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ASX/NZX release

Harmony secures up to NZ\$200 million in debt funding from M&G Investments

Harmony Corp Limited (ASX:HMY) (**Harmony** or the **Company**), Australasia's largest online direct personal lender, has secured its third debt warehousing facility, from M&G Investments ("M&G"), a leading global asset management firm.

The NZ\$200 million facility¹ will help to grow Harmony's loan originations; accelerate the transition to a 100% warehouse funding model; and support the expansion of Harmony's product offering to more consumers across Australia and New Zealand.

M&G joins two of the 'Big Four' banks as Harmony funding partners. Harmony's committed warehouse funding is now more than NZ\$465m.

M&G's funding is a 3 year committed facility of up to \$200m. The global asset manager is the senior and mezzanine lender.

David Stevens, CEO of Harmony, said: "This is a great milestone for Harmony, further accelerating our transition to more profitable warehouse funding, and reflects our ability to unlock further loan origination capacity so we can continue innovating the borrowing experience for our consumers. We are really excited to have the support of this well respected institutional asset manager. Our ability to attract a partner of their calibre and establish a securitisation of this size in a post-COVID market reflects the quality of our business, and the confidence Harmony continues to earn from fixed income investors."

Matthew O'Sullivan, Head of Asia Pacific Origination at M&G Investments, said: "M&G is excited to be working with Harmony to help expand their ability to lend to consumers and we are pleased to be able to support the financial recovery within New Zealand."

As at December 2020, warehouse funding comprised 42% of Harmony's loan book, with the transition to being fully warehouse funded on target to be substantially completed during H2 FY2022. This transition is strategically aligned to Harmony's growth objectives and ability to amplify Customer Lifetime Value.

Harmony began the transition from a peer-to-peer funding model to a warehouse funding model in December 2018 with the establishment of its first New Zealand warehouse facility. Harmony established its first Australian warehouse facility in January 2020.

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Authorised for release to ASX/NZX by the Board of Harmony Corp Limited.

For queries, please contact:

¹ a combination of senior note and mezzanine note funding provided by M&G Investments with Harmony the Junior note holder



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About Harmony

Harmony is an online direct personal lender that operates across New Zealand and Australia providing customers with unsecured personal loans that are easy to access, competitively priced (using risk-adjusted interest rates) and accessed 100% online.

Since originating its first loan in August 2014, Harmony has originated over NZ\$1.8 billion in personal loans (growing at a compound annual growth rate of 86% between FY15 and FY20), serving more than 47,000 customers and increasing its total current loan book to approximately NZ\$472 million.

Harmony's proprietary digital lending platform, Stellare™, facilitates its personalised loan product with applications processed and loans typically funded within 24 hours of acceptance by the customer. Stellare™ applies a customer's individual circumstance to its data-driven, machine learning credit scorecard to deliver automated credit decisioning and accurate risk-based pricing.

About M&G Investments

M&G Investments is part of M&G Plc, a savings and investment business which was formed in 2017 through the merger of Prudential plc's UK and Europe savings and insurance operation and M&G, its wholly owned international investment manager. M&G Plc listed as an independent company on the London Stock Exchange in October 2019 and has £339 billion of assets under management (as at 30 June 2020). M&G Plc has over 5 million customers in the UK, Europe and Asia, including individual savers and investors, life insurance policy holders and pension scheme members.

For nearly nine decades M&G Investments has been helping its customers to prosper by putting investments to work, which in turn creates jobs, homes and vital infrastructure in the real economy. Its investment solutions span equities, fixed income, multi asset, cash, private debt, infrastructure and real estate.

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