

29 December 2021

ASX / NZX RELEASE

HARMONEY SIGNS A\$20M CORPORATE DEBT FACILITY TO FURTHER SUPPORT ITS LOAN BOOK GROWTH

Harmony Corp Limited (ASX/NZX: HMY; “Harmony” or “the Company”) is pleased to announce that it has entered into a A\$20 million corporate debt facility through its wholly-owned subsidiary, Harmony Australia Pty Ltd, to support Harmony’s accelerating Australian receivables book growth.

In October 2021 Harmony announced its inaugural ABS transaction, with the top tranche carrying a Moody’s AAA rating, and halving the capital support required by Harmony compared to its prior warehouse facilities. Building on that achievement, Harmony has now secured this A\$20 million corporate debt facility which will primarily be used to fund the junior notes in Harmony’s warehouse funding structures, underwriting significant further growth in receivables without the need for Harmony to contribute further equity.

Since the IPO in November 2020, Harmony has accelerated both the transition to warehouse funding and lending growth in Australia, with overall warehouse lending growing from \$194million in November 2020 to \$427million in November 2021.

The facility is arranged and funded by OneVentures together with Viola Credit. It is structured with 60% as term notes and 40% as convertible notes with an exercise price of A\$2.40. The maximum shares that would be issued on conversion of the convertible notes would be 3,333,333. The facility can be drawn down in three tranches over a nine-month period, with an initial A\$10 million tranche drawdown today.

Commenting on the facility, David Stevens, Harmony’s CEO & Managing Director said:

“Harmony’s continued capability to access corporate lending markets to support funding growth of our warehouse facilities is a real testament to the quality of our loan book and underwriting. Additionally, it highlights the capital efficiency and scalability of our consumer-direct lending model, underpinned by our Stellare® platform. We are excited that OneVentures and Viola Credit recognise this growth potential and are partnering with us to deliver it.”

Key Facility Terms

Noteholders	1V Venture Credit Trusco Pty Ltd in its capacity as trustee of the 1V Venture Credit Trust, Viola Credit Five Fund, L.P and OneVentures Nominees Pty Limited
Arranger	1V Venture Credit Trusco Pty Ltd in its capacity as trustee of the 1V Venture Credit Trust
Borrower	Harmony Australia Pty Ltd
Guarantors	Harmony Services Australia Pty Ltd, Harmony Corp Limited, Harmony Limited, Harmony Services Limited, Harmony Nominee Limited, Harmony Warehouse Limited
Facility	60% term notes, 40% convertible notes
Limit	A\$20 million
Term	Initial term of 36 months, extendable by the borrower to 42 months, with an initial interest-only period of 12 months, extendable by the borrower to 24 months.
Security	First ranking security over the borrower and guarantors.
Covenants	The facility is subject to financial covenants, and extensions are subject to financial milestones, typical for transactions of this nature
Other features	In the event of early prepayment of the convertible notes by the borrower, Harmony must grant the lenders call options to subscribe for shares in Harmony to the value of the convertible note prepaid, with an exercise price of A\$2.40.

All currency amounts are in NZ\$, unless otherwise stated.

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/>

ABOUT ONEVENTURES

OneVentures is one of Australia's leading venture capital firms, with over \$600M in funds under management. The OneVentures Credit Fund launched in April 2019 and is focused on rapidly growing public and private companies that are differentiated through technological innovation, with strong revenue growth.

For further information visit www.one-ventures.com

ABOUT VIOLA CREDIT

Viola Credit is a global alternative asset manager, provides cutting-edge, flexible, and tailored credit solutions for global technology companies to support growth through two main credit offerings: Growth Lending & Fintech Lending. With over 21 years of experience, Viola Credit currently manages over \$1B in various businesses across multiple stages and geographies. Viola Credit is part of the Viola Group, Israel's leading technology-focused investment group with over \$4B of assets under management.

For further information visit <https://www.viola-group.com/fund/violacredit/>