027
ENVIRONMENT		
Carbon intensity for emissions per $ million of income	**0.4 tCO_2e/$M**	<0.4 tCO2e/$M
Net Zero Carbon Certification	**Maintain**	Maintain
EMPLOYEES		
Staff overall engagement score	**86**	≥80
Representation of women in employee workforce	**43%**	≥40%
CUSTOMERS		
Customer Net Promoter Score (NPS)	**89**	≥80
Google and Shopper Approved Reviews	**4.7/5**	≥4.7/5
Australian Financial Complaints Authority (AFCA) and NZ Financial Services Complaints Limited (FSCL) customer complaints as a proportion of active customers	**<0.01%**	≤0.1%
Hardship Application Completion Rate (% of started applications completed)	**93%**	≥80%
DATA AND CYBER SECURITY		
Annual SOC 2 Type II Attestation	**Obtained**	Maintain
Cyber Security Training Completion Rate	**100%**	100%

Environment

Addressing systemic climate challenges requires proactive participation across the financial sector. Harmoney is committed to managing its climate impact while facilitating responsible economic participation. As a cloud-first digital lender without a physical branch network, our direct environmental footprint remains naturally low, allowing us to focus our environmental stewardship on cloud efficiency, workplace sustainability, and targeted carbon offsets.

Climate strategy

Our commitment to long-term environmental sustainability is reflected in our ongoing net-zero strategy and the full mitigation of our operational carbon emissions through high-integrity offset projects. We continuously evaluate climate risks, regulatory shifts, and operational efficiencies across our cloud-native lending platform. To drive continuous improvement, Harmoney is developing enhanced performance targets that will benchmark our environmental trajectory over coming periods. Robust impact measurement and transparent reporting remain central to our sustainability governance.

Carbon footprint

We are proud to maintain Net Zero Carbon certification from Ekos Kamahi Limited for four consecutive years, and have offset our residual emissions for the period. As part of our commitment to mitigating our environmental footprint and supporting regional ecological resilience, we proudly support the Kern Creek Forest Conservation Project in the Tasman District, New Zealand. Located between Nelson Lakes and the West Coast, this 130-hectare project preserves old-growth beech forest and promotes the natural regeneration of indigenous species, supporting both long-term carbon sequestration and local biodiversity. The initiative enforces a strict zero-logging framework under a permanent QEII covenant, while directly funding vital carbon sequestration, weed and pest control, and water quality protection for the Maruia River tributaries. Ekos conducted a comprehensive carbon footprint measurement of our Scope 1, 2 and 3 greenhouse gas (GHG) emissions, which is represented in our Emissions Inventory Report below.

Emissions inventory report

Emissions breakdown	FY26 (tCO2e)	FY25 (tCO2e)	Change %
Total Scope 1 emissions	**-**	**-**	**-**
Purchased electricity	3.1	3.1	0%
Total Scope 2 emissions	**3.1**	**3.1**	**0%**
Air travel	18.8	21.6	(13%)
Cloud computing services	24.9	19.0	31%
Other scope 3 emissions	7.3	7.3	0%
Total Scope 3 emissions	**51.0**	**47.9**	**6%**
Total Scope 1, 2 and 3 emissions	**54.1**	**51.0**	**6%**

- The emissions inventory report disclosed above has been reported using the location-based methodology and excludes outsourced services.
- 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.

Harmoney continues to demonstrate strong environmental stewardship by maintaining zero direct (Scope 1) emissions. Our proactive transition to a 100% renewable and climate-positive electricity provider for our NZ office from January 2023 has continued to deliver positive outcomes, keeping Scope 2 emissions close to zero through consistently low purchased electricity emissions.

In FY26 our total greenhouse gas emissions were 54.1 tCO_2e, a 6% increase on FY25's 51.0 tCO_2e. The increase came from cloud computing services, which rose 31% to 24.9 tCO_2e as the loan book grew and our use of the Stellare® 2.0 platform expanded. Lower air travel, down 13% to 18.8 tCO_2e, absorbed part of that rise. All residual emissions for the period have been offset.

Because total income also grew, our carbon intensity remained at a low 0.4 tCO_2e per $1 million of income. Emissions per employee were also unchanged at 0.6 tCO_2e, with headcount rising from 79 to 84. Cloud computing is now 46% of our total footprint and is where growth in the business translates most directly into emissions, so it is where our reduction work is directed.

Harmoney demonstrates an ongoing commitment to fostering an internal culture of environmental stewardship by systematically embedding sustainable practices across our daily corporate functions. Driven by a targeted, employee-led action team, our focus centres on executing waste reduction strategies, optimising our operational energy efficiency, and advancing a climate-conscious corporate workplace. Our primary operational focus areas include:

OUR FOCUS AREAS

Zero Waste Mindset

Structured recycling hubs and dedicated e-waste programme keep toxic electronics out of landfills.

The Reusable Standard

Single-use takeaway cups have been phased out, with every employee issued a reusable KeepCup and a low-waste approach applied in our kitchens.

Smart Energy Controls

Smart motion sensors in communal zones lower our overall electricity consumption footprint.

Green Team Champions

An active network of staff volunteers ensures our environmental policies translate into everyday actions.

Open Progress Tracking

Greater public disclosure of milestones, crowdsourcing fresh green ideas, and partnering with verified sustainable suppliers.

Social

Customer experience

Since 2014, Harmoney has worked to make personal lending simpler and fairer. We believe that access to credit at the right moment can make a real difference to a person's financial life, and we have built our business around delivering that access responsibly. Our online platform uses machine learning and verified, real-time financial data to assess creditworthiness. Automated, consistent decisioning reduces the scope for individual bias and lets us assess applications quickly and at scale.

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

Following the cross-border launch of our Stellare® 2.0 platform, our application and credit decision journey is now fully automated, returning an initial loan assessment within minutes and giving customers a fast, clear view of their eligibility with minimal paperwork.

With that foundation in place, our current focus for AI is not speed but accuracy and fairness: using it to understand each borrower as an individual. We are implementing tools that assess income and build a real-time picture of an applicant's financial position, including AI-assisted "conversational" interactions that help us understand a customer's wider financial circumstances and objectives. The aim is to lend more fairly, extending credit that genuinely fits each person's situation and goals. We are introducing these capabilities within our existing responsible-lending and governance controls, beginning with an income-verification pilot for a subset of applicants, and will extend them only where they demonstrably improve customer outcomes.

We manage customer complaints in line with our Complaints and Internal Dispute Resolution Policy, which is designed to ensure grievances are handled fairly, consistently and transparently. We run a quality assurance programme that includes regular call quality assessments across our customer-facing teams to monitor adherence to our consumer protection obligations.

Our unwavering focus on consumer trust and platform integrity is validated by our market-leading customer satisfaction metrics:

- Customer Sentiment: Maintained a verified 4.7/5 score across Google and Shopper Approved, from more than 60,000 independent reviews.
- Systemic Compliance: Achieved an exceptionally low external dispute rate, with less than 0.01% of total active customers escalating a grievance across both the Australian Financial Complaints Authority (AFCA) and the New Zealand Financial Services Complaints Limited (FSCL) combined over the 2026 financial year.

Delivering fair, positive outcomes for customers remains central to how we operate. We continue to invest in support for customers in vulnerable circumstances, particularly those experiencing financial hardship, through early intervention and accessible support, as described further in the sections that follow.

Hardship and supporting customers

In an economic environment marked by rising living costs, escalating cybercrime, and heightened financial volatility, Harmoney recognises its vital responsibility to support vulnerable consumers and those navigating unexpected financial hardship. We maintain a personalised, highly empathetic approach to hardship management, evaluating each case on an individual basis. By working collaboratively with our customers, we co-design tailored, flexible solutions, such as customised adjustments to repayment schedules, temporary payment deferrals, or a combination of both, specifically engineered to alleviate immediate financial pressure and facilitate sustainable recovery.

Harmoney is also committed to promoting financial inclusion by helping customers gain access to credit for the first time, and by offering responsible alternatives to high-cost lending products.

Furthermore, we actively use our technology to safeguard customer wellbeing. Using advanced data analytics and machine learning, our platform monitors for early behavioural warning signs of financial distress, such as anomalous transactional velocity, high-risk spending patterns, or problem gambling behaviours. These automated insights allow us to execute timely, supportive early interventions, protecting at-risk individuals from entering systemic financial distress.

Financial inclusion and accessibility

Harmoney is committed to broadening access to fair, transparent, and responsible credit by systematically identifying and dismantling structural barriers within the traditional lending framework. By leveraging automated credit assessments via our core platform, we significantly reduce the risk of human bias, establishing a more equitable, objective experience for all applicants. Moving forward, we are developing highly personalised credit solutions tailored to the distinct financial backgrounds and unique requirements of diverse customer segments, including a wide array of age brackets. Our overarching objective is to ensure that Harmoney's digital products and financial services are inherently inclusive, highly accessible, and strategically engineered to support a diverse population along their individual financial journeys.

Customer financial wellbeing

Fostering long-term economic resilience and elevating consumer financial literacy remain foundational pillars of Harmoney's purpose-driven mission, particularly during cycles of heightened macroeconomic volatility. We actively promote structural consumer awareness by delivering high-impact educational resources and targeted insights directly through our digital platform. This comprehensive repository covers critical financial milestones, spanning personal wealth management, structural loan mechanics, and strategic debt consolidation.

As a tangible advancement of this commitment to financial transparency and proactive money management during the FY26 reporting period, Harmoney expanded its digital support ecosystem through two key initiatives:

- Credit Optimisation: Executed targeted credit-literacy campaigns to over 1,300 individuals, connecting them with ClearScore to actively monitor, understand, and optimise their credit profiles.
- Budgeting Partnerships: Launched a strategic partnership with PocketSmith, equipping users with intuitive, predictive tools to gain comprehensive control over their daily cash flow.

Data and cyber security

As a 100% online lending business entrusted with sensitive consumer information, Harmoney recognises its profound responsibility to maintain absolute data integrity and platform security. In an escalating threat landscape, cyber security remains our primary operational priority. We are firmly committed to the continuous prevention, detection, and mitigation of malicious cyber activities to guarantee the unwavering protection of our customers' financial and credit-related profiles.

The Australian Signals Directorate (ASD) reported over 84,700 cybercrime incidents in Australia during the fiscal year 2024–25, continuing to average one report every six minutes. While this represents a slight decrease in the overall volume of reported incidents compared to the prior year, the financial toll has climbed sharply. The average self-reported cost per cybercrime report for individuals increased by 8%, resulting in an average financial loss of $33,000 per incident. Similarly, across the Tasman, the National Cyber Security Centre (NCSC) data for New Zealand highlights an intensifying financial impact, with recorded direct losses rising to NZ$26.9 million, largely driven by scams, fraud, and unauthorised access, alongside a 40% year-on-year surge in ransomware reports. These statistics underscore the increasingly severe and costly cyber threat landscape expanding across both countries.

Harmoney is committed to the highest standards of data privacy and protection. We safeguard our customers' financial and credit information through a continuously evolving cyber security framework, utilising robust technical controls and strict policies to ensure data confidentiality, integrity, and availability. Our cyber security programme encompasses, but is not limited to, the following key controls:

Governance and Compliance

- SOC 2 Type II attestation is obtained through annual independent audits, validating the operating effectiveness of our security controls across security, availability and confidentiality.
- Comprehensive information security policies, reviewed and updated annually, establishing clear standards and accountabilities across the organisation.
- Business continuity, incident response, and disaster recovery policies tested regularly to ensure operational resilience in the event of a disruption.

Access and Identity Controls

- Multi-factor authentication (MFA) is enforced across key systems where technically possible, and user access reviews are performed regularly, reducing the risk of unauthorised access.
- Role-based access controls (RBAC) ensure employees are granted access only to the systems and data necessary for their role, in line with the principle of least privilege.

Infrastructure and Platform Security

- Modern cloud-native technology stack built on industry-leading cloud providers, incorporating web application firewalls (WAF).

- Segregation of production systems from non-production environments, reducing the risk of data exposure during development and testing activities.
- Endpoint protection deployed across all employee computers, providing active defence against ransomware, malware, exploits, and other threats.

Monitoring, Testing, and Response

- Security logging across our platform infrastructure.
- External CREST-Approved penetration testing conducted by independent third parties to identify and remediate vulnerabilities before they can be exploited.
- Incident response programme supported by defined escalation procedures, communication protocols, and post-incident review processes.
- Recoverability testing of major system backups conducted regularly, verifying that data can be reliably restored within defined recovery time and recovery point objectives.

Awareness and Training

- 100% staff completion of mandatory cyber security awareness training, building a security-conscious culture and equipping employees to identify and respond to phishing, social engineering, and other threats.
- Regular internal communications and simulated phishing exercises to reinforce cyber literacy and test the effectiveness of training programmes.

Employee wellness and training

We put people first in everything we do.

Our people drive Harmoney's innovation, creativity, and strategic success. Operating with a compact, high-performing workforce of 84 (FY25: 79) full-time employees across Australia and New Zealand, our objective is to cultivate an ecosystem that keeps our teams safe, healthy, and deeply engaged.

We measure our internal culture through rigorous annual sentiment surveys to gather transparent feedback and isolate areas for continuous organisational improvement. Our overall engagement score was 86% (FY25: 88%), against a target of 80% or above.

To sustain this high-performing culture, our leadership framework combines clear objective-setting with consistent performance feedback and a strong celebration of internal achievements. Every team member is equipped with a personalised professional development plan to support targeted career upskilling. Furthermore, we proactively support physical, mental, and social wellbeing through flexible work arrangements, competitive annualised remuneration reviews, and an extensive suite of holistic corporate benefits, including:

- An annual training budget for upskilling and professional certifications;
- Health insurance;
- Wellness days;
- Employee Assistance Programmes;
- First-aid and mental first-aid certifications;
- Flu vaccinations;
- Top-up maternity benefit in addition to the government parental leave subsidy.

We believe that supporting our people's mental, physical, and social wellbeing is central to fostering a healthy, positive, and high-performing environment.

Diversity, equity and inclusion

At Harmoney, cultivating an inclusive workplace that reflects our broader community is central to our organisational values. Embracing diverse perspectives allows us to unlock innovation, make more balanced decisions, and enrich overall employee engagement and satisfaction.

Our dedication to advancing and measuring progress across Diversity, Equity, and Inclusion (DEI) is reflected in several key operational milestones:

- Gender Representation: Achieved 43% representation of women within our cross-border workforce. This surpasses our established target metric and underscores our ongoing focus on building an equitable workplace that reflects the diverse communities we serve.
- Talent Pipeline Development: Collaborated with "Dev Academy" to actively cultivate and mentor the next generation of software and data engineers.
- Mentorship & Internal Networks: Facilitated structured, cross-company mentor-mentee initiatives, including female-led "Lunch and Learn" knowledge-sharing sessions.

To ensure an equitable and respectful workplace environment, we continuously embed DEI principles into our core operational workflows. We mandate leadership and unconscious bias training for all hiring managers, utilise inclusive, gender-neutral job descriptions to attract diverse candidate pools, and enforce proactive succession planning to increase female representation within our executive tracks. Additionally, we actively invest in emerging female leaders via specialised leadership membership networks and celebrating key global cultural milestones, such as International Women’s Day, to drive awareness and inclusivity across our entire organisation.

These initiatives underscore our broader strategic commitment: going beyond simply valuing diversity and inclusion, to actively cultivating an equitable environment where every team member is empowered to succeed.

Investing in our community

At Harmoney, we recognise that our corporate responsibility extends beyond financial services to the communities in which we live and work. We actively invest in meaningful partnerships, employee volunteering, and charitable initiatives that foster inclusion, support vulnerable populations, and promote environmental sustainability. By aligning our corporate philanthropy with team-building activities, we empower our employees to make a tangible, positive impact.

A key highlight of our community engagement this year was our Pride Month partnership with Rainbow Youth Aotearoa, supporting LGBTQIA+ youth across New Zealand. Our employees led a dedicated fundraising initiative, with Harmoney matching all contributions dollar-for-dollar to maximise our collective reach. This initiative directly reflects our commitment to championing diversity and supporting the broader communities we serve.

Previous community-focused initiatives include:

- Digital Inclusion: Donated refurbished corporate laptops to local schools through The Laptop Drop, improving access to vital technology and digital learning opportunities for students across New Zealand.
- Environmental Stewardship: Engaged in corporate volunteering with the Kaipātiki Project, contributing to the long-term regeneration of local reserves and the protection of significant ecological areas across Auckland.
- Charitable Team Building: Partnered with Bikes for Tykes, combining employee engagement with direct social impact by building and donating bicycles to children in need.
- Health Advocacy: Raised funds in support of the Prostate Cancer Foundation, contributing to critical awareness, research, and support services.
- Support for Children and Families: Partnered with The Kindness Collective, a nationwide charity, to collect and distribute Christmas gifts and essential items to families facing financial hardship.
- Inclusive Recreation: Provided direct financial support to Disability Sport Auckland, a regional organisation dedicated to enabling active recreation, play, and sporting opportunities for individuals with disabilities.

Modern slavery

As part of our commitment to ethical supply chain management and human rights protection, Harmoney continues to enhance its value-chain auditing processes. We remain fully compliant with our statutory reporting requirements and will publish our fourth annual Modern Slavery Statement under Australia's Modern Slavery Act 2018 in December 2026.

Governance

Effective corporate governance is the bedrock of sustainable, long-term enterprise value. At Harmoney, we align strong financial performance with meaningful societal impact. By adopting a dual-materiality approach, we maintain rigorous accountability and deepen stakeholder trust, ensuring our sustainability strategies generate both commercial value and positive community outcomes.

Governance and risk management

Sustainability-related risk management is not a standalone function at Harmoney; it is structurally embedded within our core governance framework. The Board exercises direct, proactive oversight of all sustainability risks and opportunities. In executing this mandate, the Board is actively supported by the Audit and Risk Committee, the Senior Leadership Team (SLT), and our Sustainability Officer.

Furthermore, our overarching Sustainability Policy formalises this commitment, setting clear principles to ensure economic, environmental, social, and governance considerations are integrated seamlessly into both our long-term business strategy and daily operations.

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

We also publish a Corporate Governance Statement on our website, which sets out the details of our practices with respect to the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations (4th Edition)" (the ASX Recommendations), which is current as at 30 June 2026. Harmoney has elected to comply with all of the ASX Recommendations. Harmoney has also considered the Consultation Draft for a proposed 5th Edition of the ASX Recommendations.

Harmoney maintains a rigorous policy review framework to ensure strict adherence to statutory requirements, ASX Listing Rules, and our core licensing obligations, including our Australian Financial Services Licence (AFSL), Australian Credit Licence (ACL), and, in New Zealand, our certification under the Credit Contracts and Consumer Finance Act 2003 (CCCFA), which transitioned to a market services licence issued by the Financial Markets Authority under the Financial Markets Conduct Act 2013 on 1 July 2026. These policies are also regularly reviewed by external experts, including law firms and AML specialists, to ensure their relevance and effectiveness.

The Board delegates operational oversight of Harmoney's overarching risk management system to the Audit and Risk Committee. This committee is charged with the systematic identification, assessment, and mitigation of enterprise-wide risks, encompassing both financial and non-financial domains.

To maintain robust oversight, Harmoney executes a comprehensive assurance programme comprising automated and manual compliance testing conducted by both internal teams and independent auditors. Overseen by our dedicated Compliance Manager, this programme continually integrates independently validated regulatory obligation registers across the enterprise. This proactive approach drives the ongoing enhancement of our internal policies, employee training curricula, and automated control mechanisms.

Furthermore, we continually mature our enterprise-wide risk management framework to ensure sustainability-related risks and opportunities are effectively captured and assessed.

Ethics and integrity

Ethics and integrity are the foundation of Harmoney's corporate culture. They establish the baseline for how we build trust, foster credibility, and strengthen relationships across our entire stakeholder ecosystem, including investors, employees, customers, and the communities we serve. By upholding these uncompromising principles in every corporate action, we ensure total transparency, strict accountability, and the long-term viability of our business.

Our commitment is formalised through a comprehensive corporate governance framework, which includes our Code of Conduct, Anti-Bribery & Corruption Policy, Disclosure and Communication Policy, Trading Policy, and Whistleblower Policy.

To ensure absolute compliance with all legal obligations, Harmoney operates a proactive regulatory programme that features:

- Regular review and reporting of our compliance with licence obligations.
- Regular review of our Responsible Lending Policy and procedures.
- Continuous enhancement of our systems to identify, protect, and support potentially vulnerable customers.
- Ongoing, mandatory staff training across all relevant regulatory frameworks.

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

Stakeholder engagement

Harmoney actively collaborates with our key stakeholder groups, investors, employees, customers, and regulators, to ensure our business practices remain closely aligned with their evolving needs and priorities. For our investor community, we provide transparent communication through the Investor Centre on our website, complemented by our interactive Investor Hub, providing immediate access to company updates and strategic announcements.

To keep our product development customer-centric and compliant with regulatory standards, we mandate systematic qualitative surveys through our Product Governance Framework. These insights directly identify market preferences and drive continuous operational enhancements.

Harmoney maintains a robust and transparent Complaints and Internal Dispute Resolution Policy to guarantee the fair and consistent management of customer grievances. Our Feedback and Complaints Committee meets regularly to analyse consumer data, map emerging trends, resolve root-cause systemic issues, and isolate areas for operational improvement. Any material insights or significant matters are escalated directly to the Board.

Demonstrating our ongoing commitment to transparency, in FY26 Harmoney completed its third consecutive year of reporting Internal Dispute Resolution data to the Australian Securities and Investments Commission (ASIC).

Harmoney is an active 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 2026 ("the Group").

Directors

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

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

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

Principal activities

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

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the year ended 30 June 2026.

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
Chair

David Stevens
Chief Executive Officer and Managing Director

Auckland
20 August 2026

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 2026.

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 2026 and its financial performance and cash flows for the year ended on that date.

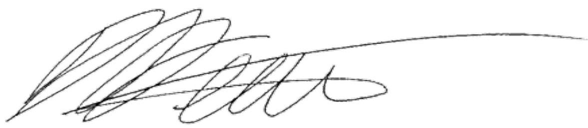
The Directors consider that the consolidated financial statements of the Group have been prepared using appropriate accounting policies consistently applied and supported by reasonable judgements and estimates and that all the relevant financial reporting and accounting standards have been followed.

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

The Board of Directors of Harmoney Corp Limited authorised the consolidated financial statements set out on pages 34 - 67 for issue on 20 August 2026.

For and on behalf of the Board

Paul Lahiff
Chair



David Stevens
Chief Executive Officer and Managing Director

20 August 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2026

	Notes	Year ended 30 June 2026 $'000	Year ended 30 June 2025 $'000
Interest income	5	144,971	131,828
Other income	6	-	419
Transaction costs	5	(19)	-
Total income		**144,952**	**132,247**
Interest expense	5	57,376	58,997
Impairment expense	7	37,522	28,859
Customer acquisition expenses		14,803	13,678
Personnel expenses	8	13,546	12,334
Customer servicing expenses		6,451	5,967
Technology expenses		4,495	4,936
General and administrative expenses		3,546	2,539
Depreciation and amortisation expenses	9	1,982	1,629
Profit before income tax		**5,231**	**3,308**
Income tax benefit	10	5,009	2,210
Profit for the year attributable to shareholders of Harmoney Corp Limited		**10,240**	**5,518**
Other comprehensive income / (loss)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(5,271)	624
Income / (loss) on cash flow hedge reserve, net of tax	11	6,272	(6,566)
Other comprehensive income / (loss) for the year, net of tax		**1,001**	**(5,942)**
Total comprehensive income / (loss) for the year attributable to shareholders of Harmoney Corp Limited		**11,241**	**(424)**
Earnings per share attributable to the ordinary equity holders of the Company:		Cents	Cents
Basic earnings per share	12	10	5
Diluted earnings per share	12	10	5

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

Consolidated Statement of Financial Position

As at 30 June 2026

	Notes	30 June 2026 $'000	30 June 2025 $'000
Assets			
Cash and cash equivalents	13	43,201	52,617
Trade and other assets	14	2,307	3,594
Finance receivables	15	854,517	795,375
Derivative financial instruments	11	131	-
Property and equipment	16	3,229	2,339
Deferred tax assets	10	17,283	15,600
Intangible assets	17	10,366	8,323
Total assets		**931,034**	**877,848**
Liabilities			
Payables and accruals	18	6,207	7,866
Derivative financial instruments	11	-	8,733
Lease liability	16	3,494	2,499
Borrowings	19	874,457	824,267
Total liabilities		**884,158**	**843,365**
Net assets		**46,876**	**34,483**
Equity			
Share capital	20	126,852	127,473
Foreign currency translation reserve	21	(5,269)	2
Share-based payment reserve	21	1,773	-
Cash flow hedge reserve	11	55	(6,217)
Accumulated losses		(76,535)	(86,775)
Total equity		**46,876**	**34,483**

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2026

	Notes	Share capital $'000	Foreign currency translation reserve $'000	Share-based payment reserve $'000	Cash flow hedge reserve $'000	Accumulated losses $'000	Total $'000
Balance at 30 June 2024		**124,561**	**(622)**	**4,463**	**349**	**(92,293)**	**36,458**
Profit for the year		-	-	-	-	5,518	5,518
Other comprehensive income / (loss), net of income tax		-	624	-	(6,566)	-	(5,942)
Total comprehensive income / (loss)		**-**	**624**	**-**	**(6,566)**	**5,518**	**(424)**
Recognition of share-based payments	21	-	-	(152)	-	-	(152)
Transfer to share capital	21	3,039	-	(3,039)	-	-	-
Performance rights cancellations	21	-	-	(1,272)	-	-	(1,272)
Acquisition of treasury shares	20	(127)	-	-	-	-	(127)
Balance at 30 June 2025		**127,473**	**2**	**-**	**(6,217)**	**(86,775)**	**34,483**
Profit for the year		-	-	-	-	10,240	10,240
Other comprehensive income / (loss), net of income tax		-	(5,271)	-	6,272	-	1,001
Total comprehensive income / (loss)		**-**	**(5,271)**	**-**	**6,272**	**10,240**	**11,241**
Recognition of share-based payments	21	-	-	1,773	-	-	1,773
Acquisition of treasury shares	20	(621)	-	-	-	-	(621)
Balance at 30 June 2026		**126,852**	**(5,269)**	**1,773**	**55**	**(76,535)**	**46,876**

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2026

	Notes	Year ended 30 June 2026 $'000	Year ended 30 June 2025 $'000
Cash flows from operating activities			
Interest received		138,983	131,179
Interest paid		(56,600)	(58,143)
Other income		-	132
Payments to suppliers and employees		(41,746)	(38,130)
Net cash generated by operating activities	**13**	**40,637**	**35,038**
Cash flows from investing activities			
Net advances to customers		(130,485)	(94,645)
Payments for software intangibles and equipment		(4,464)	(4,704)
Net cash used in investing activities		**(134,949)**	**(99,349)**
Cash flows from financing activities			
Proceeds from finance receivables borrowings	13	202,156	161,957
Repayments of finance receivables borrowings	13	(106,714)	(82,128)
Repayments of corporate debt	13	(7,500)	-
Purchase of treasury shares		(648)	(127)
Principal element of lease payments	13	(506)	(562)
Net cash generated by financing activities		**86,788**	**79,140**
Cash and cash equivalents at the beginning of the period		52,617	37,744
Net increase / (decrease) in cash and cash equivalents		**(7,524)**	**14,829**
Effects of exchange rate changes on cash and cash equivalents		(1,892)	44
Cash and cash equivalents at the end of the period		**43,201**	**52,617**

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

Notes to the Consolidated Group Financial Statements

For the year ended 30 June 2026

1. Corporate information

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

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

2. Material accounting policies

2.1. Basis of preparation

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

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

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

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

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

2.2. Basis of consolidation

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

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

2.2. **Basis of consolidation** continued

The assets and liabilities of entities whose functional currency is not AUD are translated at the exchange rates ruling at the reporting date. Revenue and expense items are translated at the spot rate for 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.

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

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

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

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

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

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

2.4. Goods and services tax

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

- where the amount of GST incurred is not recovered from the taxation authority, the unrecoverable GST expense is included in the related expense item in the income statement.
- receivables and payables which are recognised inclusive of GST (the net amount of GST recoverable from or payable to the taxation authority is included as part of receivables or payables).
- cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

2.5. Foreign currency translation

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

3. Significant accounting judgements, estimates and assumptions

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

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

3.1. Expected credit loss provision

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

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

3.2. Fair value measurement of derivatives

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

3.3. Recognition of deferred tax assets

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

4. Segment reporting

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

4.1. Description of segments

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

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

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

4.2. Major customers

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

4.3. Operating segments

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

Segmented income statement for the year ended 30 June 2026 $'000

	Australia	New Zealand	Group
Interest income	88,771	56,200	144,971
Total income [1]	**88,771**	**56,200**	**144,971**
Interest expense	33,322	24,054	57,376
Incurred credit losses	23,434	9,628	33,062
Acquisition transaction expenses [1]	10,879	3,943	14,822
Personnel expenses (excl. share-based payments)	1,117	10,262	11,379
Customer servicing expenses	3,936	2,515	6,451
Technology expenses	-	4,495	4,495
General and administrative expenses	977	2,569	3,546
Cash profit / (loss) before income tax	**15,106**	**(1,266)**	**13,840**
Cash tax expense	292	-	292
Cash NPAT	**14,814**	**(1,266)**	**13,548**
Non-cash adjustments			
Movement in expected credit loss provision	(4,347)	(113)	(4,460)
Share-based payments expenses	(20)	(2,147)	(2,167)
Depreciation and amortisation expenses	(20)	(1,962)	(1,982)
Movement in deferred tax assets	1,165	4,136	5,301
Profit / (loss) after income tax	**11,592**	**(1,352)**	**10,240**

Segmented financial position as at 30 June 2026 $'000

Assets	560,010	371,024	931,034
Liabilities	559,002	325,156	884,158

1. Segment acquisition transaction expenses include $19k of intermediary transaction costs. In the consolidated statement of profit or loss and other comprehensive income, this $19k is deducted from total income.

4.3. Operating segments continued

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

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

Segmented financial position as at 30 June 2025 $'000

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

5. Interest

5.1. Interest income

	Year ended 30 June 2026 $'000	Year ended 30 June 2025 $'000
Interest income: financial assets at amortised cost	144,971	131,828

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

5.2. Transaction costs

	Year ended 30 June 2026 $'000	Year ended 30 June 2025 $'000
Transaction costs	(19)	-

Commissions paid to intermediaries are included in the finance receivable carrying amount on initial recognition and amortised using the EIR. The EIR calculation incorporates empirical prepayment data but excludes expected credit losses (ECL).

Management reviews expected cash flows half-yearly. If expectations change, the carrying amount is adjusted to the present value of revised cash flows through profit or loss. For presentation, contractual interest is classified as interest income, while commission amortisation and expectation revisions are classified under transaction costs.

When the finance receivable is derecognised, any unamortised commissions and recovered clawbacks are immediately recognised in transaction costs (or impairment expense for defaults).

5.3. Interest expense

	Year ended 30 June 2026 $'000	Year ended 30 June 2025 $'000
Interest on receivables funding	54,418	54,691
Interest on corporate debt	2,709	4,078
Interest on financial liabilities at amortised cost	**57,127**	**58,769**
Interest on lease liability (Note 16)	249	228
Total interest expense	**57,376**	**58,997**

6. Other income

	Year ended 30 June 2026 $'000	Year ended 30 June 2025 $'000
Grant income	-	419

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 2026 $'000	Year ended 30 June 2025 $'000
Incurred credit loss	33,062	28,843
Movement in expected credit loss provision	4,460	16
Impairment expense	**37,522**	**28,859**

7.1. Incurred credit loss

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

7.2. Movement in expected credit loss provision

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

8. Personnel expenses

	Year ended 30 June 2026 $'000	Year ended 30 June 2025 $'000
Wages and salaries	10,709	11,039
Superannuation expense	670	571
Share-based payments expenses	2,167	724
Total personnel expenses	**13,546**	**12,334**

9. Depreciation and amortisation

	Year ended 30 June 2026 $'000	Year ended 30 June 2025 $'000
Depreciation charge on right-of-use assets (Note 16)	610	638
Depreciation charge on property and equipment	90	104
Amortisation charge on intangible assets (Note 17)	1,282	887
Total depreciation and amortisation expense	**1,982**	**1,629**

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

10. Income taxes

10.1. Income tax recognised in profit or loss

The income tax benefit for the year can be reconciled to the accounting profit as follows:

	Year ended 30 June 2026 $'000	Year ended 30 June 2025 $'000
Current tax		
In respect of the current year	(292)	-
Deferred tax		
In respect of the current year	5,301	2,210
Total income tax benefit recognised in the period	**5,009**	**2,210**

	Year ended 30 June 2026 $'000	Year ended 30 June 2025 $'000
Profit before income tax	**5,231**	**3,308**
Income tax benefit / (expense) calculated at 30%	759	234
Income tax benefit / (expense) calculated at 28%	(2,173)	(1,162)
Effect of expenses that are not deductible	580	125
Movement in temporary differences and losses utilised	(249)	-
Adjustment to prior period taxation	(448)	(12)
Recognition of previously unrecognised deferred tax assets	6,317	2,969
Foreign exchange differences	223	56
Total income tax benefit recognised in the period	**5,009**	**2,210**

10.2. Amounts recognised in other comprehensive income

	30 June 2026 $'000	30 June 2025 $'000
Aggregate current and deferred tax arising in the reporting period relating to components of other comprehensive income:		
Cash flow hedge reserve	2,592	(2,692)
Other	1,026	(65)

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit/(loss) before tax' as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other periods and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

10. **Income taxes** continued

Deferred tax

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

10.3. Deferred tax balances

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

	30 June 2026 $'000	30 June 2025 $'000
Deferred tax assets		
Expected credit loss (ECL) provision	8,604	8,127
Accruals	1,845	1,749
Lease liability	979	700
Derivatives	-	2,516
Share-based payments	862	140
Losses	6,768	3,114
Deferred tax assets	**19,058**	**16,346**
Deferred tax liabilities		
Derivatives	(76)	-
Right-of-use asset	(870)	(606)
Plant & equipment and intangibles	(829)	(140)
Deferred tax liabilities	**(1,775)**	**(746)**
Net deferred tax assets	**17,283**	**15,600**

The Group has total deferred tax assets (recognised and unrecognised) of $29.5m (30 June 2025: $35.5m), which includes unutilised tax losses available to offset future taxable profit of $56.3m at 30 June 2026 (30 June 2025: $72.3m). Utilisation of carry forward tax losses is subject to meeting the requirements of the applicable tax legislation.

The Group's recognised Deferred Tax Assets (DTA) of $17.3m (30 June 2025: $15.6m) reflect the extent to which it is probable that sufficient taxable profit will be available for those DTA to be utilised.

The Group has further unrecognised DTA of $12.2m at 30 June 2026 (30 June 2025: $19.9m).

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

11. Cash flow hedge

Cash flow hedge reserve

	30 June 2026 $'000	30 June 2025 $'000
Opening balance	(6,217)	349
Analysis of amounts recognised in other comprehensive income		
Gain/(Loss) arising on changes in fair value of derivatives	8,864	(9,258)
Deferred tax on derivatives (Note 10.2)	(2,592)	2,692
Gain/(Loss) on cash flow hedge reserve	**6,272**	**(6,566)**
Closing balance	**55**	**(6,217)**

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 2026 $'000	30 June 2025 $'000
Derivative financial assets	1,960	-
Derivative financial liabilities	(1,829)	(8,733)
Net derivative financial instruments	**131**	**(8,733)**

Movements in the derivative financial instruments are as follows:

Interest rate swaps	30 June 2026 $'000	30 June 2025 $'000
Opening balance	(8,733)	525
Transferred to profit or loss for the year (included in interest expenses)	4,773	(106)
Gain/(Loss) arising on changes in fair value of derivatives	4,091	(9,152)
Closing balance	**131**	**(8,733)**

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

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

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

The valuations for New Zealand were based on market rates at 30 June 2026 of 2.58% for the 1-month BKBM and 3.65% for the 5-year swap rate (2025: 3.33% and 3.55%) and for Australia 4.31% for the 1-month BBSW and 4.63% for the 5-year swap rate (2025: 3.61% and 3.59%).

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

12. Earnings per share

	30 June 2026 $'000	30 June 2025 $'000
Profit after tax for the year attributable to the owners of the Group	10,240	5,518
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	103,595,231	101,952,158
Weighted average number of ordinary shares used in calculating diluted earnings per share	103,595,231	101,952,158
	Cents	**Cents**
Basic earnings per share	10	5
Diluted earnings per share	10	5

Performance rights

Performance rights (nil exercise price) granted under the Group's share-based payment plan (note 21) are potential ordinary shares treated as contingently issuable shares. For the year ended 30 June 2026 the performance conditions were not satisfied at the reporting date, so the 8,845,000 rights on issue were excluded from the calculation of diluted earnings per share, which therefore equals basic earnings per share. At 30 June 2025 there were no potential ordinary shares on issue, so diluted earnings per share also equalled basic earnings per share.

13. Cash and cash equivalents

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

	30 June 2026 $'000	30 June 2025 $'000
Cash on hand and demand deposits	26,860	22,820
Restricted cash	16,341	29,797
Total cash and cash equivalents	**43,201**	**52,617**

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.

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

13. Cash and cash equivalents continued

Reconciliation of profit for the year to net cash generated by operating activities

	Year ended 30 June 2026 $'000	Year ended 30 June 2025 $'000
Profit for the year after tax	10,240	5,518
Adjustments for:		
Impairment expense	33,888	27,783
Share-based payments	1,790	(839)
Depreciation and amortisation expenses	1,982	1,629
Change in deferred establishment fee	585	928
Borrowing establishment fees	325	1,104
Income tax benefit	(5,301)	(2,210)
Amortisation of transaction costs	(94)	-
Other movements	562	50
Change in operating assets and liabilities:		
(Increase) / Decrease in trade and other assets	858	(334)
Increase / (Decrease) in payables and accruals	(1,324)	2,794
Increase in accrued interest	(2,874)	(1,385)
Net cash generated by operating activities	**40,637**	**35,038**

Non-cash transactions

During the current year, the Group did not enter into any non-cash investing and financing activities (2025: nil).

Change in liabilities arising from financing activities

	Borrowings $'000	Lease liability $'000	Total $'000
Balance at 1 July 2024	**(739,546)**	**(3,010)**	**(742,556)**
Operating cash flows [1]	6	228	234
Financing cash flows	(79,829)	562	(79,267)
Non-cash adjustments [2]	(757)	(228)	(985)
New leases (non-cash)	-	(18)	(18)
Foreign exchange differences (non-cash)	(4,141)	(33)	(4,174)
Balance at 30 June 2025	**(824,267)**	**(2,499)**	**(826,766)**
Operating cash flows [1]	691	246	937
Financing cash flows	(87,942)	506	(87,436)
Non-cash adjustments [2]	(1,185)	(249)	(1,434)
New leases (non-cash)	-	(1,826)	(1,826)
Foreign exchange differences (non-cash)	38,246	328	38,574
Balance at 30 June 2026	**(874,457)**	**(3,494)**	**(877,951)**

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

14. Trade and other assets

	30 June 2026 $'000	30 June 2025 $'000
Financial assets at amortised cost		
Trade receivables	934	1,996
Total financial assets at amortised cost	**934**	**1,996**
Prepayments	1,256	1,461
GST receivable	117	137
Total trade and other assets	**2,307**	**3,594**

Trade receivables include $nil grant income (2025: $0.9m) and $0.7m (2025: $1m) from receivables charged off and sold in the current year.

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

15. Finance receivables

	30 June 2026 $'000	30 June 2025 $'000
Finance receivables	888,861	828,693
Accrued interest	9,808	7,215
Deferred establishment fees	(4,245)	(3,721)
Deferred transaction costs	75	-
Expected credit loss (ECL) provision	(39,982)	(36,812)
Total finance receivables	**854,517**	**795,375**

15.1. Credit risk management

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

15.2. ECL Provision

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

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

Stage 1: 12-month ECL - No significant increase in credit risk

Finance receivables in this category have not had a significant increase in credit risk since initial recognition. ECL resulting from default events that are possible within the next 12 months ('12-month ECL') are recognised for financial instruments that remain in stage 1.

15.2 **ECL Provision** continued

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, but is less than 30 days in arrears at the reporting date. 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 credit-impairment is not identified at an earlier stage, it is deemed to occur when an exposure is more than 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.

During the period, the Group refined its methodology for calculating macroeconomic multipliers within the forward-looking overlay framework.

The updated framework determines scenario multipliers based on a data-driven approach applied separately to the Australian and New Zealand portfolios.

Vintage anchor - Establishes a baseline loss rate derived from the highest-stress seasoned loan vintages under current underwriting scorecards.

Macroeconomic scalars - Derived by comparing forward-looking macroeconomic projections against historical conditions during the anchor periods. Given the composition of the Group's borrower demographic, an equal (50/50) weighting is applied to Unemployment and CPI Inflation to reflect direct household serviceability risk.

Forward-looking economic indicators are revised semi-annually using central bank forecasts (RBA and RBNZ) and market data sources. The resulting scalars are applied to establish parameters across four economic scenarios: Status Quo (Base), Poor (Downside), Worst (Severe Downside), and Best (Upside). Scenario probability weightings are reviewed semi-annually and approved by the Group’s Assets and Liabilities Committee. To reflect non-linear default risks and persistent cost-of-living pressures, management has applied a cautious weighting distribution, assigning a primary weight to the downside scenario.

The refinement in methodology and recalibration of scenario weightings did not have a material impact on the total ECL provision recognised at the reporting date.

15.2 **ECL Provision** continued

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

30 June 2026	Stage 1	Stage 2	Stage 3	Total
Expected loss rate	2.06%	20.29%	67.30%	4.45%
	$'000	$'000	$'000	$'000
Gross carrying amount	796,691	95,924	6,054	898,669
Expected credit loss provision	(16,449)	(19,459)	(4,074)	(39,982)
Net carrying amount	**780,242**	**76,465**	**1,980**	**858,687**

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

Movements in the expected credit loss provision are as follows:

	30 June 2026 $'000	30 June 2025 $'000
Opening balance	36,812	36,646
Movement in the provision recognised due to:		
Decrease in economic overlay	(1,291)	(6,021)
Impact of increase in gross finance receivables	37,523	35,030
Finance receivables written off during the period as uncollectible (Note 7)	(33,062)	(28,843)
Total provision	**39,982**	**36,812**

The reconciliation of the provision for ECL and finance receivables by stage is 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" represents a reduction in the provision for ECL as a result of derecognition of exposures where there is no reasonable expectation of full recovery.

15.2 ECL Provision continued

Expected credit loss provision by stage

	Not credit-impaired Stage 1 $'000	Not credit-impaired Stage 2 $'000	Credit-impaired Stage 3 $'000	Total $'000
Total provisions for ECL on loans as at 30 June 2024	**21,212**	**13,332**	**2,102**	**36,646**
Transfers to Stage 1	15,131	(14,993)	(138)	-
Transfers to Stage 2	(4,058)	15,451	(11,393)	-
Transfers to Stage 3	(3)	(28,689)	28,692	-
Business activity during the year	2,804	(6,037)	2,047	(1,186)
Net remeasurements of provision for ECL	(16,809)	36,752	10,093	30,036
Incurred credit loss	(40)	(1,553)	(27,250)	(28,843)
Foreign exchange differences	71	66	22	159
Total provisions for ECL on loans as at 30 June 2025	**18,308**	**14,329**	**4,175**	**36,812**
Transfers to Stage 1	16,851	(16,851)	-	-
Transfers to Stage 2	(6,583)	26,836	(20,253)	-
Transfers to Stage 3	(5)	(36,284)	36,289	-
Business activity during the year	5,046	(1,068)	(2,224)	1,754
Net remeasurements of provision for ECL	(16,648)	34,859	17,633	35,844
Incurred credit loss	(48)	(1,654)	(31,360)	(33,062)
Foreign exchange differences	(472)	(708)	(186)	(1,366)
Total provisions for ECL on loans as at 30 June 2026	**16,449**	**19,459**	**4,074**	**39,982**

Gross finance receivables by stage

	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Gross carrying amount as at 30 June 2024	**710,625**	**50,322**	**3,310**	**764,257**
Transfers to Stage 1	34,534	(34,378)	(156)	-
Transfers to Stage 2	(130,245)	144,032	(13,787)	-
Transfers to Stage 3	(159)	(42,051)	42,210	-
Net of new financial assets and repayments during the year	143,882	(47,053)	3,189	100,018
Gross incurred credit loss (before recoveries)	(1,146)	(3,226)	(28,622)	(32,994)
Foreign exchange differences	4,190	401	36	4,627
Gross carrying amount as at 30 June 2025	**761,681**	**68,047**	**6,180**	**835,908**
Transfers to Stage 1	50,732	(50,732)	-	-
Transfers to Stage 2	(125,784)	152,796	(27,012)	-
Transfers to Stage 3	(127)	(60,642)	60,769	-
Net of new financial assets and repayments during the year	150,375	(5,356)	(2,402)	142,617
Gross incurred credit loss (before recoveries)	(1,460)	(3,739)	(31,188)	(36,387)
Foreign exchange differences	(38,726)	(4,450)	(293)	(43,469)
Gross carrying amount as at 30 June 2026	**796,691**	**95,924**	**6,054**	**898,669**

16. Property and equipment

	30 June 2026 $'000	30 June 2025 $'000
Right-of-use assets	3,106	2,165
Equipment	123	174
Total property and equipment	**3,229**	**2,339**

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

16.1. Leases

Amounts recognised in the consolidated statement of financial position

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

Right-of-use assets	30 June 2026 $'000	30 June 2025 $'000
Opening balance - buildings	2,165	2,758
Additions	1,826	18
Other	(275)	27
Depreciation expense for the period	(610)	(638)
Closing balance - buildings	**3,106**	**2,165**

Lease liabilities	30 June 2026 $'000	30 June 2025 $'000
Opening balance - lease liability	2,499	3,010
Additions	1,826	18
Interest expense	249	228
Lease payments	(755)	(790)
Other	(325)	33
Total lease liability	**3,494**	**2,499**
Current lease liabilities	495	618
Non-current lease liabilities	2,999	1,881
Total lease liability	**3,494**	**2,499**

Other lease disclosures

	30 June 2026 $'000	30 June 2025 $'000
Expense relating to short-term leases	11	13

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

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

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

16.1. **Leases** continued

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

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

During the financial year, the Group extended the lease agreement for its Auckland office. The lease now expires on 31 December 2031.

17. Intangible assets

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

	30 June 2026 $'000	30 June 2025 $'000
Opening net book amount	8,323	4,491
Additions - internal development	4,205	4,670
Amortisation charge	(1,282)	(887)
Foreign exchange differences	(880)	49
Closing net book amount	**10,366**	**8,323**

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.

Internally developed software is capitalised using an internal framework.

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

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

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

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

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

The Group amortises developed software with a limited useful life using the straight-line method over 7 years (2025: 7 years). The amortisation period and method are reviewed annually.

18. Payables and accruals

	30 June 2026 $'000	30 June 2025 $'000
Financial liabilities at amortised cost		
Accruals	2,338	2,926
Trade and other payables	1,671	2,619
Total financial liabilities at amortised cost	**4,009**	**5,545**
Employee benefits accrual	2,099	2,217
GST payable	99	104
Total payables and accruals	**6,207**	**7,866**

Employee benefits accrual

	30 June 2026 $'000	30 June 2025 $'000
Current employee incentives		
Employee incentive accrual	1,230	1,298
Annual leave accrual	659	727
Long service leave accrual	147	153
Total current employee incentives	**2,036**	**2,178**
Non-current employee incentives		
Long service leave accrual	63	39
Total employee benefits accrual	**2,099**	**2,217**

19. Borrowings

	30 June 2026 $'000	30 June 2025 $'000
Receivables funding — non-recourse (note 19.1)	859,782	802,000
Corporate debt — recourse (note 19.3)	14,675	22,267
Total borrowings	**874,457**	**824,267**

Receivables funding is drawn by the Warehouse Trusts (note 23), is secured solely against the assets of the relevant Trust, and is without recourse to the Group's other assets. The corporate debt facility is the Group's only recourse borrowing and is guaranteed by Harmoney Corp Limited and each of its subsidiary companies (note 19.3).

19.1. Receivables funding

Receivables funding relates to borrowings specific to the Warehouse Trusts (note 23) of $859.8m and is secured by their assets of $908.8m (note 27). The borrowings have an availability period which 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 the availability period end date expires, unless the agreement terms are extended, the borrowings are required to be paid down as customers make repayments on the finance receivables. This pay-down period can be up to 7 years from the last day of the availability period.

30 June 2026 Warehouse Trusts	Limit $'000	Drawn $'000	Undrawn $'000	Availability Period End
Harmoney Australia Warehouse No.1 Trust	145,831	145,731	100	March 2027
Harmoney Australia Warehouse No.2 Trust	264,286	264,147	139	November 2027
Harmoney Australia Warehouse No.3 Trust	190,004	147,813	42,191	September 2026
Harmoney Warehouse No.1 Trust	205,160	143,279	61,881	April 2028
Harmoney Warehouse No.3 Trust	225,283	186,315	38,968	March 2027
Total	**1,030,564**	**887,285**	**143,279**	

19. **Borrowings** continued

30 June 2025	**Limit**	**Drawn**	**Undrawn**	**Availability Period End**
Warehouse Trusts	**$'000**	**$'000**	**$'000**	
Harmoney Australia Warehouse No.1 Trust	150,401	150,026	375	March 2027
Harmoney Australia Warehouse No.2 Trust	264,286	243,746	20,540	September 2026
Harmoney Australia Warehouse No.3 Trust	190,004	107,606	82,398	September 2026
Harmoney Warehouse No.1 Trust	174,207	139,130	35,077	April 2027
Harmoney Warehouse No.3 Trust	170,300	132,124	38,176	May 2026
Harmoney NZ ABS 2023-1 Trust	75,311	75,311	-	July 2026
Total	**1,024,509**	**847,943**	**176,566**	

19.2. Warehouse financing arrangements

Unrestricted access was available at the reporting date to the warehouse facilities as detailed in note 19.1 above.

Subordinated notes provided by the Group to the Warehouse Trusts totalled $34.2m at 30 June 2026 (2025: $47.2m), and represent the Group's maximum economic exposure to the Warehouse Trusts. Of that amount, $29.2m (2025: $47.1m), being the contractual contribution to each facility, is included in the drawn amounts above. Subordinated notes are held within the Group and are eliminated on consolidation, and are accordingly not presented in the consolidated statement of financial position.

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

19.3. Corporate debt facility

The Group refinanced its corporate debt in December 2025, reducing the facility limit by $7.5m to $15m. The new facility has market standard financial covenants and interest rates with no equity or convertible component attached, and a term of three years to December 2028. As at 30 June 2026, the full facility limit of $15m was drawn.

The $15m corporate debt is reduced by unamortised prepaid establishment costs. Prepaid establishment costs are amortised over the expected term of the facility through interest expense.

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

Under the terms of the corporate debt and warehouse facilities, the Group is required to comply with financial and non-financial covenants. Harmoney has complied with these covenants as at 30 June 2026.

20. Share capital

		30 June 2026		**30 June 2025**
	Number of shares	**Share capital $'000**	**Number of shares**	**Share capital $'000**
Fully paid ordinary shares	103,006,118	126,852	104,056,714	127,473
Total issued capital	**103,006,118**	**126,852**	**104,056,714**	**127,473**

	Ordinary shares
As at 30 June 2025	104,056,714
Cancellation of treasury shares	(1,050,596)
As at 30 June 2026	**103,006,118**

20.1. Ordinary shares

Ordinary shares carry a right to one vote per share, to an equal share in dividends, and to a pro-rata share of net assets on wind up. The Group does not have authorised capital or par value in respect of its issued shares. During the year, 828,962 treasury shares were acquired (FY25: 221,634), all 1,050,596 treasury shares held were cancelled during FY26 (FY25: nil).

The $621k reduction in share capital differs from the $648k of cash paid because shares acquired are recorded in the Company's functional currency, New Zealand dollars, and translated into the presentation currency; the $27k difference is recognised in the foreign currency translation reserve.

21. Reserves

21.1. Foreign currency translation reserve

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

21.2. Share-based payment reserve

	30 June 2026 $'000	30 June 2025 $'000
Opening balance	-	4,463
Arising on equity settled benefits	1,773	(152)
Transferred to share capital	-	(3,039)
Performance rights cancellations	-	(1,272)
Closing balance	**1,773**	**-**

In relation to share-based payment transactions, the Group recognised an expense of $2.2m (2025: $0.7m) within the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2026.

Share-based compensation plan

During the year ended 30 June 2026, the Group updated its Long Term Incentive Plan (LTIP), which was approved by shareholders at the Annual General Meeting in December 2025. The LTIP aligns executive remuneration with sustainable shareholder value creation. The plan grants performance rights that vest only upon achieving specific, pre-determined performance hurdles, serving to retain key leadership and drive long-term organisational performance.

The Group receives services from employees as consideration for equity instruments (performance rights) of the Group. The fair value of the employee services received in exchange for the grant of the rights 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 rights 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 rights 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 rights are exercised, the company issues new shares.

The weighted average exercise price is $nil for all the rights presented in the table below. No rights expired during the periods covered by the table below.

The weighted average remaining contractual life of rights outstanding at the end of 30 June 2026 was 2.25 years (30 June 2025: 0 years).

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

The following table provides details of the rights granted by the Group as remuneration to employees.

30 June 2026				Number of performance rights				
Grant date	**Contractual life of performance rights**	**Grant date fair value**	**Opening balance 01/07/2025**	**Granted**	**Exercised**	**Forfeited**	**Closing balance 30/06/2026**	**Vested & exercisable**
17 Dec 2025	1.79 years	$0.88	-	1,499,169	-	25,000	1,474,169	-
17 Dec 2025	1.79 years	$0.72	-	1,499,169	-	25,000	1,474,169	-
17 Dec 2025	2.79 years	$0.88	-	1,499,169	-	25,000	1,474,169	-
17 Dec 2025	2.79 years	$0.73	-	1,499,169	-	25,000	1,474,169	-
17 Dec 2025	3.79 years	$0.88	-	1,499,162	-	25,000	1,474,162	-
17 Dec 2025	3.79 years	$0.75	-	1,499,162	-	25,000	1,474,162	-
Total			**-**	**8,995,000**	**-**	**150,000**	**8,845,000**	**-**

Vesting of the rights is conditional on the participant remaining employed by the Group at the relevant vesting date for each tranche, being 30 September 2027, 30 September 2028 and 30 September 2029 respectively, and having been employed by the Group for a continuous period of at least three years. In addition, the rights are subject to two equally weighted (50% each) performance hurdles:

- Cash earnings per share (Cash EPS) growth, measured as the compound annual growth rate of the Group's Cash EPS from a fixed FY26 baseline of 12.98 cents per share. No rights vest for growth of less than 20% per annum, 50% vest at 20% per annum and 100% vest at 25% per annum or above, with straight-line vesting between those thresholds. Full vesting therefore requires Cash EPS of 16.2 cents for the tranche tested in FY27, 20.3 cents for FY28 and 25.4 cents for FY29, being approximately double the FY26 baseline; or
- Relative Total Shareholder Return (TSR) ranking between the 50th percentile (50% vesting) and 75th percentile (100% vesting) against the S&P/ASX Small Ordinaries Index.

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

The fair value of performance rights granted during the period was determined using the following methods:

Cash EPS Growth (Non-Market Condition): The fair value was determined based on the closing share price of $0.88 at the grant date.

Relative TSR (Market Condition): The fair value was measured using a Monte Carlo simulation. This model incorporates correlations between the Group and its peers using Cholesky decomposition. The inputs used in the fair value measurement were as follows:

Input	**Relative TSR Tranche 1**	**Relative TSR Tranche 2**	**Relative TSR Tranche 3**
Fair value at grant date	$0.72	$0.73	$0.75
Share price at grant date	$0.88	$0.88	$0.88
Exercise price	$nil	$nil	$nil
Expected volatility	62%	62%	62%
Expected life	1.79 years	2.79 years	3.79 years
Expected dividends	0%	0%	0%
Risk-free interest rate	4.03%	4.11%	4.19%

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

The Group's previous share-based compensation plan was completed in June 2025.

30 June 2025				**Number of performance rights**				
Grant date	**Contractual life of performance rights**	**Grant date fair value**	**Opening balance 01/07/2024**	**Granted**	**Exercised**	**Forfeited**	**Closing balance 30/06/2025**	**Vested & exercisable**
15 Jun 2021	4.04 years	$1.40	4,200,000	-	1,175,500	3,024,500	-	-
1 Dec 2021	3.58 years	$1.77	100,000	-	61,000	39,000	-	-
1 Jul 2022	3.00 years	$0.71	305,000	-	186,050	118,950	-	-
1 Sep 2023	1.83 years	$0.53	4,049,000	-	628,539	3,420,461	-	-
1 Dec 2024	0.58 years	$0.41	-	160,000	41,478	118,522	-	-
Total			**8,654,000**	**160,000**	**2,092,567**	**6,721,433**	**-**	**-**

22. Related party transactions

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

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

	30 June 2026 $'000	**30 June 2025 $'000**
Short-term employee benefits [1]	2,466	3,238
Superannuation expense [1]	215	175
Share-based payments	786	(425)
Total remuneration of key management personnel	**3,467**	**2,988**

1. The employee benefits accrual at note 18 includes $0.8m of short-term benefits and superannuation due to KMP (June 25: $1.1m).

23. Controlled entities

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

	Footnote	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			2026	2025
Subsidiary Companies				
Australia				
Harmoney Australia Pty Ltd		Australia	100%	100%
Harmoney Services Australia Pty Ltd		Australia	100%	100%
Harmoney Noteholder Australia Pty Ltd		Australia	100%	n/a
New Zealand				
Harmoney Services Limited		New Zealand	100%	100%
Harmoney Noteholder New Zealand Limited		New Zealand	100%	n/a
Warehouse Trusts				
Australia				
Harmoney Australia Warehouse No.1 Trust		Australia	100%	100%
Harmoney Australia Warehouse No.2 Trust		Australia	100%	100%
Harmoney Australia Warehouse No.3 Trust		Australia	100%	100%
Harmoney Collections Trust		Australia	100%	100%
New Zealand				
Harmoney Warehouse No.1 Trust	1	New Zealand	n/a	n/a
Harmoney Warehouse No.3 Trust	1	New Zealand	n/a	n/a
Harmoney NZ ABS 2023-1 Trust	2	New Zealand	-	n/a
Harmoney Collections Trust	1	New Zealand	n/a	n/a

1. Controlled Entities: Management have determined that Harmoney Warehouse No.1 Trust, Harmoney Warehouse No.3 Trust and Harmoney Collections 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 NZ ABS 2023-1 Trust was wound up on 24 June 2026.

24. Financial assets and liabilities

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

	30 June 2026 $'000	30 June 2025 $'000
Financial assets at amortised cost		
Cash and cash equivalents	43,201	52,617
Trade and other receivables	934	1,996
Finance receivables	854,517	795,375
	898,652	**849,988**
Financial liabilities at amortised cost		
Payables and accruals	4,009	5,545
Borrowings	874,457	824,267
	878,466	**829,812**
Financial assets at fair value		
Derivative financial instruments	131	-
	131	**-**
Financial liabilities at fair value		
Derivative financial instruments	-	8,733
	-	**8,733**

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

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

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

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

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

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

30 June 2026 $'000	Level 1	Level 2	Level 3
Financial assets			
Derivative financial instruments			
Hedging derivatives - interest rate swaps	-	131	-

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

24. Financial assets and liabilities continued

There have been no transfers between levels in the year (2025: nil).

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

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

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

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

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

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

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

25. Financial risk management

25.1. Financial risk management objectives

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

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

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

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

25.2. Market risk

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

25.2. **Market risk** continued

Interest rate risk

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

The Group originates loans to customers at fixed interest rates; the loans 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 2026 $'000	30 June 2025 $'000
Financial assets		
Cash on hand and demand deposits	26,860	22,820
Restricted cash	16,341	29,797
Total financial assets	**43,201**	**52,617**
Financial liabilities		
Borrowings - Receivables funding	(859,782)	(802,000)
Borrowings - Corporate debt	(14,675)	(22,267)
Total financial liabilities	**(874,457)**	**(824,267)**

Receivables funding comprises 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 accumulated in equity in the cash flow hedge reserve, to the extent that the hedge is effective. Any ineffective portion is recognised immediately in profit or loss. Amounts accumulated in the reserve are reclassified to profit or loss, within interest expense, in the periods in which the hedged interest payments affect profit or loss. During the year ended 30 June 2026, $4.8m was reclassified from the cash flow hedge reserve into interest expense on this basis (2025: $0.1m interest income). No hedge ineffectiveness was recognised in profit or loss during the year (2025: nil).

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 2026, the notional value of swaps was 87% (2025: 80%) of RFB.

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

	30 June 2026 $'000	30 June 2025 $'000
Carrying amount held in derivative financial instruments	131	(8,733)
Notional amount	744,723	643,857
Hedge ratio	1:1	1:1
Change in fair value of outstanding hedging instruments during the year	8,864	(9,258)
Change in fair value of outstanding hedged item used to determine hedge effectiveness	(8,864)	9,258

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

25.2. **Market risk** continued

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 30 June 2026 would decrease/increase by $1.1m (2025: $1.6m). 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 2026 would increase by $9.1m (2025: $8.5m) or decrease by $9.3m (2025: $8.7m). 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 2026 $'000	30 June 2025 $'000
Financial instruments		
Foreign currency payable	327	1,663
Foreign currency receivable	(998)	(1,549)
Net exposure	**(671)**	**114**

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 2026 $'000	Year ended 30 June 2025 $'000
AUD/NZD +5%	34	(6)
AUD/NZD -5%	(34)	6

25.3. **Liquidity risk**

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

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

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

25.4. Remaining undiscounted contractual maturities

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

Contractual maturities of financial liabilities at 30 June 2026	**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	4,009	-	-	4,009
Interest bearing				
Borrowings	368,170	418,943	197,499	984,612
Lease liability	739	752	2,817	4,308
Total non-derivatives	**372,918**	**419,695**	**200,316**	**992,929**
Derivatives				
Interest rate swaps - (net inflow)/net outflow	268	(598)	(385)	(715)
Total derivatives	**268**	**(598)**	**(385)**	**(715)**

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

25.5. Capital risk management

The Group's objectives when managing capital are to safeguard the ability to continue as a going concern and to maintain an optimal capital structure to facilitate growth in the business while reducing the cost of capital. The Group's capital structure comprises equity raised by the issue of ordinary shares and external borrowings. As shown in note 19, the Group has capacity to fund finance receivables growth with warehouse facility headroom of $143.3m (June 2025: $176.6m).

25.6. Credit risk management

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

26. Remuneration of auditors

	Year ended 30 June 2026 $'000	Year ended 30 June 2025 $'000
Fees for audit and assurance services		
Statutory audit fees	282	310
Non-audit assurance services	33	28
Total fees for audit and assurance services	**315**	**338**

Fees for audit and assurance services are paid to BDO for the year ended 30 June 2026 (2025: BDO). Non-audit assurance services relate to Harmoney's Australian Financial Services Licence and regulatory assurance services under the Financial Sector (Collection of Data) Act.

27. Securitisation and structured entities

The Group funds its finance receivables through warehouse facilities and asset-backed securitisations. Finance receivables originated by the Group are sold to the Warehouse Trusts, which fund those purchases by drawing on facilities provided by third-party funders. The Warehouse Trusts are structured entities controlled by the Group and are consolidated (note 23).

	30 June 2026 $'000	30 June 2025 $'000
Finance receivables held by the Warehouse Trusts	882,736	825,615
Accrued interest on finance receivables held by the Warehouse Trusts	9,759	7,201
Cash held by the Warehouse Trusts (restricted cash)	16,341	29,797
Total assets of the Warehouse Trusts	**908,836**	**862,613**
Borrowings drawn by the Warehouse Trusts (note 19)	859,782	802,000

Finance receivables in this note represent gross contractual principal and accrued interest held within the Warehouse Trusts. They do not include receivables held by Harmoney directly or IFRS 9 effective interest rate (EIR) fee adjustments and expected credit loss (ECL) provisions, which are included in the finance receivables disclosure (note 15).

The assets of each Warehouse Trust may be applied only to meet the obligations of that Trust and are not available to meet the general obligations of the Group. The borrowings of the Warehouse Trusts are secured solely against the assets of the relevant Trust and are without recourse to the Group's other assets. The Group's economic exposure to the Warehouse Trusts is limited to the subordinated notes it has provided, of $34.2m at 30 June 2026 (2025: $47.2m), which are eliminated on consolidation (note 19.2). The Group has no contractual obligation, and no current intention, to provide financial or other support to any Warehouse Trust beyond those subordinated notes.

28. Contingent liabilities and commitments

There are no contingent liabilities or capital commitments as at 30 June 2026 (2025: nil).

29. Events after the reporting period

There were no material events subsequent to year end.

Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Parkline Place
Level 25, 252 Pitt Street
Sydney NSW 2000
Australia

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Harmoney Corp Limited ("the Company") and its subsidiaries (together, "the Group"), which comprise the consolidated statement of financial position as at 30 June 2026, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and IFRS® Accounting Standards.

Basis for Opinion

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

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

Key Audit Matters

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

The valuation of the expected credit loss provisioning

Key audit matter	How the matter was addressed in our audit
As disclosed in Note 15 of the Financial Report, the Group holds finance receivables of $854.5m (30 June 2025: $795.4m). The requirements of NZ IFRS 9 *Financial Instruments* involve significant judgements and estimates in assessing expected credit losses to be incurred based on past performance, the current economic environment, as well as expectations around future conditions. The Group's accounting policies in relation to expected credit losses are disclosed in Note 15. The group have recognised expected credit loss provisions of $40.0m (30 June 2025: $36.8m). The valuation of expected credit loss provisioning has been considered a key audit matter due to the subjectivity involved in determining the expected credit losses, complexity involved in the calculations and judgements made by Management.	Our audit work included, but was not limited to: • Understanding and testing controls relating to the Group's lending processes including controls over origination of loan receivables; • Critically evaluating whether the expected credit loss models prepared by management complies with the requirements of NZ IFRS 9 *Financial Instruments;* • Assessing the reasonableness of key judgements and estimates applied to the model, as well as expectations of future economic conditions; • Evaluating the completeness and accuracy of the data used in the expected credit loss models; • Performing control and sample procedures to assess the allocation of loans to the appropriate expected credit loss loan staging; and • We also assessed the adequacy of the Group's disclosures in relation to finance receivables.

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibilities for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, the directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these consolidated financial statements.

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

This description forms part of our auditor's report.

Who we Report to

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

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

BDO Audit Pty Ltd

BDO

Tim Aman
Sydney, Australia, 20 August 2026

Shareholder Information

The shareholder information set out below was applicable as at 31 July 2026.

Distribution of equity securities

Analysis of number of equity security holders by size of holding.

	Ordinary shares		Unquoted equity securities performance rights		
	Number of holders	% of total shares issued	Number of holders	Number of performance rights	% of total rights
1 to 1,000	150	0.07	-	-	-
1,001 to 5,000	218	0.61	-	-	-
5,001 to 10,000	111	0.83	-	-	-
10,001 to 100,000	218	6.98	7	475,000	5.37
100,001 and over	68	91.51	13	8,370,000	94.63
Total	**765**	**100.00**	**20**	**8,845,000**	**100.00**

There were 102 holders of less than a marketable parcel of ordinary shares.

Equity security holders

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

Name of holder	Number held	% of total shares issued
Neil Roberts	15,938,276	15.47
J P Morgan Nominees Australia Pty Limited	12,033,027	11.68
HSBC Custody Nominees (Australia) Limited	9,505,704	9.23
Lookman Family Trust	9,069,618	8.80
Trade Me Limited	7,620,959	7.40
Citicorp Nominees Pty Limited	5,250,680	5.10
Waterfall Asset Management	3,933,109	3.82
David Stevens	3,598,707	3.49
Brad Hagstrom, Renai Hagstrom, and Guy Hagstrom	2,741,419	2.66
Sharesies Australia Nominee Pty Limited	1,865,345	1.81
Netwealth Investments Limited	1,495,076	1.45
Monde Five Limited	1,449,210	1.41
Sheffield Management Pty Ltd	1,379,086	1.34
Tap Capital Pty Ltd	1,350,000	1.31
New Tricks Limited	1,347,210	1.31
Snowball Asset Management	1,156,991	1.12
Duncan Gross	1,150,372	1.12
Mono Lake Trustee Limited	1,140,906	1.11
Andrew Cathie	1,043,030	1.01
David Flacks	816,354	0.79
Total	**83,885,079**	**81.43**

Unquoted equity securities

	Number on issue	Equity securities on conversion	Number of holders
Performance rights	8,845,000	8,845,000	20

Substantial holders

Substantial holders in the Company are set out below:

Name of holder	Number held	% of total shares issued
Neil Roberts	15,938,276	15.47
Lookman Family Trust	9,069,618	8.80
Trade Me Limited	7,620,959	7.40

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 2026

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 2026.

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

Harmoney Australia Pty Ltd
Brad Hagstrom (ceased 30 June 2026)
David Nesbitt
David Stevens
Simon Ward

Harmoney Services Australia Pty Ltd
Brad Hagstrom (ceased 30 June 2026)
David Nesbitt
David Stevens
Simon Ward

Harmoney Services Limited
Brad Hagstrom (ceased 30 June 2026)
David Stevens
Michael Travis (appointed 30 June 2026)
Simon Ward

Harmoney Noteholder Australia Pty Ltd
Brad Hagstrom (appointed 28 October 2025 and ceased 30 June 2026)
David Nesbitt (appointed 28 October 2025)
David Stevens (appointed 28 October 2025)
Simon Ward (appointed 28 October 2025)

Harmoney Noteholder New Zealand Limited
Brad Hagstrom (appointed 31 October 2025 and ceased 30 June 2026)
David Stevens (appointed 31 October 2025)
Michael Travis (appointed 30 June 2026)
Simon Ward (appointed 31 October 2025)

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 2026.

	Board		Audit and Risk Committee		Nomination and Remuneration Committee [1]	
	Attended	**Held [2]**	**Attended**	**Held [2]**	**Attended**	**Held [2]**
Monique Cairns	8	8	4	4	3	3
Paul Lahiff	8	8	4	4	3	3
John Quirk	8	8	4	4	3	3
Neil Roberts	7	8	2[3]	2	n/a	n/a
David Stevens	8	8	4[3]	4	3[3]	3

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.
3. Attended as an invitee.

Directors' interests

The following are particulars of general disclosures of interest by Directors of Harmoney Corp Limited holding office at 30 June 2026, 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
30 Seconds Pty Limited	Director
Advice Link (NZ) Limited	Director
BoatCo R3500-5 Limited	Shareholder
Cairns Family Trust	Beneficiary
Caribou Consulting Limited	Director and Shareholder
Ingenium NZ Limited	Director
Insurance Link General Limited	Director
Kaihere Trust	Trustee
Link Advisory Services Limited	Director
Link Financial Group 2022 Limited	Director
Monstar Trust	Trustee and Beneficiary
NZHL Holdings Limited	Director
NZHL Mortgage Advisory Limited	Director
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 Art Committee	Committee Member
Younity Limited	Director

Paul Lahiff	
Advanced Encryption Standard Migration Steering Committee	Committee Member
Clime Investment Management Limited	Director
Defence Bank Limited	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

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

Neil Roberts	
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 Noteholder Australia Pty Ltd	Director
Harmoney Noteholder New Zealand Limited	Director
Harmoney Services Australia Pty Ltd	Director
Harmoney Services 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 2026, 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

Michael Travis	
No disclosable interests	

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	216,524
Monique Cairns	100,453
John Quirk	100,453
Neil Roberts	120,000

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

Employee remuneration

The number of employees whose total remuneration for FY26 exceeded NZ$100,000 is shown in the following bands:

Remuneration including share-based remuneration (NZ$)	Number of employees
100,000 - 110,000	4
110,000 - 120,000	5
120,000 - 130,000	1
130,000 - 140,000	6
140,000 - 150,000	8
150,000 - 160,000	7
160,000 - 170,000	7
170,000 - 180,000	3
180,000 - 190,000	2
190,000 - 200,000	7
220,000 - 230,000	2
230,000 - 240,000	2
240,000 - 250,000	1
250,000 - 260,000	1
270,000 - 280,000	1
280,000 - 290,000	1
310,000 - 320,000	2
330,000 - 340,000	1
370,000 - 380,000	1
400,000 - 410,000	2
420,000 - 430,000	1
450,000 - 460,000	1
530,000 - 540,000	1
680,000 - 690,000	1
860,000 - 870,000	1
2,770,000 - 2,780,000	1

Donations

The Group donated NZ$1,000 during the year ended 30 June 2026 (2025: NZ$1,100). $Nil donations were made to political parties (2025: $nil).

Directory

Registered office

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

Auditor

BDO
Level 25, 252 Pitt Street
Sydney NSW 2000
Australia

Share register

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

Stock exchange listing

Harmoney Corp Limited shares are listed on 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).

Corporate Governance Statement

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

Harmoney websites

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