

25 October 2021

ASX / NZX RELEASE

HARMONEY PRICES \$105M INAUGURAL ABS TRANSACTION

Key highlights:

- **Validation of Australian loan book**
 - **Top tranche of AAA rating (Moody's) achieved with 34% credit enhancement**
- **Material reduction in cost of funds**
 - **Day 1 weighted average interest rate of 1.45% + 1 month BBSW**
- **Significant release of capital**
 - **50% reduction in Harmony's capital required compared to existing warehouse**
- **Harmony has also been awarded 4th place in the AFR BOSS "Most Innovative Companies 2021" for its Libra™ automated real-time credit scoring platform**

Harmony's inaugural ABS transaction underpins further growth

Harmony Corp Limited (ASX/NZX: HMY; "Harmony") is pleased to announce the pricing of a A\$105 million asset-backed securitisation ("ABS"), supported by a pool of fully amortising unsecured consumer personal loans in Australia.

Commenting on the ABS transaction, David Stevens, Harmony's CEO & Managing Director said:

"The Harmony team has been instrumental in pivoting the business from what was a peer-to-peer lending business less than two years ago, to now having three warehouses, two of these being provided by two of the "Big 4" banks, and now entering the ABS market.

"Our inaugural securitisation allowed Harmony to test its lending model and systems to enter the ABS market. The results we have achieved provide clear validation of the quality of our Australian loan book, materially reduce our cost of funding, underpin a significant release of capital and diversify our funding sources.

"Now we have our first asset-backed securitisation (ABS) established, this is just the start of our ABS program across Australia and New Zealand. Assuming similar market conditions, we anticipate a New Zealand securitisation in early calendar year 2022. Given the size of the New Zealand loan book, this is expected to be a significantly larger ABS transaction."

The Harmony ABS Trust 2021-1PP includes:

Class	Expected Rating (Moody's)	Issue Size	Credit Support
A	Aaa(sf)	\$69.3m	34.0%
B	Aa2(sf)	\$7.90m	26.5%
C	A2(sf)	\$7.65m	19.2%
D	Baa2(sf)	\$4.75m	14.7%
E	Ba2(sf)	\$6.70m	8.3%
F	B2(sf)	\$3.13m	5.3%
G	NR	\$5.57m	nil

Harmony achieves 4th place in AFR BOSS “Most Innovative Companies 2021”

Following on from our announcement on 14 October 2021 of the Company's record-breaking September 2021 quarter performance, Harmony has also been recognised as a top 10 finalist in the prestigious Australian Financial Review Boss 2021 awards for its innovative Libra™ automated real-time credit scoring platform with Harmony achieving 4th place in the Banking, Superannuation & Financial Services category.

Commenting on this achievement, David Stevens said:

“This is a massive achievement for Harmony's data science and engineering teams. In only our first year as an ASX-listed company, we have been recognised in the top 10 and then come in fourth place for the most innovative companies in Australia, proof that we have built something very unique at Harmony. There were significantly larger companies included in this year's list and its pleasing to see the innovation efforts of companies in Australia and New Zealand, and have Harmony recognised for its position alongside them.”

This release was authorised by the Board of Harmony Corp Limited.

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ABOUT HARMONEY

Harmony is the only 100% consumer-direct personal lender operating across Australia and New Zealand. Harmony provides customers with unsecured personal loans that are fast, easy, competitively priced (using risk-adjusted interest rates) and accessed 100% online.

Harmony's purpose is to help people achieve their goals through financial products that are fair, friendly, and simple to use.

Harmony's proprietary digital lending platform, Stellare® is the power behind the platform. Stellare® can process, approve and fund most loan applications within 24 hours. Stellare® also replaces the traditional industry credit scorecard with Libra™, our predictive behavioural analytics engine. Libra™ uses machine learning to analyse our rich, direct consumer data to deliver automated credit decisioning and superior risk-based pricing.

BUSINESS FUNDAMENTALS

- Harmony provides risk based priced unsecured personal loans of up to \$70,000 to consumers across Australia and NZ
- Its consumer-direct model and automated loan approval system is underpinned by Harmony's scalable Stellare® proprietary technology and direct consumer data platform
- A large percentage of Harmony's originations come from 3R™ (repeat) customers
- Harmony is comprised of a team of ~80 full-time employees predominantly based in NZ, half of whom comprise engineering, data science and product professionals
- Harmony is funded by a number of sources including two "Big-4" bank warehouse programs across Australia and New Zealand.

For further information visit <https://www.harmony.co.nz/> or <https://www.harmony.com.au/>